



MEDINA, WASHINGTON

AGENDA BILL

Monday, July 27, 2026

Subject/Topic: Ezee Fiber Telecommunications Franchise Dept. Origin: Public Works Category: Council Business Prepared by: Jennifer Robertson, City Attorney and Ryan Osada, Public Works Director Attachments: Ordinance No. XXX and Proposed Telecommunications Franchise Agreement	Proposed Council Action/Motion: ☒ Information ☐ Receive and File ☒ Discuss ☐ Provide Direction ☒ Public Hearing ☐ Adopt/Approve
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Summary

1. Application Overview.

Ezee Fiber Washington Assets, LLC (“Ezee Fiber”) has applied for a non-exclusive telecommunications franchise in order to install and operate a high-speed fiber optic infrastructure network in the City of Medina rights of way. The non-exclusive franchise agreement is attached to Ordinance No. XXX. Ezee Fiber will provide internet services within the City of Medina and will provide more choices to Medina Residents. Ezee Fiber has represented to the City that at least a portion of the services it provides meet the definition of a “telephone business” as defined by RCW 82.16.010 or acts as a service provider as such term is defined in RCW Section 35.99.010. This means that Ezee Fiber is required to pay utility taxes on the services which are classified as a telephone business.

Ezee Fiber applied for the telecommunications franchise in accordance with MMC 15.06.020. Following review of the application, the Public Works Director found that Ezee Fiber met the requirements for a telecommunications franchise under Ch. 15.06 MMC and directed the City Attorney’s Office to negotiate and prepare a franchise agreement for Ezee Fiber. Ezee Fiber will reimburse the City for all costs of negotiating, preparing and processing the franchise agreement, including reimbursement for the City Attorney fees.

2. Agreement Summary.

This franchise agreement is consistent with franchise agreements that are offered to competing businesses as is required by law. Ezee Fiber will be required to serve the general public with its telecommunications services. MMC 15.06.010; 15.06.100.

The franchise agreement allows Ezee Fiber to utilize Medina rights of way for its fiber network. The agreement has an initial term of 10 years and allows two 5-year extensions. On year 5 of the

initial term, the parties can re-evaluate the franchise to determine if there are any pending issues. If this review initiated, the parties will discuss the issues in good faith.

The franchise agreement is non-exclusive, which means that Medina is not limited from granting franchises to other competitors.

Key agreement terms:

In order to install and maintain the fiber network, Ezee Fiber will need to obtain permits to work in Medina rights of way. The City and Ezee Fiber have agreed to seek to coordinate excavation work as feasible to avoid repeat work in the same right of way and reduce the frequency of cutting into the rights of ways. Ezee Fiber will also need to restore the rights of way following any construction and maintenance. (See Section 3 of Agreement.)

If the City requires Ezee Fiber to move its facilities for the City project, Ezee Fiber is required to do so at its own expense. (See Section 4 of Agreement.)

In areas where other facilities in the City are underground, Ezee Fiber agrees to also place its facilities underground. (See Section 5 of Agreement.)

Ezee Fiber will provide the City with the opportunity to obtain use of conduit or additional duct at Ezee Fiber's incremental cost. This conduit or duct would then belong to the City for its own uses. (See Section 9 of Agreement.)

Ezee Fiber is required to provide extensive insurance coverage (\$5 million) and indemnification to the City. (See Section 13 and 14 of Agreement.) Ezee Fiber also is required to post bonds when performing work in the rights of way. (See Section 16 of Agreement.)

The City has the authority to enforce the agreement, including terminating the agreement or fining Ezee Fiber for breach in the amount of \$250 per day (See Sections 2.5 and 17 of Agreement).

3. *Procedures for Adoption.*

The City's procedures require the Council to hold a public hearing on the franchise. In addition, state law requires a franchise agreement to be introduced at two City Council meetings prior to adoption (it can be approved at the second meeting). Franchise agreements must be passed by a majority of the entire council (four votes in the affirmative). In determining whether to grant a franchise, the Council is tasked to consider the factors under MMC 15.06.030 which are set forth below.

- A. Whether the applicant has received all requisite licenses, certificates, and authorizations from the Federal Communications Commission, the Washington Utilities and Transportation Commission, and any other federal or state agency with jurisdiction over the activities proposed by the applicant;
- B. The capacity of the rights-of-way to accommodate the applicant's proposed facilities;
- C. The capacity of the rights-of-way to accommodate additional utility and telecommunications facilities if the franchise is granted;
- D. The damage or disruption, if any, of public or private facilities, improvements, service, travel or landscaping if the franchise is granted;

- E. The public interest in minimizing the cost and disruption of construction within the rights-of-way;
- F. Applicant's proposed compliance with all applicable development guidelines;
- G. The effect, if any, on public health, safety and welfare if the franchise requested is granted;
- H. The availability of alternate routes and/or locations for the proposed facilities;
- I. Such other factors as may demonstrate that the grant to use the rights-of-way will or will not serve the community interest.

The Public Works Director has determined that Ezee Fiber has met all of these factors. Outside of these factors, the Council does not have the authority to deny the franchise. If the Council denies the franchise, it is required to make written findings based on the above factors.

Council Priorities

This proposal furthers Council Priorities 2.

- 1. Financial Stability and Accountability
- 2. Quality Infrastructure
- 3. Efficient and Effective Government
- 4. Public Safety and Health
- 5. Neighborhood Character and Community Building

Budget/Fiscal Impact: Since some of the services offered by Ezee Fiber meet the definition of a "telephone business", it is expected that Ezee Fiber will pay utility taxes to Medina.

Recommendation: This matter requires two readings and a public hearing. The public hearing will be held on July 27th after which the Council may review and discuss the franchise. The franchise will be brought back for passage at the August City Council meeting.

City Manager Approval:



Proposed Council Motions: N/A

Time Estimate: 10 minutes