



## BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6857  
February 3, 2026  
Regular Business

### AGENDA BILL INFORMATION

<b>TITLE:</b>	AB 6857: Forged Fiber 37, LLC Telecommunications Franchise Agreement (Ord. No. 26-01, First Reading)	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Schedule Ordinance No. 26-01 for second reading on March 3, 2026, or later.	

<b>DEPARTMENT:</b>	Public Works
<b>STAFF:</b>	Jason Kintner, Chief of Operations Kellye Hilde, Public Works Deputy Director Rebecca Corigliano, Transportation Engineer
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. Draft Ordinance No. 26-01 – Franchise Agreement with Forged Fiber 37, LLC
<b>CITY COUNCIL PRIORITY:</b>	n/a

<b>AMOUNT OF EXPENDITURE</b>	\$ n/a
<b>AMOUNT BUDGETED</b>	\$ n/a
<b>APPROPRIATION REQUIRED</b>	\$ n/a

### EXECUTIVE SUMMARY

The purpose of this agenda item is to provide background information on a proposed telecommunications franchise agreement with Forged Fiber 37, LLC and set an ordinance for second reading likely on March 3, 2026.

- AT&T signed an agreement to purchase a portion of the fiber business of Lumen Technologies, Inc. and its affiliates ("Lumen"), which includes fiber assets and associated facilities that are located within the City's rights-of-way.
- In advance of transfer of any assets, AT&T seeks to obtain all necessary rights to own and construct telecommunications facilities within the City's rights-of-way under the legal entity, Forged Fiber 37, LLC.
- Forged Fiber 37, LLC, a wholly-owned subsidiary of AT&T, is seeking a franchise agreement to access the City's rights-of-way for a telecommunications network.
- Currently, Forged Fiber 37, LLC does not own any facilities within the City's rights-of-way but will take over a portion of the fiber lines it is obtaining from the Lumen deal.
- Daniel Kenny (Ogden Murphy Wallace, PLLC) is negotiating this agreement on behalf of the City, provided as Exhibit 1.

- The ordinance for this franchise agreement requires a second reading as required by [RCW 35A.47.040](#).
- Upon adoption of the ordinance, Forged Fiber 37, LLC would still need to obtain permits and approvals before working within City's rights-of-way.

## BACKGROUND

In summer 2025, the City of Mercer Island was approached by Forged Fiber 37, LLC to obtain a franchise agreement. Forged Fiber 37, LLC, a wholly-owned subsidiary of AT&T, does not currently own telecommunications facilities within the City's rights-of-way. Upon completion of the purchase agreement between AT&T and Lumen, Forged Fiber 37, LLC will assume ownership of a portion of Lumen's existing fiber infrastructure located within the City's rights-of-way.

The proposed agreement would generally authorize Forged Fiber 37, LLC to access the City's rights-of-way to construct, maintain, operate, replace, and repair the telecommunications network. This agreement is consistent with other telecommunications franchise agreements previously approved by the City.

Staff worked with Daniel Kenny (Ogden Murphy Wallace, PLLC) to negotiate the proposed agreement on behalf of the City. The draft agreement was prepared by Mr. Kenny, reviewed by Public Works staff and the City Attorney, and approved by Forged Fiber 37, LLC. The draft franchise agreement is provided for City Council consideration as Exhibit 1.

## ISSUE/DISCUSSION

This franchise agreement is a general contractual agreement with Forged Fiber 37, LLC which allows entrance and use of the rights-of-way for wireline deployments. Forged Fiber 37, LLC will still need to apply for and receive all necessary permits for all installations. This is a typical practice for franchise agreements with the City.

[RCW 35A.47.040](#) requires a second reading to City Council prior to ordinance adoption. City staff plan to return for a second reading likely on March 3, 2026.

## RECOMMENDED ACTION

Schedule Ordinance No. 26-01 for second reading and adoption at an upcoming City Council Meeting.