

COUNTY ENGINEER’S REPORT
FRANCHISE – TELECOMMUNICATIONS FACILITIES
FATBEAM, LLC

Pursuant to chapter 36.55.010 Revised Code of Washington (RCW), Section 9.20 Snohomish County Charter, and Title 13 of the Snohomish County Code (SCC), Fatbeam, LLC, has applied to Snohomish County (the “County”) for a franchise to install, operate and maintain a telecommunications system, including fiber optic cables and uses incidental thereto. Chapter 36.55 RCW and Snohomish County Charter Section 9.20 authorize the County to grant nonexclusive franchises for use of County public rights-of-way. Snohomish County’s franchise procedure is contained in Chapter 13.80 SCC. The County Engineer has examined the application and submits the following report to council in accordance with SCC 13.80.040.

FINDINGS

1. Applicant

Fatbeam, LLC, hereafter referred to as “Fatbeam”, is a Washington limited liability company registered with the Washington Utilities and Transportation Commission as a Competitive Telecommunications Company. Fatbeam is based in Coeur d’Alene, ID, providing fiber optic dark and lit wide area network, dedicated internet access, and other connectivity services to education, government, enterprise, healthcare, and other entities. Fatbeam began offering services in Washington State in 2012 and currently has facilities Yakima, King, Pierce, and Lewis counties.

2. Description of County Roads Included in the Proposed Franchise

The proposed franchise includes all county rights-of-way located in the portions of unincorporated Snohomish County as shown in Exhibit A and within the township, range, and section below:

<u>Township</u>	<u>Range</u>	<u>Section</u>
28N	8E	35 & 36

3. Description of Facilities

Fatbeam does not currently own facilities in unincorporated Snohomish County, but will be applying for permits to construct facilities at locations in the vicinity of Startup as shown in Exhibit A. The proposed system consists of aerial fiber placed on existing poles.

4. Insurance

Fatbeam has agreed to obtain and maintain insurance for the term of the franchise in accordance with SCC 13.10.100 and Section 18 of the franchise. The Risk Management Division has reviewed and approved the insurance requirements in the proposed franchise. As provided in franchise Section 33, the franchise will not take effect until Fatbeam provides evidence of insurance acceptable to the Risk Management Division.

5. Term of Franchise

The initial term of the proposed franchise is for a period of ten (10) years (the “Initial Term”), beginning on the Effective Date as defined in Section 33 of the franchise, and automatically renew for an additional term of ten (10) years (the “Extended Term”). The County would have the right to unilaterally open negotiations with Fatbeam at any time after the Initial Term, as more fully described in franchise Section 3.3.

6. Provisions of Franchise

Under the proposed franchise, Fatbeam will:

- Obtain a right-of-way permit pursuant to Title 13 SCC prior to commencing any work within the public rights-of-way, as more fully described in franchise Section 4.
- Comply with the requirements of State law, County Charter, Title 13 SCC, the Engineering Design and Development Standards (EDDS), the county’s Utility Accommodation Policy, and all right-of-way use permit application, review and construction standards, as more fully described in franchise Section 6.
- Promptly, at its own expense, relocate or remove its facilities from county rights-of-way when the County Engineer determines that it is necessary due to: traffic conditions; public safety; dedications, improvements and vacations of rights-of-way; and other reasons more fully described in franchise Section 9.
- Not in any event abandon in place all or a portion of their facilities without the express written consent of the county as more fully described in franchise Section 14.
- Compensate the county for its administrative expenses in preparing and processing the proposed franchise, as more fully described in franchise Section 15.2.
- Indemnify, defend and hold harmless any County Party from any and all claims, demands, liability, suits, and judgments, including costs of defense thereof, for bodily injury to persons, death, or property damage arising out of its use of public rights-of-way under the proposed franchise, as more fully described in franchise Section 16.
- Provide the county with adequate insurance appropriate for a telecommunications system franchise, as more fully described in franchise Section 18.
- Post a security device sufficient to ensure performance of its obligations when required by the County Engineer, as more fully described in franchise Section 19.
- Not assign any franchise rights or obligations without prior written consent of the county, as more fully described in franchise Section 22.
- Comply with Title VI Assurances and Non-Discrimination requirements, as more fully described in franchise Section 29.

COUNTY ENGINEER'S RECOMMENDATION

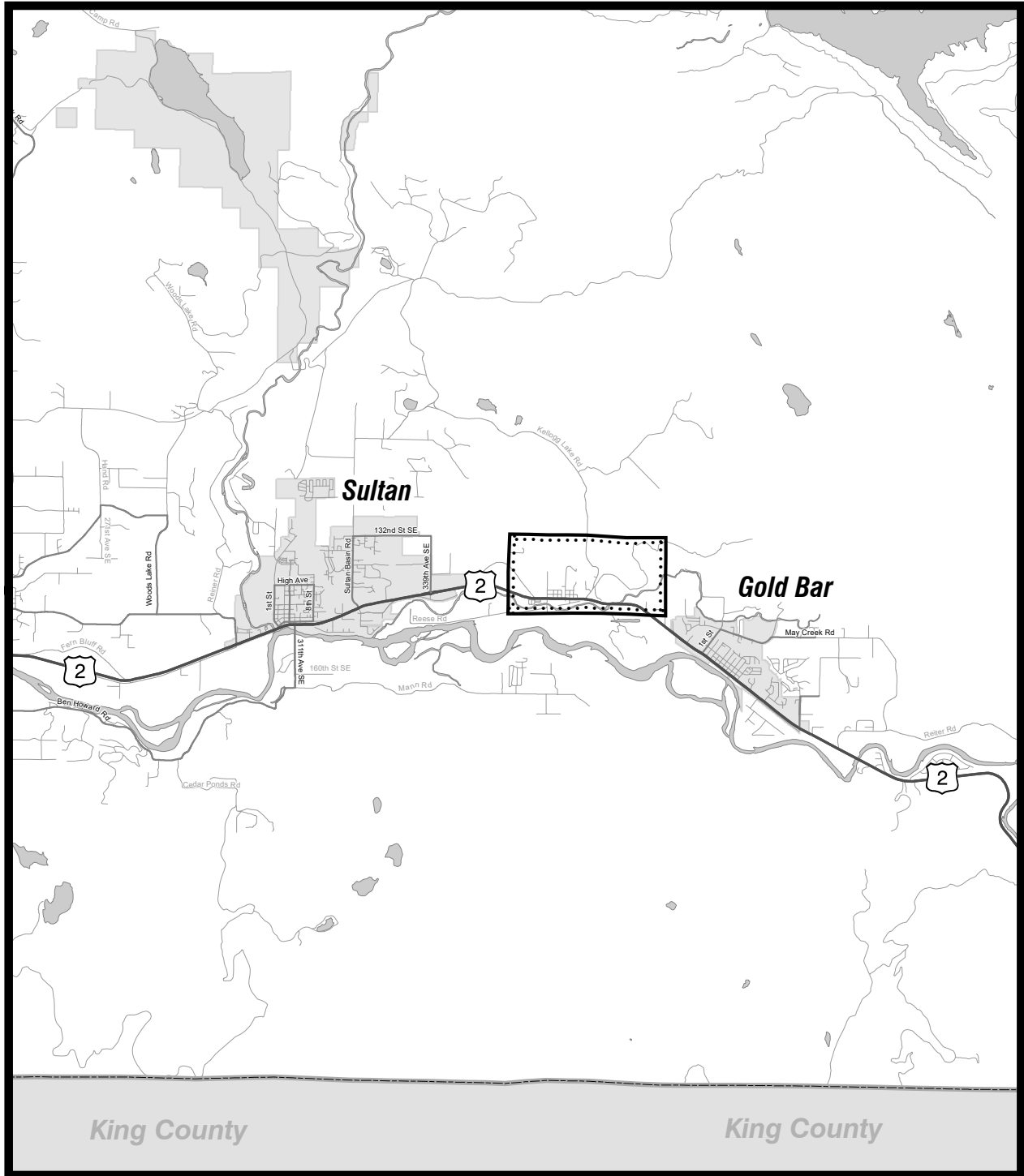
Based on the foregoing findings and pursuant to SCC 13.80.040, the County Engineer recommends the County Council grant a right-of-way franchise to Fatbeam, LLC, with an initial term of ten (10) years and an automatic renewal for an additional term of ten (10) years, under the terms and conditions of County Charter, County Code and the proposed ordinance granting a franchise.

SNOHOMISH COUNTY PUBLIC WORKS

Douglas W. McCormick, P.E. Date
Deputy Director/County Engineer

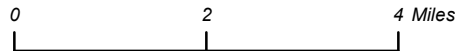
Prepared by:

Mary Madole Date
Senior Planner – Special Projects



Key to Features:

- Franchise Areas
- State Routes
- Roads
- Waterbodies
- Cities



Snohomish County disclaims any warranty of merchantability or warranty of fitness of this map for any particular purpose, either express or implied. Any user of this map assumes all responsibility for use thereof, and further agrees to hold Snohomish County harmless from and against any damage, loss, or liability arising from any use of this map.

Exhibit A. Fatbeam, LLC Proposed Franchise Area

(The proposed franchise applies exclusively to county rights-of-way located in the portions of unincorporated Snohomish County depicted above.)