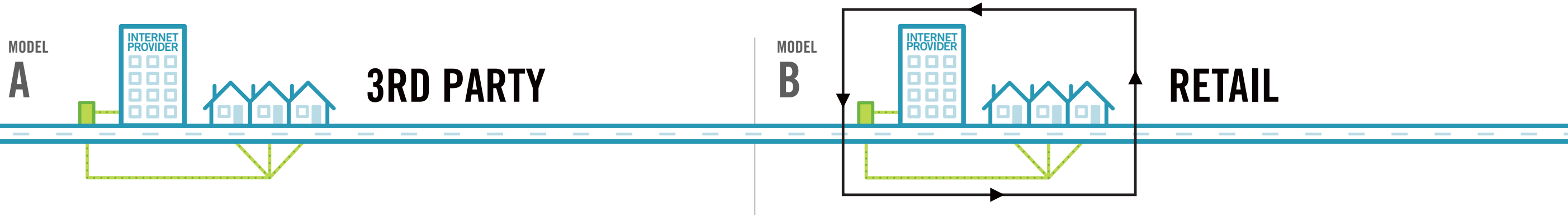




**BROADBAND
OPTIONS MATRIX**



INFRASTRUCTURE/ SERVICE	City encourages the private company to build a fiber-to-the-premise (FTTP) infrastructure and operate as the Internet Service Provider (ISP)	City builds the infrastructure (FTTP) and operates as the ISP
ORGANIZATIONAL IMPLICATION(S) TO THE CITY	Little Risk (see financial implications)	<ul style="list-style-type: none"> - New department/utility created <ul style="list-style-type: none"> • 33 FTEs • Management of assets • Staff time to negotiated, coordinate, and review compliance - Need to be as nimble as private sector - Knowledge/Expertise Needs <ul style="list-style-type: none"> • Technology, customer preferences, security
ECONOMIC/ SOCIAL IMPACT	<p>Research has shown that there are many economic and social benefits to broadband access, speed and reliability including:</p> <ul style="list-style-type: none"> • Broadband access can reduce the digital divide which facilitates full utilization of online platforms – assist job seekers in finding openings, uploading resumes, etc. • Broadband has made medical care and information more accessible and convenient to assist patient and health professionals • Broadband enables a lower-cost online education – many secondary schools are requiring students to submit homework online • Broadband can increase civic participation • Broadband supports entrepreneurship and small businesses – reliability, improved security of confidential information, job postings, etc. 	
FINANCIAL IMPLICATION(S)	<p>Some risk due to the financial risk of the private partner</p> <ul style="list-style-type: none"> • Unused infrastructure, incentive take back – if incentive was provided and the ISP fails, the collection of any financial incentive 	<p>\$135M total investment</p> <ul style="list-style-type: none"> • \$125M debt, \$10M working capital <p>Currently, total City debt is \$105M. Need for prioritization of organizational debt.</p>
CONTROL	<p>Less Control</p> <ul style="list-style-type: none"> • Price (set by private provider rate) • Speed • Minimum customer service requirements • Coverage dependent on market demand (does not have to be universal) 	<p>High Control</p> <ul style="list-style-type: none"> • Price • Speed • Customer service • Universal coverage
MARKET CONDITIONS	<ul style="list-style-type: none"> - Two incumbents largely control the Fort Collins Internet market <ul style="list-style-type: none"> • Comcast is an \$8B after-tax earnings company that has invested over \$500M per year in Colorado on upgrades, operations and marketing. • Incumbents are using new alternative technology to provide ultra-high-speed Internet through their existing systems - Fiber-to-the-premise is offered in limited areas - Citizen voted to overturn SB05-152 in Nov 2015 to allow the City to be directly or indirectly involved in entering the market - DOCSIS 3.1 rollout 	
MARKET IMPLICATION(S)	<ul style="list-style-type: none"> - Uncertainty – City will need to attract a private company (some incentives might be given to entice a company to enter the Fort Collins market) - A current market player who understands the Internet market should be able to compete better 	<ul style="list-style-type: none"> - There could be more competition in the market to drive the incumbents to improve pricing affordability, customer service and reliability - If the City does not get the estimated subscription rate, the debt will still need to be paid and cost could be pushed to all citizens - Lots of construction to reach every premise
TIMING	Uncertain	

Auxiliary aids and services are available for persons with disabilities.