

DATE: March 24, 2015

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WORK SESSION ITEM

City Council

SUBJECT FOR DISCUSSION

Broadband Strategic Plan Update.

EXECUTIVE SUMMARY

The purpose of this item is to provide City Council with an overview of the Broadband Strategic Plan project which was funded through the 2015-2016 Budgeting for Outcomes process. As the demand for more advanced, reliable and affordable broadband service rises, the City must define its ongoing role in ensuring access is provided. Staff has begun a phased approach which includes gathering market and benchmark data, assessing feasibility and engaging the citizenry to frame the Community Vision for Broadband Service in Fort Collins.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Does City Council Support the work plan for the Broadband Strategic Plan Project?

BACKGROUND / DISCUSSION

Broadband has become an important infrastructure for communities in the 21st century. Broadband is defined by the Federal Communications Commission (FCC) as:

Broadband or high-speed Internet access allows users to access the Internet and Internet-related services at significantly higher speeds than those available through "dial-up" services. Broadband speeds vary significantly depending on the technology and level of service ordered. Broadband services for residential consumers typically provide faster downstream speeds (from the Internet to your computer) than upstream speeds (from your computer to the Internet).

The demand for more advanced, reliable and affordable broadband service is challenging local governments to develop effective strategies for connecting citizens, businesses and institutions. Research indicates that Broadband is critical for success in the following areas:

- Economic Development
- Organizational effectiveness
- Public Safety
- Underserved citizenry
- Entrepreneurship - supporting the "Creative Class"
- Education and institutional partners

Through the 2015-2016 Budgeting for Outcomes process, \$300,000 was set aside to fund the Broadband Strategic Plan (Offer 152.1).

At a high level, the Broadband Strategic Plan project includes the following objectives:

1. Gather benchmark data and market analysis including case write-ups on other municipalities that have implemented broadband
2. Community engagement to understand community's desire for various levels of service

3. Analyze feasibility and options for broadband services
4. Recommendation to Steering Committee and City Council for future direction

Key issues that will be addressed through the Broadband Strategic Plan project include:

1. Level of partnerships - Public/Private, role of PRPA, etc.
2. Market desire for bundled vs. standalone service
3. Risks associated with changing technology
4. Cost to consumer of each alternative
5. Federal, State and local legislative considerations

Project Scope

The scope of the project includes numerous phases that will be executed concurrently. The high level components include:

1. Phase 1: Gather benchmark data on other municipalities that have implemented broadband including but not limited to:
 - a) Level of investment
 - b) Municipal Code changes required
 - c) Services provided
 - d) Cost to residential and business customers
2. Phase 1: Conduct market analysis, including but not limited to:
 - a) Industry trends
 - b) Cost structures
 - c) Legislative barriers
 1. Colorado legislation SB-152
 2. Federal legislation
 - d) Market opportunity
3. Phase 2: Community Vision: Community engagement process to educate and define:
 - a) Community's desire for broadband service
 - b) Willingness to pay for broadband service
 - c) Role citizens believe the City should play in providing broadband service
4. Phase 3: Analyze feasibility and options for broadband services, including:
 - a) Alternative analysis - Research options ranging from a "do nothing strategy" to public/private partnerships to the creation of a new utility and various options in between - includes scope, definition, investments, partnerships, etc.
 - b) Financial analysis - investment, ongoing cost and return of each alternative
 - c) Risk analysis - technological, operational & fiscal risks and trade-offs between the various alternatives
5. Recommendation City Council for future direction

Project Deliverables

1. Community education materials
2. Community Engagement Plan
3. Summary report of learnings from Community engagement
4. Summary Report of Benchmark Data for other municipalities
5. Market Analysis report

- 6. Feasibility Report: Including alternative analysis, risk and financial analysis, etc.
- 7. Recommendation to City Council

Project Work to date

- Project Team kick-off completed
- Stakeholders identified
- Project Plan creation nearing completion
- Request for Proposal (RFP) for consulting partnership in process

High-Level Project Timeline:

Timeframe 2015	Key Activities	Key Stakeholders
March	<ul style="list-style-type: none"> • Project Kick-Off • City Council Update • Finalize Project Plan • Finalize Community Engagement Plan • Release RFP for Phase 1 and 2 	<ul style="list-style-type: none"> • Project Team • City Council • Internal Staff
April	<ul style="list-style-type: none"> • Release RFP for Phase 3 • Create Community Education Materials 	<ul style="list-style-type: none"> • Project Team • Internal Staff • Consultant
May-October	<ul style="list-style-type: none"> • Gather Benchmark Data and Market Analysis • Community Engagement – Round 1* 	<ul style="list-style-type: none"> • Community – residential and businesses • Community Partners • City Council • Council Committees • Boards and Commissions
June-October	<ul style="list-style-type: none"> • Feasibility Study 	<ul style="list-style-type: none"> • Project Team • Internal Staff • Consultant • Community Partners
June-July	<ul style="list-style-type: none"> • Project Update 	<ul style="list-style-type: none"> • Boards and Commissions • Council Finance Committee • Futures Committee
August	<ul style="list-style-type: none"> • Project Update 	<ul style="list-style-type: none"> • City Council
October-November	<ul style="list-style-type: none"> • Project Update 	<ul style="list-style-type: none"> • Boards and Commissions • Council Finance Committee • Futures Committee
November-December	<ul style="list-style-type: none"> • Recommendation to City Council 	<ul style="list-style-type: none"> • City Council

*The Project Team is approaching Community Engagement as an iterative process

As shown in the timeline, the project team will be providing regular updates to City Council and Boards and Commission to ensure ongoing alignment.

ATTACHMENTS

1. Powerpoint presentation(PDF)

Broadband Strategic Plan Project Update

City Council Work Session
March 24, 2015

Broadband Project Overview

- Direction Sought
- Project Objectives
- Options
- Project Scope and Deliverables
- Timeline
- Key Stakeholders
- Public Engagement

Question for City Council

- Does City Council Support the work plan for the Broadband Strategic Plan Project?

Project Objectives

1. Gather benchmark data and market analysis including case write-ups on other municipalities that have implemented broadband
2. Community engagement to understand community's desire for various levels of service
3. Analyze feasibility and options for broadband services
4. Recommendation to City Council for future direction

Spectrum of Options

Status Quo or
“Do Nothing”

Policy/Code
Changes

Policy Changes
Right of Way Options

Public/Private
Partnership

Create
Utility



Project will analyze feasibility of all options

Sample - Key Issues to Address

- Partnership Options – Public/Private, role of PRPA, etc.
- Market desire for service considerations – i.e. bundled vs. standalone service
- Risks associated with emerging technology
- Federal, State and local legislative considerations

Scope of Project

Phase 1
Gather Data

Benchmark Research &
Market Analysis

Phase 2
Community
Vision

Community Engagement &
Education

Phase 3
Feasibility

Alternative Analysis
Financial Analysis
Risk Analysis

Project Deliverables

- Benchmark and Market Analysis report
- Community education materials
- Community Engagement Plan
- Summary report of learnings from Community engagement
- Feasibility Report
- Recommendation to City Council

Project Work to Date

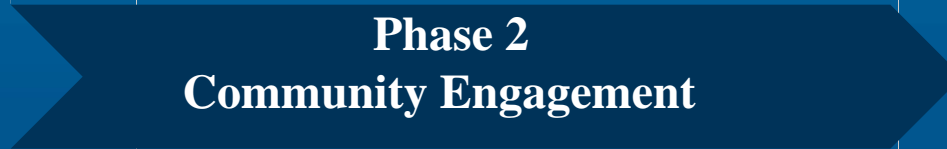
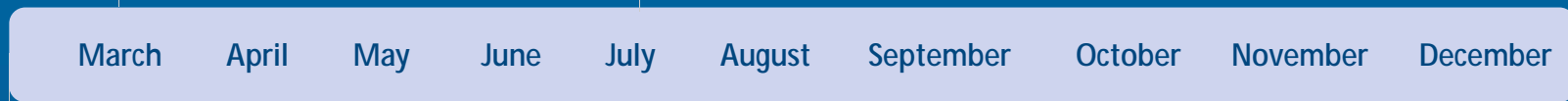
- Funding - \$300,000 through 2015-2016
Budgeting for Outcomes – Offer 152.1
- Project kick-off March
- Stakeholders identified
- Detailed Project Plan
- Community Engagement Plan in process
- Request for Proposal (RFP) for consulting partnership in process

High-level Timeline - 2015

**March 24
Council Work
Session**

**July 28
Council Work
Session**

**December 8
Recommendation
to Council**



Key Stakeholders

- Citizens
- Businesses – all sizes and industries
- Institutional – CSU, PSD, etc.
- Current Service Providers
- Boards and Commissions

Public Engagement

- Workshops & Focus Groups with Community Sectors
- Open houses
- Surveys
- Road show to reach key stakeholders and hard to reach citizens
- Council Work Sessions & Futures Committee – March, July and December

Project Objectives Review

1. Benchmark data and market analysis
2. Community engagement
3. Analyze feasibility & risk of options
4. Recommendation to City Council

Question for City Council

- Does City Council Support the work plan for the Broadband Strategic Plan Project?