



Legislation Text

File #: 44446, **Version:** 1

Fiscal Note

The proposed resolution accepts the Fiber-to-the-Premises Feasibility Analysis and creates a staff team to work with the Digital Technology Committee to develop an implementation plan. A budget amendment in the amount of \$250,000 in General Obligation Borrowing will be offered to amend the Information Technology 2017 Executive Capital Budget through the BOE or Council amendment process. These funds, if appropriated, will be used to obtain consulting services to assist with the development of the implementation plan.

The City's portion of the actual cost of implementation of Fiber-to-the-Premises is estimated to be \$149.1 million, spread over three to five years. Funding for the implementation will be included in future years' capital budgets and subject to Council approval at that time.

Title

Accepting the Madison Fiber-to-the-Premises Feasibility Analysis report and recommendations of the Digital Technology Committee.

Body

PREAMBLE

In November of 2015, the Digital Technology Committee was tasked with determining the feasibility of the City pursuing deployment of a citywide ultra-high-speed fiber-based broadband network. The City engaged CTC Technology & Energy (CTC) to:

- Provide an analysis of range of options of ownership and operational structure of a fiber to the premises network, including options for an open network, the city partnering with a private entity, and a city utility.
- Provide a 10-year projection of capital and operating expenses and revenues for the most likely options.
- Ensure that these projections meet the requirements of Wisconsin State Statute 66.0422.
- Provide an analysis of the risks involved in building a city-wide fiber to the premises network, including legal, financial and political risks.
- Develop a comprehensive written report that presents alternatives to address the engineering and business parameters for deploying fiber to the premises city-wide in Madison, assuming the use of available city telecommunications assets (MUFN).

The resulting CTC report assisted the City in identifying its goals in building a fiber-based broadband network:

- Equity - Alignment with Racial Equity and Social Justice (RESJ) and digital divide goals
- Ubiquity - Service is deployed to the entire City
- Competition in the marketplace - Enabling multiple providers to compete
- Consumer choice - Citizens can purchase service from various providers
- Control - The City has a long-term stake in the asset

The report recommended a shared investment and risk model in which the City and a private partner(s) find creative ways to share the capital, operating, and maintenance costs of a broadband network. The evolving structure of this model is referred to as a "Dark FTTP Partnership". The report estimates capital costs to build

the city's portion of the network at \$149.1M, that would be spread over 3-5 years.

At the same time this study was proceeding, the City pursued a pilot program of bringing fiber to certain neighborhoods to assist the City in understanding feasibility of a robust fiber network. The pilot program is currently underway.

WHEREAS, the Digital Technology Committee was tasked with determining the feasibility of the City pursuing deployment of a citywide ultra-high-speed fiber-based broadband network; and

WHEREAS, the City engaged CTC Technology & Energy to perform a study and develop a comprehensive report that includes a recommended model and a cost benefit analysis that meets the requirements of Wisconsin State Statute 66.0422; and

WHEREAS, the Digital Technology Committee has reviewed and accepted the report.

NOW THEREFORE BE IT RESOLVED, that the Common Council accepts the Madison Fiber-to-the-Premises Feasibility Analysis report and directs the Digital Technology Committee and a staff team with representation from Finance and City Attorney and led by IT staff in association with consulting services as needed to develop an implementation plan to include:

- A "Dark FTTP partnership" model as described in the report
- Compliance with Wisconsin State Statute 66.0422
- Recommendations to fund the City's portion of the project
- Identification of interested public and private partners

BE IT FURTHER RESOLVED, that the Digital Technology Committee shall report back to the Common Council with the implementation plan no later than 12/31/2017.