

Item #180315

Broadband Next Steps

August 15, 2019



Where We Are

- On June 20 the City Commission received a report from an independent consultant commissioned by the Broadband Subcommittee regarding the potential for the City to provide broadband service to Gainesville and the surrounding area.
- Study was to determine feasibility of providing a one gigabit product at the lowest price in the nation
 - Study indicated that under certain circumstances it might be feasible.

Broadband Next Steps

- **Determination of the public purpose for the provision of one gigabit of broadband**
 - **Municipality may not expend funds unless the expenditure is supported by a public purpose**
- **City Attorney's office will recommend that any funds borrowed or bonds issued be validated through a bond validation proceeding in circuit court**
- **City Attorney will also work with County Attorney's office to understand County's intent for the use of additional sales tax for the project**
- **Requires estimated 80 hours of in-house attorney time**

Broadband Next Steps

- **The work product in the consultant's report has not been reviewed or vetted by GRU Budget, Finance and Accounting staff**
 - **Financial models were received July 23rd**
 - **Review will be concurrent with City Attorney legal review**
 - **Estimate 150 hours of internal staff time for financial analysis and review**
- **On a parallel track, GRUCom staff will initiate discussions with the City Commission to determine:**
 - **Who may be eligible for digital divide pricing?**
 - **What product will be offered to serve digital divide households?**

Broadband Next Steps

- **After these analyses are completed, if the City Commission determines to move forward with the project, the following steps remain:**
 - **Bond Counsel & Financial Advisor review**
 - **Digital divide study**
 - **Surveying to estimate eligible customers and pricing needed to achieve the greatest reach**
 - **Estimates of additional costs and production of new financial models**
 - **Detailed engineering studies, analysis of fiber policies and practices, and public education campaign**

Broadband Next Steps

Total Projected Review Cost

COST ESTIMATES: BROADBAND REVIEW		
	PROJECTED RANGE	
	MINIMUM	MAXIMUM
Bond Counsel & Financial Advisor	100,000	150,000
Digital divide study:	30,000	30,000
Engineering, fiber policy analysis, public education campaign	200,000	350,000
Total	330,000	530,000

Does not include cost associated with estimated time City professional staff will spend evaluating the project

Broadband Next Steps Recommendation

**City Commission receive a presentation from staff on
broadband next steps.**