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Attachments: 1. 180333_2017-197 HARTWOOD SUBDIVISION PROPOSED CONDUIT SYSTEM MAP_20180917, 2. GRUCom Rate Options_With Upfront Payment, 3. GRUCom Rate Options_No Upfront Payment, 4. September 17, 2018 GRUCom Presentation

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9/17/2018	1	Community Redevelopment Agency	Approved, as shown above	Pass

Heartwood Internet (B)

The Heartwood neighborhood is one of the two major community initiatives in the Eastside Redevelopment District for the Gainesville CRA. The development includes major site and infrastructure construction associated with the 34-single family building pad sites on the former Kennedy Homes site in East Gainesville. Community stakeholders worked with the CRA on the naming, design, and planning for this initiative and the project has been much anticipated by the community, the CRA, and its Boards.

At its August 16, 2018 meeting, the Gainesville City Commission expressed their desire to include GRUCom GATOR NET GIGABIT internet in the Heartwood project and subsequently moved to refer the discussion to the September CRA Board meeting.

Since the August 16 City Commission meeting, CRA and GRUCom Staff have been meeting to develop a strategy to advance the initiative forward. We have determined the total estimated upfront cost to provide the GRUCom GATOR NET GIGABIT service to each of the 34 homes is based upon the contract period with GRUCom. There would be an upfront cost of \$45,923.15 for the conduit infrastructure installation. This work would be performed by the CRA's site contractor via a change order.

Per the attached backup titled GRUCom Rate Options, there several cost schedules and recovery models that could be chosen that would impact upfront GRUCom expenses as well as monthly HOA dues. As an example, a 24 month GRUCom contract term would require an upfront cost of \$40,734, resulting in monthly cost to the HOA of \$2,745.16/month (i.e. \$80.74/home). Whereas, for an 84 month GRUCom contract term, there would be an upfront cost of \$6,805. As a result, the monthly cost to the HOA would be \$2,124.32/month (i.e. \$62.48/home). There are also 36, 48, 60, and 72 month contract term options.

CRA Staff is currently overseeing the \$2.5M site construction contract of the Heartwood neighborhood. The CRA's goal is to find the most cost-efficient way to implement the various priorities such as high-quality construction, fire sprinkler systems, affordable housing, energy efficiency, and high speed internet, while also

not placing a significant financial burden on the end home buyers.

The site construction contract is on schedule to be completed by April 2019 with construction of the new single family residential housing units immediately following.

The current account balance for Heartwood account # W920 is \$5,314.97. Based on the approved CRA FY19 Budget, an additional \$96,562.00 will be available on October 1, 2018. The CRA Board may want to consider the different options and decide the best procurement process for CRA Staff to proceed with.

CRA Executive Director to CRA Board: 1) Discuss the fiscal impact and funding sources needed to install the GRUCom infrastructure associated with GATOR NET GIGABIT internet service to the CRA as the developer in the Heartwood development.