

## Broadband RFP License Agreement & Resolution

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## Broadband Guiding Principles

### **Guiding Principles**

- Minimize disruption of public and private property and ensure efficient use of public and private assets, as well as maintain consistency with the City's comprehensive land development plan;
- Ensure reliable ICT services at the lowest cost to the City's residents and businesses;
- Maximize universal access and interconnectivity;
- Ensure maximum number and variety of ICT communications, IoT and smart city services;
- Enhance the City's economic development programs;
- Receive fair compensation for the use of public property and City participation; and
- Enhance or augment community and public safety services; and
- Ensure the health and safety of the residents and visitors of the City of McKinney.



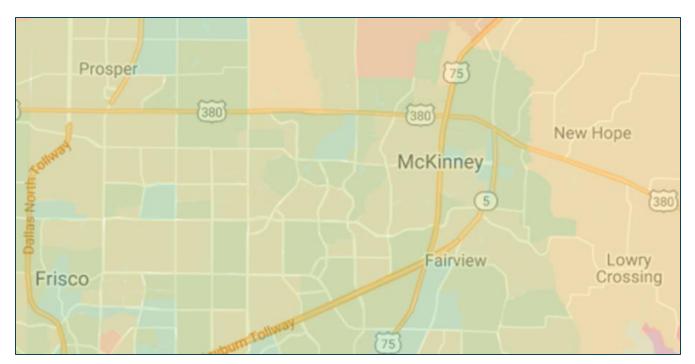




## Broadband Assessment Summary

#### Market Assessment

At a high-level view, it appears that there is a decent amount of coverage (access) across most of the City







### **Assessment Takeaways**

- In general, internet options appear to be good in McKinney
- There are areas in which the survey speed tests warrant improvement
- Adoption of services results do not provide a clear picture, but is important to monitor
- Fiber networks fiber accounts for less than 1/3<sup>rd</sup> of McKinney's coverage area (most of the infrastructure is cable or DSL)







## Broadband Recommendations Summary

#### Recommendations

- Community Infrastructure Base
  - Work with the provider community to develop a tech base that moves towards a Fiber-to-the-Premise model.
- City Facilities
  - Expand the current, city owned fiber ring to City facilities that could benefit from connectivity but have not had fiber deployed to them.
- City Economic Development:
  - In addition to having excellent connectivity that could come from Recommendation 1, the McKinney Economic Development Corporation (MEDC) could initiate pilot projects to enhance certain properties and attract certain businesses or business types.
- Adoption
  - There are people and groups in McKinney who might have access to broadband, but due to a variety of reasons are not adopting (or purchasing) broadband services.







### Broadband RFP Timeline & Results

### **RFP Timeline**

- The City issued a Request for Proposal (RFP), 22-36RFP for Broadband Network Deployment on March 27, 2022.
  - Advertised in McKinney Courier Gazette
  - Posted on McKinney TV
  - 387 matching eBid Supplier Notifications, twenty-two (22) were Historically Underutilized Business (HUB) suppliers.
- Of the 387 supplier notifications, eleven (11) submittals were received on May 12, 2022.
- After the committee evaluated proposals in June 2022, the evaluation committee selected three respondents to interview with the committee in July 2022,
  - AT&T
  - NextEra
  - SiFi Networks McKinney LLC.



#### RFP Results

 Based on the results of the combined scores for the proposals and interviews, the evaluation committee the City moved forward with exclusive negotiations with SiFi Networks McKinney LLC after council resolution on August 16<sup>th</sup>, 2022.

Supplier	Total	A - Part 1- Community Broadband Infrastructure Base	B - Part 2- City Facilities	C - Part 3- City Economic Development	D - Part 4- Broadband Adoption	E - Interviews
	/ 490 pts	/ 100 pts	/ 100 pts	/ 100 pts	/ 100 pts	/ 90 pts
SiFi Networks	402.8	86.8	79.6	80.8	78.2	77.4
NextEra Energy Solutions	380.6	79.6	78	80.4	70.2	72.4
AT&T Corp	353.6	82.4	67	70.8	76.4	57



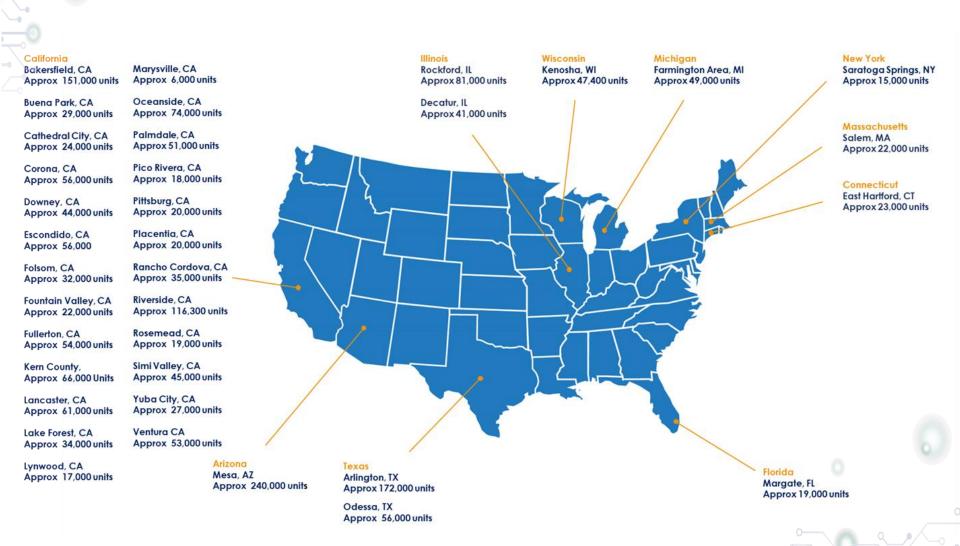


# SiFi Profile & License Agreement Highlights



FiberCity® Networks
CITYWIDE DIGITAL ENABLEMENT

# **Current FiberCity® Developments 2 MILLION+ ADDRESSES**



# FiberCity® McKinney OUTCOMES



Multimillion dollar private investment with \$0 cost to the city



Residential and Business service choice, competition, and affordable pricing



10 Gigabit symmetrical broadband connectivity to residential homes



FiberCity® Aid supporting disadvantaged families throughout the entire city



Citywide Open Access platform driving innovation



Local employment for the construction and maintenance of the network



Remove the digital divide & drive equality through accessibility



Connect any municipal facility to the more than 1,200-mile fiber network

### License Agreement Development

#### **Process Overview**

- Council approved a 120-day exclusive negotiation period and extended the negotiation period an additional 60-days in December.
- Participated in construction site visits in Fullerton, CA, Placentia, CA, & East Hartford, CT.
- Conducted remote interviews with Arlington, TX, Simi Valley, CA, & Ventura, CA.
- Referenced and evaluated previously approved agreements in like sized cities (e.g., City of Arlington, Texas).
- Developed recommended agreement in coordination with the City Attorney's Office, Engineering, Information Technology, MEDC, Public Works, & Purchasing.



### License Agreement Development

#### **General Overview**

- Commitment to develop citywide fiber-to-the-premises network
  - Satisfies part 1 of RFP
- Access to connect current & prospective city facilities
  - Satisfies part 2 of RFP
- Agreement to move forward with an economic development centered "smart cities sandbox" along Collin McKinney Parkway
  - Satisfies part 3 of RFP
- Commitment to begin deployment in underserved areas of the city (e.g. east HWY 5)
  - Satisfies part 4 of RFP



### License Agreement Development

#### **Terms Overview**

- No hard cost outlay required from the city, \$100M+ infrastructure investment anticipated from SiFi
- 30-year term with a series of 10-year options
- 12–24-month network design, 60 months to build
- Required to submit the larger of \$10,000 quarterly fee or \$2.99 per connect premise
- \$1M revolving escrow for damage remediation
- Primary construction method will be micro trenching in softscape (back of curb) & directional boring under reinforced concrete
  - Each permit will require design information and we have authority to modify construction standards per the agreement.
- Standard requirements for location notices, coordination with other utilities, and city assets in the ROW.
- We maintain ability to "stop-work" if at any point standards of the agreement and/or subsequent permit(s) aren't being followed.



## Next Steps & Community Engagement

### **ROW Permit Ordinance Update & Future Actions**

#### **Permitting**

- Each phase of the network build will require SiFi to pull a ROW permit that contains,
  - 1) a nominal fee and
  - 2) a commitment to reimburse city-related expenses associated with the build
- Staff anticipates ordinance/fee update to be presented within or by 2023-2024 budget adoption

#### "Shed" Locations

- As the network is designed, SiFi will be required to construct no less than two 1,000 sq/ft "sheds" that serve as end points for the network
- Anticipate these will be in city ROW or on city property; city will receive market rate compensation for this consideration
- Each anticipated location will require a separate license agreement between the City and SiFi



# Community Engagement EAT, GREET & SPONSORSHIPS

Weekly Food Truck Eat and Greet

**Community Events** 





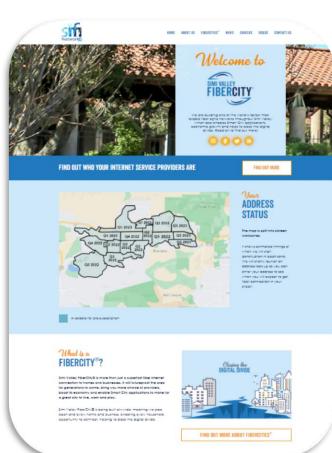




# **Driving Community Awareness ONLINE**

Community information – Progress Website, Leaflets, Business Cards and Door Hangers







# **Driving Community Awareness IN THE LOCALITY**









# Driving Community Awareness IN THE MEDIA





#### **WE'RE BUILDING A FIBER OPTIC NETWORK CITYWIDE TO:**

- BRING SUPERFAST INTERNET TO EVERYONE IN KENOSHA, HELPING TO CLOSE THE DIGITAL DIVIDE
- SECURE KENOSHA'S DIGITAL FUTURE, THIS ONE NETWORK IS ALL THE CITY WILL EVER NEED
- THE NETWORK WILL ENABLE SMART CITY APPLICATIONS FOR GREATER EFFICIENCIES
- WILL BOOST THE LOCAL ECONOMY AS NEW BUSINESSES ARE ATTRACTED TO THE CITY

REGISTER YOUR INTEREST TODAY! KENOSHAFIBERCITY.COM



A FIBER OPTIC NETWORK IS NOW BEING BUILT CITYWIDE. ONE NETWORK FOR ALL!

**REGISTER YOUR INTEREST TODAY!** 



## Questions/Comments?