



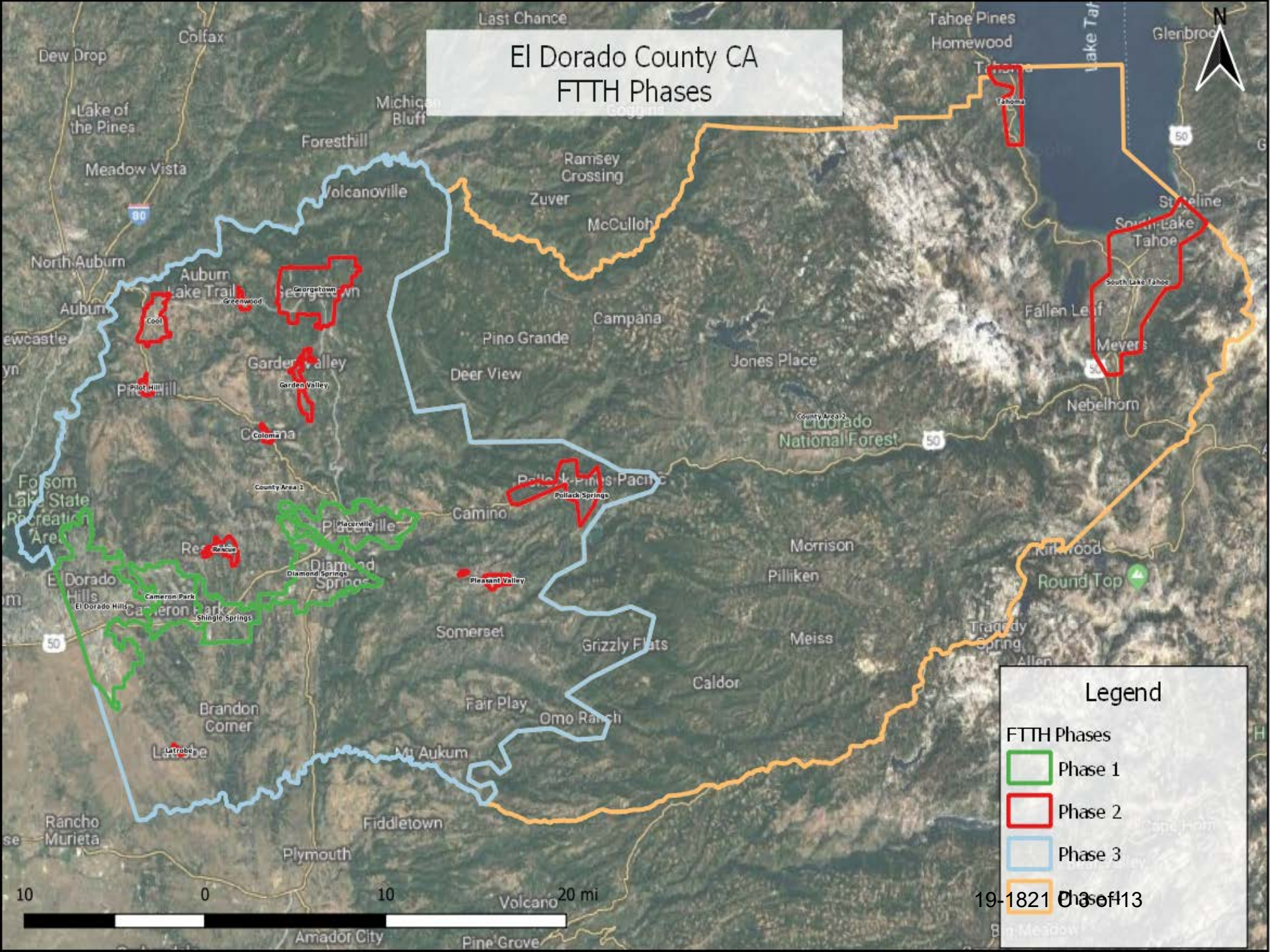
PATH FORWARD ON BROADBAND

DECEMBER 17, 2019

AGENDA

- ❖ Findings of our ride-out of the primary fiber routes and further verification of capital costs of a Fiber to the Home/Business network in El Dorado County
- ❖ Construction costs are higher in California
- ❖ Is it possible to fund the network implementation for County-wide Broadband, with \$100 annual property assessment for residential parcels?
 - Is there a path forward with this?
 - Exploring what is likely and possible
 - Review of benefits
- ❖ Questions

El Dorado County CA FTTH Phases



Legend

FTTH Phases

- Phase 1
- Phase 2
- Phase 3
- Phase 4

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Summary of Capital Costs, No Revenue Share

Summary of Capital Cost Estimates	Total Capital Costs	# of Units	Interest Expense, 40-Year Bond	Total Capital Costs + Interest
Phase 1, Densely Populated	\$ 235,590,258	34,960	\$ 241,184,152	\$ 476,774,410
Phase 2, Less Densely Populated and Priority Areas	\$ 163,517,015	25,349	\$ 167,399,591	\$ 330,916,606
Phase 3, Rural Western County	\$ 407,537,613	17,989	\$ 417,214,252	\$ 824,751,865
Phase 4, Rural Eastern County	\$ 209,169,254	2,878	\$ 214,135,804	\$ 423,305,058
Vacant Parcels		20,308		
Totals	\$ 1,015,814,139	101,484	\$ 1,039,933,800	\$ 2,055,747,939

Construction Costs are 40% Higher in California than other States

Summary of Capital Costs, With Revenue Share

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Vacant Parcels		20,308		
Totals	\$ 1,015,814,139	101,484	\$ 1,039,933,800	\$ 2,055,747,939
Revenue Share Adjustment, Net Profit	\$ 216,638,869			
Adjusted Capital and Interest with Revenue Share	\$ 799,175,270		\$ 798,751,386	\$ 1,597,926,657

Property assessment: \$395/year or \$7,875 paid up-front

WHY ARE THE CAPITAL COSTS SO HIGH?

- ❖ Design/Engineering
- ❖ Materials
- ❖ Technical Services
- ❖ Electronics

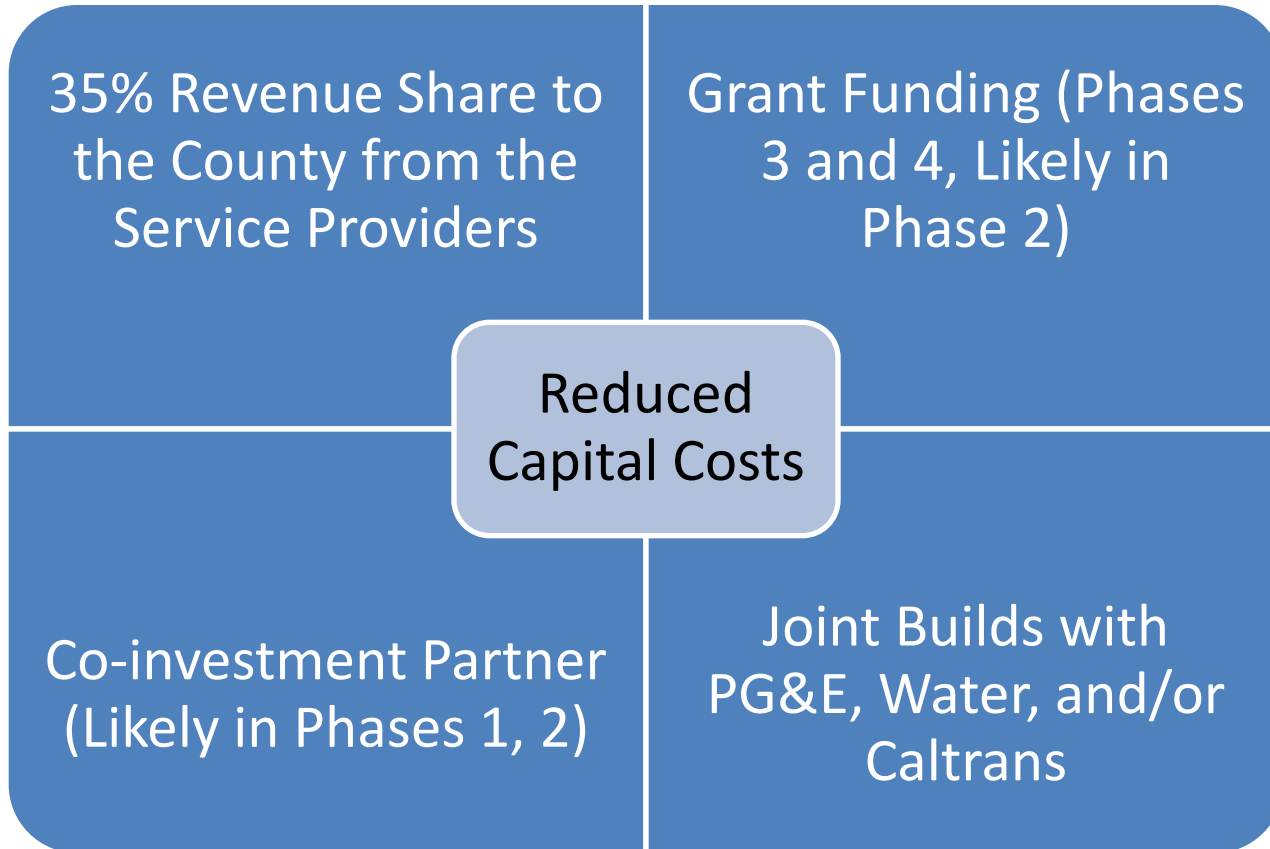
All above categories were further verified and previous assumptions remain; similar to other projects in other states

- ❖ Permitting (expect longer amount of time)
- ❖ Construction Costs
 - Prevailing Wages and Higher Hourly Wages
 - Taxes: 8.84% State of California Income tax on total income
 - Fuel Costs
 - Undulating Terrain
 - Rock Conditions
 - Aerial vs. Underground
 - PG&E Make Ready Process

Also added in 20% contingency, 5% Project management, 2% Administrative Fee

IS THERE A PATH FORWARD AND HOW LIKELY?

95%



Fullerton CA Revenue Share is 35%;
This is a larger project, more capital intensive

With Grant Funding, Co-Investment Partner

Summary of Capital Cost Estimates, with Revenue Share, Partners and Grants	Total Capital Costs	Partner or Grant Contribution	Adjusted Capital Costs	Interest Expense, 40-Year Bond	Total Capital Costs + Interest
Phase 1, Densely Populated	\$ 235,590,258	30%	\$ 164,913,180.43	\$ -	\$ -
Phase 2, Less Densely Populated and Priority Areas	\$ 163,517,015	30%	\$ 114,461,910.40	\$ -	\$ -
Phase 3, Rural Western County	\$ 407,537,613	50%	\$ 203,768,806.33	\$ -	\$ -
Phase 4, Rural Eastern County	\$ 209,169,254	50%	\$ 104,584,627.00	\$ -	\$ -
Vacant Parcels					
Totals	\$ 1,015,814,139		\$ 587,728,524	\$ -	\$ -
Revenue Share Adjustment, Net Profit	\$ 216,638,869		\$ 216,638,869		
Adjusted Capital and Interest with Revenue Share	\$ 799,175,270		\$ 371,089,655	\$ 379,900,870	\$ 750,990,525

Property assessment: \$185/year for all parcels or \$3,657 paid up-front

Or \$400/year for commercial parcels and \$100/year for residential parcels

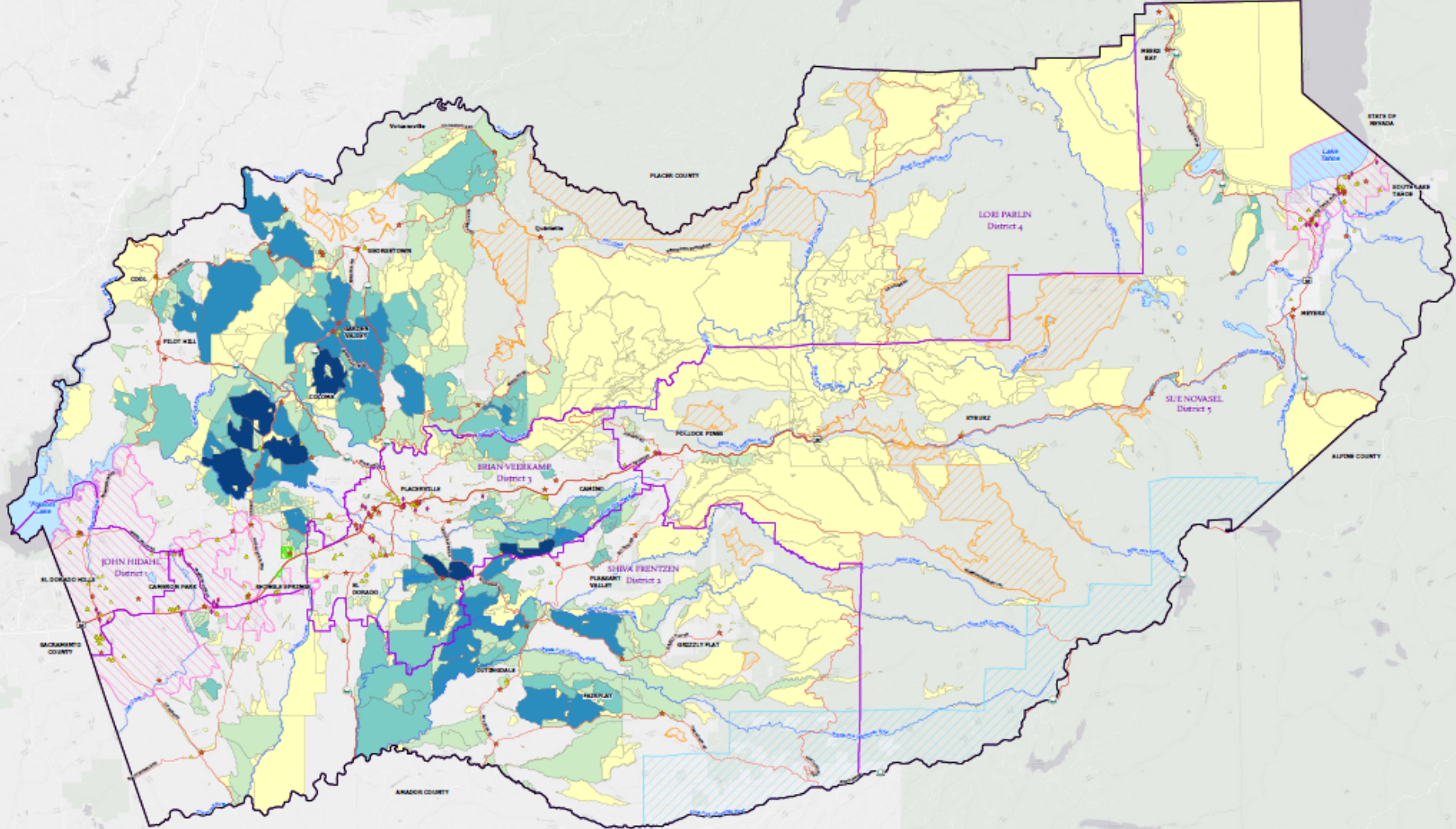
Property Tax Assessment, Various Types of Parcels	# of Parcels	Property Tax Assessment	Total over 40 years
Commercial	1,365	400	\$ 21,840,000
Vacant Commercial Land	663	300	\$ 7,956,000
Industrial	1,159	400	\$ 18,544,000
Vacant Industrial Land	404	300	\$ 4,848,000
Multi-residential, 2-3 units	1,320	1200	\$ 63,360,000
Multi-residential, 4+ units	557	2000	\$ 44,560,000
Vacant Multi-residential, 4+ units	58	1200	\$ 2,784,000
Retirement Housing	15	800	\$ 480,000
Schools, Large - 101+ students	10	5000	\$ 2,000,000
Schools, Medium - 13 - 100 students	19	3000	\$ 2,280,000
Schools, Small - less than 13 students	3	1500	\$ 180,000
Ski Resorts	3	5000	\$ 600,000

Possible, hypothetical assignment of property assessment

Residential			
Manufactured Homes, =<2.5 AC	629	100	\$ 2,516,000
Mobile Home on Rented Land	1,381	100	\$ 5,524,000
Residential on Leased Land	1,915	100	\$ 7,660,000
Rural Mobile Home 2.51+ AC.	1,623	100	\$ 6,492,000
Rural Residential 2.51-20.0 AC. 1 SF UNIT	13,186	200	\$ 105,488,000
Rural Residential 20+ AC. 1 RES. UNIT	1,068	200	\$ 8,544,000
Single Family RES. <=2.5 AC.(INC. MAN. HMS	56,475	100	\$ 225,900,000
Vacant NON-RES. IMPROVEMENTS <=2.5 AC.	359	100	\$ 1,436,000
Vacant RURAL RES. LAND 20+ MINOR NON-RES IMPR	2,235	200	\$ 17,880,000
Vacant RURAL RES LAND 2.51-20.0 AC. 1 UNIT	4,560	300	\$ 54,720,000
Vacant RES. LAND <=2.5 AC. 1-3 UNITS	12,477	300	\$ 149,724,000
	101,484	Total	\$ 755,316,000
		Goal	\$ 750,990,525
		Over or (Under) Goal	\$ 4,325,475

GRANT FUNDING

- ❖ ReConnect Program
 - \$600 Million
 - 100% Grant Funding if 100% of households lack 10/1 Mbps
 - 50% Grant Funding if 50% of households lack 10/1 Mbps
 - Approximately 35,000 household in the County lack 10/1 Mbps
 - Capped at \$50 Million per Application
- ❖ USDA Community Connect Programs
- ❖ Economic Development Administration (EDA)
- ❖ HUD's Community Development Block Grants
- ❖ Choice Neighborhoods Grants.
- ❖ The State of California has the California Advanced Services Fund (CASF) Infrastructure Grant.



Supervisor District	Parcels within Funding Eligible Census Tracts							Total Parcel Count	All Use Types	Total Census Tracts Eligible for Funding	Total Structure Value	Total Land Value	Sum of Population
	No Use Type	CCIM Use Type	IND Use Type	MFR Use Type	MISC Use Type	RES Use Type	URR Use Type						
JOHN HIDALGO, DISTRICT 1	0	0	0	0	0	0	1	1	0	0	0	0	0
SHIVA FRENTZEN, DISTRICT 2	0	135	13	20	663	628	418	906	436	\$1,386,549,850	\$79,808,348	5,990	
BRIAN VERKAMP, DISTRICT 3	0	668	143	82	221	1080	563	949	503	\$1,626,882,432	\$74,511,399	5,338	
LORE PARLIN, DISTRICT 4	0	222	180	80	1118	1190	1768	3185	1519	\$1,848,017,908	\$1,088,880,022	14,480	
SUENOVADEL, DISTRICT 5	0	0	0	0	0	0	0	0	0	\$0	\$0	0	
NO SUPERVISOR DISTRICT DESIGNATED	1767	0	0	0	0	0	0	0	1767	\$480,287,000	\$700,220,000	480	
Grand Total	1767	823	293	104	2009	2078	2996	5985	2459	\$5,371,697,425	\$2,960,894,229	26,840	

DISCLAIMER:
 THIS DEPICTION WAS COMPILED FROM UNVERIFIED PUBLIC AND PRIVATE SOURCES AND IS ILLUSTRATIVE ONLY. NO REPRESENTATION IS MADE AS TO ACCURACY OF THIS INFORMATION. PARCEL BOUNDARIES ARE PARTICULARLY UNRELIABLE. USERS MAKE USE OF THIS DEPICTION AT THEIR OWN RISK.
 NOTES:
 LAYER INFORMATION MAY COVER ADDITIONAL AREAS OUTSIDE OF THE DISPLAYED AREA.
 PREPARED AT THE REQUEST OF: CAD, COUNTY OF EL DORADO
 DATE: 2/15/2024
 MAP PREPARED BY: SIMA KIKUYAMA, DATE: 2/15/2024
 G.I.S. PROJECT ID: ##0273702_AUPHVA, RELATED REPORT: ##0273702_CensusTract_ParcelsUseType.mxd
 EL DORADO COUNTY SURVEYOR J.R. DIVISION
 MAPNO. 1983 CALIFORNIA ZONE 2, FEET

Broadband Funding Eligible Census Tracts with Service Availability of 10 Mbps or Less

Funding Eligible Criteria <ul style="list-style-type: none"> ◆ Healthcare ▲ Education ★ Critical Facilities Native Lands 	Funding Non Eligible Criteria <ul style="list-style-type: none"> CAF II Non-rural Protected Borrowers 	Census Blocks Eligible for Funding Housing Units <ul style="list-style-type: none"> ≤7 ≤27 ≤63 ≤109 ≤166 	<ul style="list-style-type: none"> El Dorado County Supervisor District Roads HIGHWAY MAJOR Streams
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N

0 5 10 Miles

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MAP DISPLAYED IN STATE PLANE COORDINATE SYSTEM (NAD 1983 CALIFORNIA ZONE 2, FEET)

County of El Dorado
 State of California



HOW LIKELY?

95%

35% Revenue Share to the County from the Service Providers

Grant Funding (Phases 3 and 4, Likely in Phase 2)

50%

In stages over several years. Possible to send in multiple applications

Reduced Capital Costs

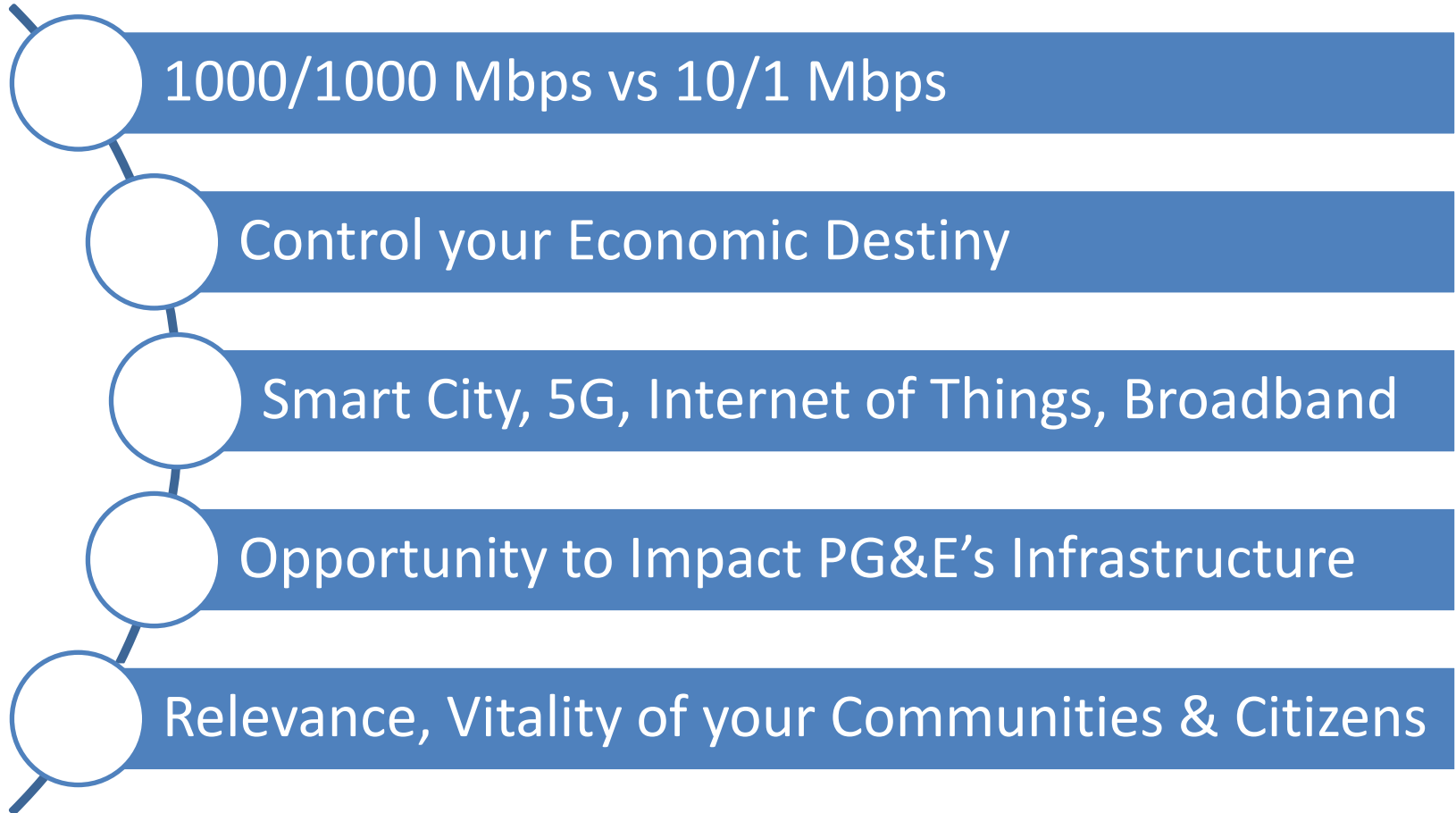
80%

Co-investment Partner (Likely in Phases 1 and 2)

Joint Builds with PG&E, Water, and/or Caltrans

50%

HOW DOES THE COUNTY BENEFIT?





NEXT STEPS, QUESTIONS

THANK YOU