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County of El Dorado

Legislation Details (With Text)

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Title: Broadband Ad Hoc Committee, in coordination with the Chief Administrative Office, recommending the Board:
1) Receive and file a presentation and report from NEO Connect regarding updated capital costs and funding alternatives of implementing county-wide broadband, as a result of further research, financial modeling and the physical ride-out of the County terrain;
2) Provide direction to staff regarding options and strategies to pursue Broadband development in El Dorado County, including any next steps in the planning process, including but not limited to:
a) Countywide broadband implementation via a 40-year bond, resulting in a countywide property assessment;
b) Countywide broadband implementation via a 30- or 40-year bond after seeking and negotiating a partnership with a co-investor and securing grants, in combination with a countywide property assessment;
c) Broadband implementation planning by identification of smaller priority areas/projects, with a localized property/benefit assessment; and
d) Broadband implementation planning by seeking a partnership with an investor and/or grant opportunities to fund smaller priority areas/projects; and
3) Authorize the Purchasing Agent to negotiate and execute a new agreement with Neo Connect with a not-to-exceed amount of $15,000, for as-needed, on-going staffing support and consulting services related to Broadband efforts and the County's "Dig Once" policy for parallel conduit in County projects, and coordination with other agencies and developers on future projects. (Est. Time: 1 Hr.)

FUNDING: Funding for Broadband efforts has been funded through Economic Development using Transient Occupancy Tax revenue.

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - Improving Broadband in El Dorado County, 12-04-2019, 2. B - Broadband Roadmap, Further Verification of Capital Cost Estimates and Assumptions and Results 06-30-2019, 3. C - Presentation Path Forward on Broadband, 4. Public Comment BOS Rcvd 12-16-19 BOS 12-17-19, 5. Public Comment BOS Rcvd 12-17-19 BOS 12-17-19

Date	Ver.	Action By	Action	Result
12/17/2019	1	Board of Supervisors	Approved	Pass

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BACKGROUND

In December 2018, the Board authorized broadband consultant NEO Connect to continue to fine tune and verify the assumptions contained in the Feasibility Analysis of implementing Broadband in El Dorado County. NEO Connect submitted a report in July 2019, El Dorado County Broadband Roadmap-Further Verification of Capital Cost Estimates, Property Assessments, and this has been attached to this item as Attachment B.

It was determined that in order to prepare for the next step in the grant application process, further analysis and review/verification of the capital costs was required, including the high level ride-out of the broadband backbone and Priority Areas to verify aerial vs. underground fiber assumptions, per unit costs for labor and materials and other factors that impact the total capital costs and funding options. This physical ride-out of the terrain was conducted in August 2019 and these findings and updated financial impacts are considered in this report and presentation to the Board, Improving Broadband in El Dorado County, Conclusions from Route Verifications and Further Financial Modeling, contained in Attachment A.

Prior Board Action and past activity related to Broadband:

On September 27, 2016 the Board authorized acceptance of a $75,000 grant award from the Economic Development Administration (EDA) Planning Program and Local Technical Assistance Program for the purpose of conducting a Broadband Feasibility Study in El Dorado County, and committed $75,000 for the purpose of the 50% County match required by the grant. The resolution states that improved Broadband service fits strongly within the County's Economic Development Strategic Plan and that building Broadband capacity in El Dorado County is "a way to create and retain jobs, educate and retain students, and position the County in the 21st century economy." (Legistar 16-0006).

A technical advisory group was assembled to assist with technical expertise in the area of Broadband policy and infrastructure. This group includes members from non-profit organizations with special interests in Broadband technology and stakeholder community members.

A Request for Proposal (RFP) for a Broadband Needs Assessment and Feasibility Study was launched and subsequently awarded on April 25, 2017 to NEO Connect, a Colorado-based consulting firm specializing in Broadband planning and analysis (Legistar #17-0442). A subgroup of the technical advisory group and the Ad Hoc Committee participated in the RFP evaluation process. A contract was negotiated and executed with NEO Connect, with an effective date in late September

of 2017.

Between September 2017 and September 2018 NEO Connect initiated regular bi-weekly meetings with members of the Ad Hoc Committee and technology advisory group to discuss the status of Broadband in the community, both in the Lake Tahoe basin and on the west slope. The first priority item is the approval of policy revisions that will better prepare the County for Broadband development, including a “dig once” policy that would allow for the installation of fiber conduit when a trench is open for streets, developments, and other construction projects.

During the week of January 16th-19th 2018 NEO Connect conducted several stakeholder community group meetings as part of the outreach component of the Feasibility Study project. These groups included El Dorado County residents and professionals from various community stakeholder groups including education and libraries, public safety, healthcare, and business.

On January 23, 2018, NEO Connect presented to the Board of Supervisors a summary of their efforts so far, including the current broadband environment and infrastructure in El Dorado County, and results of surveys and community engagement. The presentation also included examples of policies and ordinances that facilitate broadband deployment, such as “dig once” or “shadow conduit” policies (Legistar #18-0077).

On June 26, 2018 NEO Connect presented to the Board of Supervisors further progress on the Feasibility Study project, a Broadband Planning and Roadmap report, which included a discussion of various levels of County investment, initial financial modeling and best options for the County to explore further (Legistar #18-0950).

On September 18, 2018 NEO Connect presented the Broadband Feasibility Study report to the Board of Supervisors, Financial Considerations, County of El Dorado Broadband Models. The report focused on financial analysis and options related to implementing a Broadband strategy in El Dorado County (Legistar #18-1289).

On December 18, 2018, the Board of Supervisors approved the third and final amendment to Agreement 248 with NEO Connect, to increase the funds available for the Broadband Needs Assessment and Feasibility Study to $149,993 (Legistar 18-1889). The additional work provided by NEO Connect included further research and analysis to continue to fine tune the fiscal impact and funding options of deploying a gigabit fiber strategy throughout El Dorado County. This contract was funded 50% by Economic Development Administration Grant Funds and 50% by Economic Development/General Fund match.

Legistar item 18-1889 also included the approval of Agreement 3598 with NEO Connect, for on-call consulting and as needed staff support related to Broadband efforts in the County to address questions and issues as they arise, such as those related to Dig Once Policies, with a not to exceed amount of $10,000. This contract is funded by Economic Development/General Fund and expires December 18, 2019.

It was determined that in order to prepare for the next step in the grant application process, further analysis and review/verification of the capital costs was required, including the high level ride-out of the broadband backbone and Priority Areas to verify aerial vs. underground fiber assumptions, per unit costs for labor and materials and other factors that impact the total capital costs and funding options.

After several months awaiting an opinion from the Fair Political Practices Commission (FPPC), the County received a positive letter of advice to move forward with NEO Connect for this next phase of work, including Broadband planning, design, engineering and related consulting work. In May of 2019, Agreement 3901 for $42,380 with NEO Connect was executed under Purchasing Agent authority for the high level ride-out work described above, to further verify financial assumptions and projected capital costs. This work was conducted in late August 2019.

Possible Grant Opportunities:
The US Department of Agriculture (USDA) Rural Development program provides loans and grants to help expand economic opportunities and create jobs in rural areas. In August 2018, the agency announced that an additional $600 million will become available to expand rural broadband infrastructure in unserved rural areas and tribal lands. So far, a Rural Broadband Access Loan and Loan Guarantee Program has been announced.

The California Advanced Service Fund (CASF) provides grant funding to "priority areas" within California that have locations with significant population and no broadband service. NEO Connect has identified "priority areas" within the County that may quality for grant funding from CASF.

Grants may also become available from the Economic Development Administration (EDA) to provide broadband access for unserved and/or underserved regions.

Post-grant activities could include developing an outreach strategy and community education plan including marketing and financial analysis support, planning and implementation of a phased construction approach or pilot project, including a competitive process for selection and negotiation of agreements with Internet Service Providers (ISPs), meetings with other infrastructure owners of fiber, and negotiations of Indefeasible Right of Use (IRU) and dark fiber lease agreements.

DISCUSSION
Based on the presentation and Feasibility Study, the Board is being asked to consider the following alternatives and provide direction to staff on the preferred approach to pursuing Broadband expansion in El Dorado County, and provide general approval of any related next steps.

a. Should the County proceed with work toward countywide broadband implementation via a 40-year bond, resulting in a countywide property assessment? This option would require further consulting and engineering support to design a broadband network, and consulting on how to assess affected commercial vs. residential parcels. *Note: An equal assessment for all parcels would be approximately $400 annually or $7,900 paid up front.*

b. Should the County proceed with work toward countywide broadband implementation via a 30- or 40-year bond after seeking and negotiating a partnership with a co-investor and securing grants, resulting in a countywide property assessment? This option would require further consulting and engineering support to design a broadband network, and consulting on how to determine property assessment fees based upon type of property (commercial vs. residential parcels), negotiating public/private partnerships, joint build opportunities and completing grant applications *Note: An equal assessment for all parcels would be approximately $185 annually or $3,657 paid up front. Or if the assessment is applied differently to various property types, residential parcels could*

potentially pay an annual assessment of $100-150 and commercial properties could potentially pay $400 - $500 annually.

c. Should the County proceed with work on a broadband plan by looking at smaller priority areas/projects and recommend a benefit assessment to fund these? This option would require further consulting and engineering support to design a broadband plan, and consulting on how specific parcels benefit from the specific location of broadband within the target area.

d. Should the County proceed with work on a broadband plan by looking for a partnership with an investor and/or grant opportunities to fund smaller priority/projects? This option would require further consulting and engineering support to design a broadband plan, and consulting on partnering with a co-investor and/or writing a grant application.

ALTERNATIVES
N/A

PRIOR BOARD ACTION
16-0006 9/27/16 EDA Grant Acceptance for Feasibility Study
17-0442 4/25/17 RFP Award to NEO Connect
18-0077 1/23/18 Broadband Update
18-0950 6/26/18 Broadband Update
18-1289 9/18/18 Broadband Update
18-1889 12/18/18 Broadband Update-Next Steps

OTHER DEPARTMENT / AGENCY INVOLVEMENT
N/A

FINANCIAL IMPACT
There is no direct financial impact associated with this action to provide staff direction the options and possible strategies for pursuing Broadband development in El Dorado County. There will be a financial impact associated with certain next steps, which will be identified and presented to the Board for consideration as needs develop.

The recommended not-to-exceed amount for as-needed, on-going staffing support and consulting services is $15,000.

A $150,000 budget ($75,000 EDA grant, $75,000 General Fund/Economic Development budget) was established for the Broadband Feasibility Study effort. This project is now complete. Up to $10,000 will be spent for on-call consulting and staff support from the Economic Development budget (contract expires 12/18/19), and up to $42,380 will be spent from the Economic Development budget for the high level ride-out performed in last August 2019.

CLERK OF THE BOARD FOLLOW UP ACTIONS
N/A

STRATEGIC PLAN COMPONENT
Economic Development-Infrastructure to improve and maintain competitiveness
Good Governance-Infrastructure

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