

Benicia Industrial Broadband Project

Status Report

15 July 2014

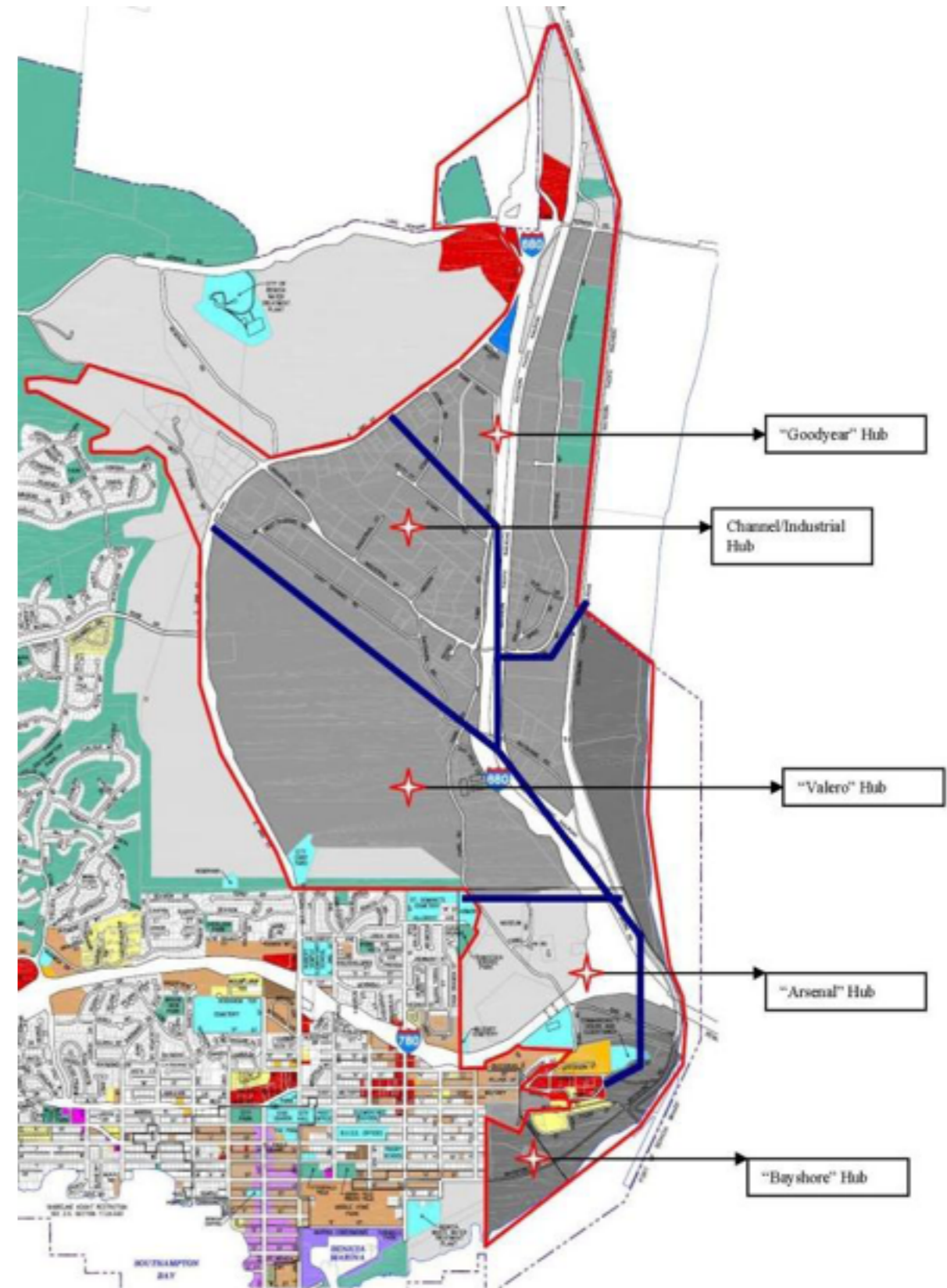


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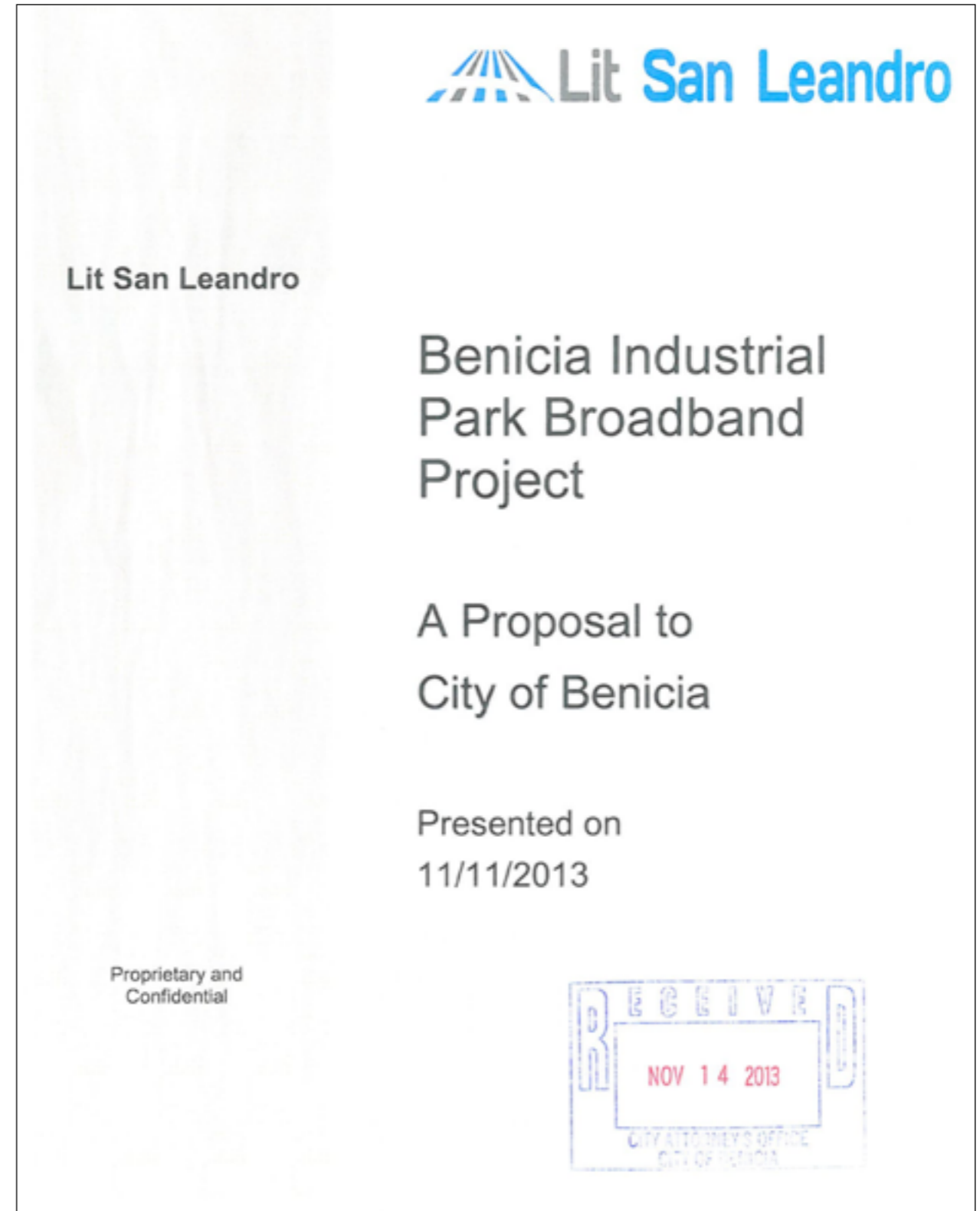
Request for proposal circulated

- Put City funding on the table.
- Technology neutral, based on high performance standards.
- Minimal city role preferred.
- Five companies at pre-bid meeting



Three proposals received

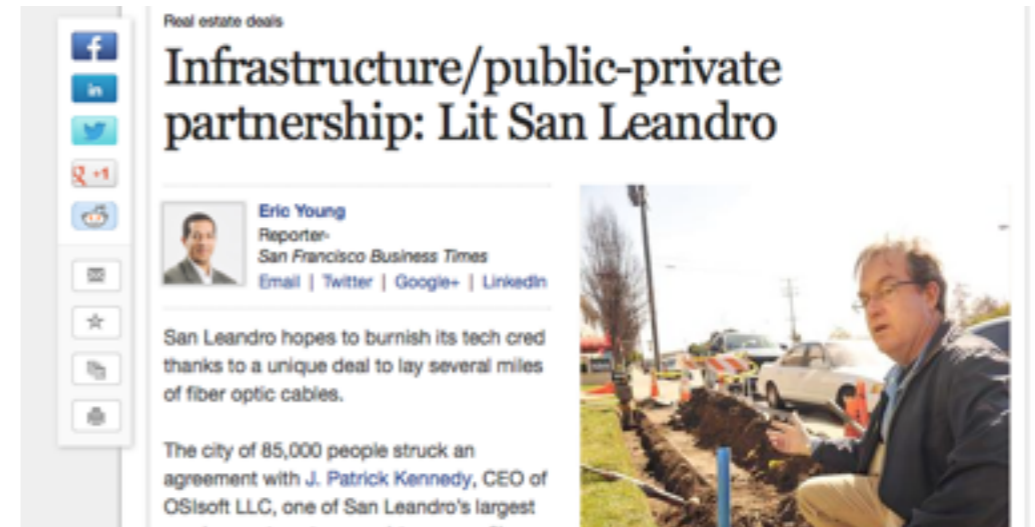
- Two relied primarily on wireless connections
- Could be complementary to fiber network
- Lit San Leandro proposal was fiber based
- Would involve local ISPs
- Met business & technical needs





Lit San Leandro used city conduit to build fiber

Sells through Crosslink, Paxio in San Leandro, adding other ISPs



Spurred development,
local & national publicity

Movie studio, 3D printing,
commercial development,
tributes from FCC chair



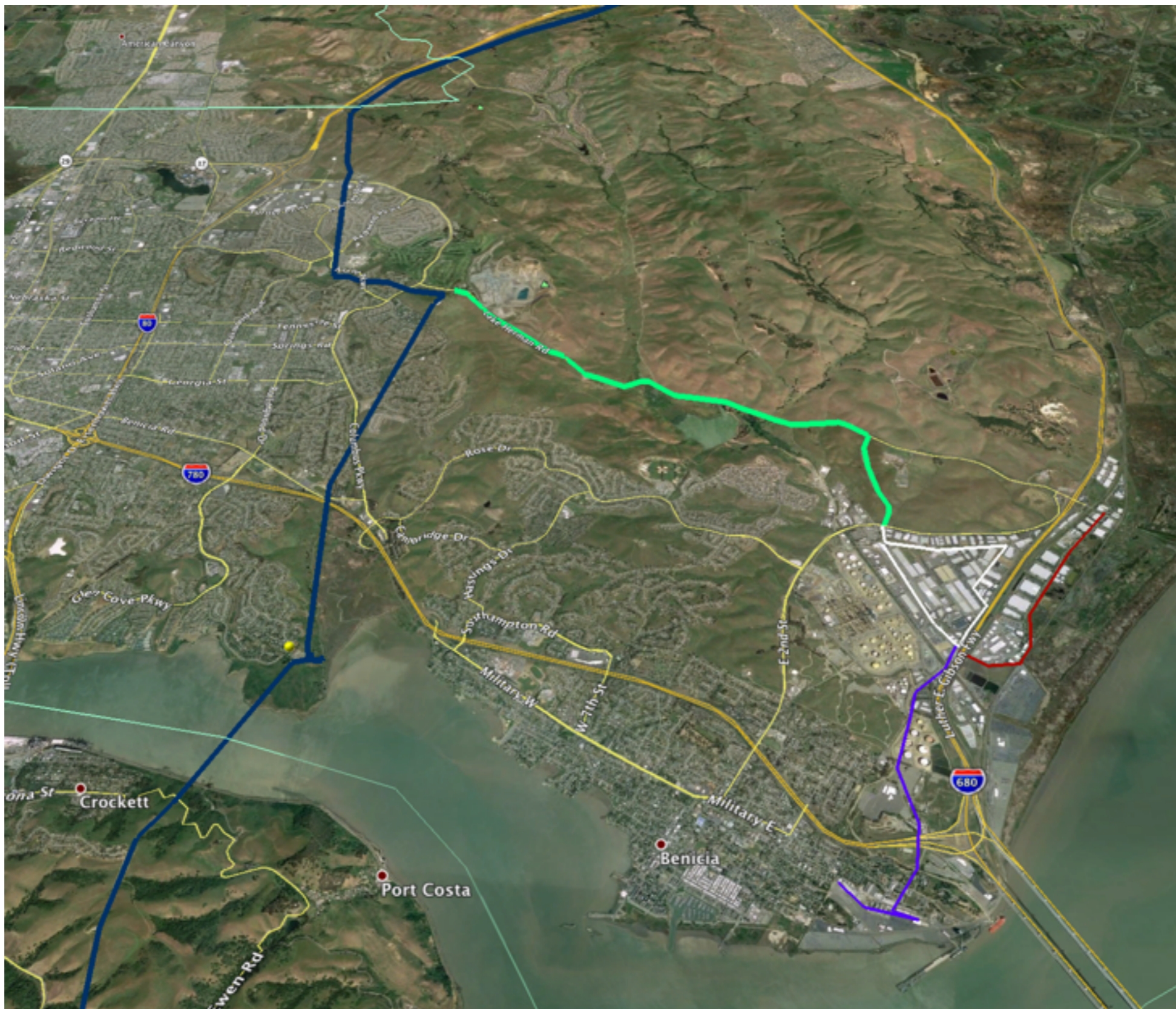
U.S. ECONOMIC DEVELOPMENT ADMINISTRATION



- New business ranges from services to cloud software to non-profits
- Biggest employer, Kaiser Health, connected to network.
- \$2 million EDA grant paying for expansion, with \$2 million City match
- Construction scheduled for completion September 2014

More than 90
businesses are on LSL

7.5 mile extension funded
through EDA



LSL designs network, solved interconnection problem

Backhaul – connections to core Internet – a challenge, but solutions found.

Benicia network creates local access fiber through BIP and Arsenal area

- LSL works with Internet service providers, including local companies, to offer competitive service
- Budget includes allowance for lateral connections to businesses
- City buys service on the network for \$750,000, becomes anchor tenant, can ensure public benefit by reselling if necessary



Businesses need commercial and industrial grade broadband

- Animation and 3-D printing start-ups, microbreweries moving to San Leandro
- Gigabit connectivity key selling feature for underused industrial property, new commercial developments
- Studies show link between broadband availability and jobs, economic growth



Other companies have followed RFP process, LSL development work

- AT&T building additional fiber on East 2nd Street
- Offers competing service, but won't open network to local companies
- Zayo building long-haul fiber through BIP to bridge
- Fiber on Benicia-Vallejo border
- Competition lowers prices, increases variety of resources, options



Next steps

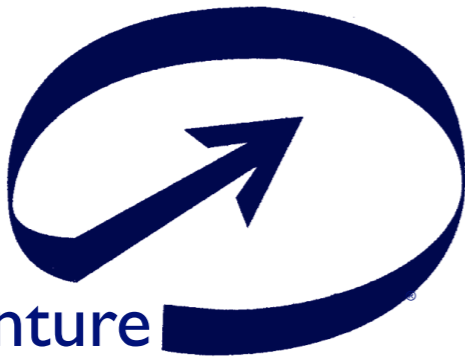
- LSL finishes preliminary construction plan and budget
- Deal points with City finalized
- Draft contract negotiated
- Council review
- Begin construction



Questions?



Back up slides



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Competitive fiber fills gaps, spurs competition

- AT&T builds fiber based on expected return.
- Comcast charges businesses to install service
- City fiber changes ROI equation

