



## CITY COUNCIL AGENDA REPORT

DATE: 3/5/2015

AGENDA OF: 3/10/2015

DEPARTMENT: Economic Development

SUBJECT: Approval of Initial Policies for Broadband Master Plan (ED)

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**RECOMMENDATION:** Resolution approving the initial policies for the Broadband Master Plan and directing staff to proceed with pursuing public and public-private partnership opportunities to expand broadband infrastructure in the City of Santa Cruz.

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**BACKGROUND:** Broadband infrastructure, or fiber optic networks, has been identified as a fundamental need for the City of Santa Cruz for several years. On September 27, 2011, City Council unanimously approved the recommendations of the Ad-Hoc Committee on Technology, including developing a Broadband Master Plan as a comprehensive, city-wide policy for the development of the infrastructure that makes the fast, affordable internet access possible. The City joined the Central Coast Broadband Consortium and has been working over the last three years on regional efforts and a set of comprehensive regional broadband policies. The draft policies for the Santa Cruz Broadband Master Plan are a result of this larger regional effort and collaboration. On April 22, 2014 and again on October 28, 2014, City Council unanimously approved the policy direction updates provided for the Broadband Master Plan, which provided data on the poor quality of current broadband infrastructure along with policy recommendations to refine permitting and internal processes to encourage broadband investment.

Improved broadband infrastructure is necessary for the internet-based, high-growth economy to advance and keep pace with consumer, business, and government demands. Considering the City's needs for long-term cost savings, public safety requirements for secure internet access, and creating efficiencies to encourage the private sector to invest in more robust and faster networks, broadband infrastructure is fundamental to the future of the City's network and the overall economic vitality of the community. Since 2011, City Council directed staff to develop a Broadband Master Plan that is responsive to industry needs, streamlines permitting, and is consistent with regional partners, thereby encouraging further broadband infrastructure development.

**DISCUSSION:** Since October 2014, staff has coordinated across the City departments, consulted with the Central Coast Broadband Consortium, and continued to work with consultant Tellus Venture Associates to complete the Broadband Master Plan. The Broadband Master Plan reviews the importance and purpose for improving broadband fiber optic infrastructure, including long-term investment. Most importantly, the four major policies below create the initial steps of the Broadband Master Plan:

## 1. Dig-Once Policy

Consistent with the County of Santa Cruz, Central Coast Broadband Consortium and Next Century Cities' recommended best practices, a dig-once policy is the first pivotal policy to help streamline broadband infrastructure improvements. When any entity is proposing to open streets and rights-of-way for utility construction, cost efficiencies can be realized because multiple entities can join in the single dig, reducing costs as well as reducing disruption to the road surface. Staff recommends City Council establish the following dig-once policy:

- All construction, reconstruction or repaving of a City right-of-way will include provisions for the installation of telecommunications cable, conduit and other related equipment wherever practical and feasible.
- Where appropriate, telecommunications infrastructure shall be installed in or adjacent to City rights-of-way in conformance with current City standards.
- City staff will work with contractors to identify the most cost-effective approach consistent with City requirements.
- If a project includes excavation in or adjacent to a City right-of-way, installation of or upgrades to telecommunications cable, conduit or other infrastructure will be included as needed.
- Once a construction, reconstruction, or repaving project is initiated, City staff will notify all known providers of the opportunity to join the open trench and help coordinate efforts for multiple parties to join the dig.
- All installations shall conform to the size, shape, location and other specifications as determined by the Director of Public Works.
- To incentivize participation, it is recommended that a moratorium on disturbing the road way surfacing and public right-of-way of a period of a year or more be adopted.

To enact the above policy, staff has included a draft "Telecommunications Improvement Ordinance" (Attachment 2), which is adapted from the County of Santa Cruz and based on the ordinance from the City and County of San Francisco (Attachment 3), for full consideration at a future public hearing and first reading.

## 2. Master Lease Agreement

To streamline the process and reduce uncertainty involved for telecommunications providers, providing a master lease agreement enables a fair and efficient manner for providers to install equipment on City property to help reduce costs of infrastructure improvements. The attached draft Master Lease Agreement (Attachment 4) provides a legal template for the City to allow broadband providers to place private broadband infrastructure on City-owned assets including towers, poles, conduit, buildings, rights-of-way and related facilities, equipment and structures.

## 3. Encroachment Permit Process

To assist providers in deploying new and improved infrastructure, the City can create further permitting efficiencies by allowing the installation of equipment within public right of ways, subject only to "time, place and manner" of access, through the City's encroachment permit process. The Department of Public Works already evaluates projects within the public right of way in this manner through the revocable encroachment permit process. All telecommunications and internet service providers should be treated equally in expediting the encroachment permit

process. Existing land use regulations require a land use permit for certain broadband facilities (i.e., boxes, cabinets, wireless facilities) within public rights of way, as well as on private property.

#### 4. Pursue Investment in Broadband Infrastructure

With President Obama's recent call to action on January 13, 2015 along with the County of Santa Cruz providing its latest update to their broadband planning on February 10, 2015, the political climate for the City of Santa Cruz has shifted at the national and local levels for aggressive pursuit of viable public and public-private broadband infrastructure projects. The 21st Century economy is dependent upon affordable, high-speed internet access that encourages competition and enables the entire community to access the internet and compete in the world-market with gigabit fiber infrastructure. With City Council's previous direction, staff expects to provide significant updates in the coming months with potential broadband infrastructure opportunities that advance the economic and community benefits of robust broadband infrastructure.

Future policy and Broadband Master Plan goals still remain, including a Geographic Information Systems data requirement to map current and proposed broadband assets and paths, establish prescriptive specifications for conduit, hand holds, fiber huts, and other related equipment.

**FISCAL IMPACT:** Approval of the above policies for the Broadband Master Plan has no fiscal impact on the General Fund at this time. Future opportunities for public and public-private investments will require City investment, likely offset by savings on long-term internet costs while stimulating broadband infrastructure investment and a robust economy, meeting economic development goals. Additional costs include staff time across several departments—especially Information Technology, Public Works, and Economic Development—as well as the dedicated Capital Improvement Program (CIP) in the amount of \$150,000 per year for a three-year period beginning in FY 2015 CIP.

Prepared by:

J. Guevara

Economic Development  
Manager

Submitted by:

Bonnie Lipscomb

Director of Economic  
Development

Approved by:

Martin Bernal

City Manager

#### ATTACHMENTS:

Resolution

County Dig Once Ordinance

Proposed Dig Once Ordinance

Master Lease Agreement

City and County of San Francisco Ordinance Change for Public Works Code - Installation of Communications Infrastructure in Excavation Projects – 9/30/2014