CITY COUNCIL
AGENDA REPORT

DATE: 10/22/2014

AGENDA OF: 10/28/2014

DEPARTMENT: Economic Development

SUBJECT: Approval of Policy Direction for the Broadband Master Plan (ED)

RECOMMENDATION: Motion approving the policy direction for the Broadband Master Plan, and directing staff to proceed with pursuing public and public-private opportunities to expand broadband infrastructure.

BACKGROUND: On February 8, 2011, City Council voted unanimously to convene the Ad-Hoc Committee on Technology (Committee) to guide the discussion of how the City can better utilize technology in delivering services to residents. On September 27, 2011, City Council unanimously approved the Committee recommendations, which included developing a Broadband Master Plan as a comprehensive, city-wide policy for the development of the infrastructure that makes the Internet possible. On April 22, 2014, City Council unanimously reapproved direction for the completion of the Broadband Master Plan.

Improved broadband infrastructure is necessary for the Internet-based, high-growth, knowledge economy to advance and keep pace with consumer, business, and government demands. Considering the City's needs for long-term cost savings and public safety requirements for secure Internet access along with creating efficiencies for the private sector to invest in more robust and faster networks, the Broadband Master Plan is intended to lower the barriers for public and private investment in new fiber optic conduit routes.

Following the recommendations of the Committee, 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: Throughout the summer of 2014, staff has coordinated across the City departments, consulted with the Central Coast Broadband Consortium, and directly contracted with Tellus Venture Associates to evaluate the next steps to complete the Broadband Master Plan. The attached report outlines those steps as well as makes the following recommendations (some of which are currently underway and approved in the FY 15 Budget):

• Solicit implementable ideas for upgrading Santa Cruz's broadband infrastructure. Hold informal staff discussions with local internet service providers and provide notice to all interested parties of the City's goal of supporting equitable fiber optic network expansion.

• Evaluate long-term City networking needs. Review existing City broadband facilities and budgets with due consideration to expected future traffic loads and expectations of available resources, and identify infrastructure development projects which are potentially of mutual interest to the City and private sector providers.

• Upgrade broadband availability in publicly subsidized housing. Identify private and public sources of investment in broadband facilities and service in public housing and develop implementable initiatives for Council review.

• Identify immediate opportunities for City investment. Evaluate funding available for economic development initiatives, develop recommendations for submission to the Council for applying that funding to current broadband construction plans – both public and private sector—and determine if those funds can be directed to support those projects, either through direct investment or indirectly through administrative means.

• Validate broadband infrastructure mapping. Review the fiber survey conducted by the CCBC and other research, incorporate the information into the City's GIS system and make it publicly available.

• Develop a long-term broadband infrastructure roadmap. Taking into account existing resources, City networking needs, economic and social development objectives and private sector investment plans, draft specific objectives for high-speed network expansion into commercial and residential areas for Council review.

• Complete broadband policy development. Review existing City of Santa Cruz draft policies and similar documents from other local jurisdictions, identify gaps and consolidate into a final broadband master plan with specific policy recommendations for Council consideration, including long-term investment in broadband infrastructure development.

Current Broadband Infrastructure

This broadband policy review identifies the dire state of broadband infrastructure in the City of Santa Cruz. Using an "A" to "F" grading system developed for the East Bay Broadband Consortium, the local Central Coast Broadband Consortium evaluated the residential and commercial broadband infrastructure in Santa Cruz. Excluding the UCSC campus, the City of Santa Cruz earns a "D" grade with an average score of 1.0 (Exhibit C) because the aging broadband infrastructure provides only one primary wireline Internet service provider offering service in a given census block that meets the California Public Utility Commission's (CPUC) minimum standard of 6 Megabits per second (Mbps) download and 1.5 Mbps upload speeds.

Completing the Broadband Master Plan will help to improve the policy and procedures for public and private investment in faster and more accessible hi-speed Internet infrastructure.

The recommended action is a motion to affirm the above-mentioned broadband policies to be included in the final Broadband Master Plan and to proceed with pursuing public and public-private opportunities to expand broadband infrastructure.

FISCAL IMPACT: Approval of the draft policies to be included in the broadband master plan has no fiscal impact on the general fund at this time. Future opportunities for public and public-private investments will likely require City investment so the City can save on long-term Internet costs while stimulating broadband infrastructure investment to meet economic development goals.

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ATTACHMENTS:
Broadband Policy Review
Exhibit A – City of Santa Cruz Fiber Networks
Exhibit B – Fiber Networks in Downtown Santa Cruz
Exhibit C – City of Santa Cruz Fiber Infrastructure Report Card
Exhibit D – Housing Density of Underserved Areas