

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2017-48

3 INTRODUCED BY:

4
5 Councilor Joseph M. Maestas

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10 A RESOLUTION

11 CALLING FOR THE EXPEDITED IMPLEMENTATION OF ALL PENDING
12 BROADBAND POLICY RECOMMENDATIONS BY THE ECONOMIC
13 DEVELOPMENT DIVISION.

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15 WHEREAS, the governing body received a memo dated July 8, 2016 from the
16 Economic Development Division regarding broadband policy recommendations; and

17 WHEREAS, these recommendations were made after the completion of the CIP High
18 Speed Internet Project that established a high-speed internet connection in Santa Fe's core
19 business areas; the downtown area; and

20 WHEREAS, this project created the assets necessary to create a competitive local
21 marketplace for wholesale internet and data transport services throughout the city of Santa Fe;
22 and

23 WHEREAS, four specific policy recommendations were made as part of this memo that
24 would continue the expansion of broadband services to downtown and rural areas of the city of
25 Santa Fe alike:

1 1. Expedite Chapter 27 code revisions regarding the approval of new
2 telecommunication franchises;

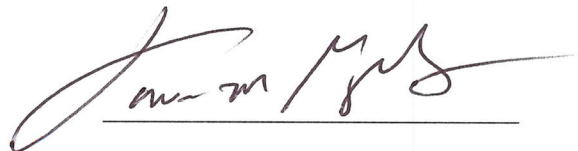
3 2. Facilitate antenna installations on city-owned structures and in public rights-of-
4 way to provide low visual impact and cost-effective options for expanding broadband coverage to
5 businesses, residents and neighborhoods;

6 3. Procure city telecommunications services competitively to drive down costs and
7 expand fiber-based broadband services to neighborhoods along the distribution pathway; and

8 4. Redirect the proposed Santa Fe University of Art and Design high-speed
9 broadband network extension to City Hall to put the downtown area on more even footing with
10 other areas of the city that are more amenable to proprietary network build-outs due to less
11 encumbered rights-of-way, abundant greenfield opportunities and easier access. This project
12 would extend the fiber optic cable to all lease parcels in the Railyard and upgrade transport
13 capacity to Albuquerque from 2 gigbits per second (gbps) to 10 gbps.

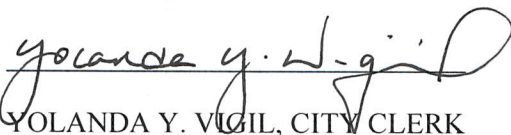
14 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
15 **CITY OF SANTA FE** that the implementation of remaining policy recommendations proposed
16 by the Office of Economic Development be expedited.

17 PASSED, APPROVED AND ADOPTED this 28th day of June, 2017.

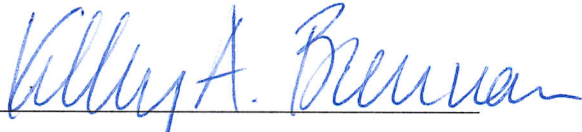
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20 JAVIER M. GONZALES, MAYOR

21 ATTEST:

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24 YOLANDA Y. VIGIL, CITY CLERK

1 APPROVED AS TO FORM:

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4 KELLEY A. BRENNAN, CITY ATTORNEY

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City of Santa Fe, New Mexico

memo

DATE: July 8, 2016

TO: Mayor Gonzales and City Councilors

FROM: Sean Moody, Special Projects Administrator
Economic Development Division

VIA: Kate Noble, Acting Director
Housing and Community Development Department

CC: Brian Snyder, City Manager
Kelley Brennan, City Attorney
Oscar Rodriguez, Finance Director
Renée Martinez, ITT Department Director
Matt O'Reilly, Asset Development Director

ITEM & ISSUE

Broadband policy recommendations.

BACKGROUND & SUMMARY

City Council allocated \$1,000,000 of the 2012 CIP Bond Issue to develop and implement the **CIP High Speed Internet Project**. The project was completed in December, 2015 as the first concrete step toward improving Internet conditions throughout the city. It includes:

- Two miles of underground fiber optic cable;
- Electronic equipment, cabinets and interconnections within the State-owned data center at 715 Alta Vista Street;
- Fiber entrance into the Century Link central telephone exchange at 121 East Alameda Street;
- 2 gigabits per second of data transport capacity to the backbone of the World Wide Web at a co-location facility at 505 Marquette Street in Albuquerque.

These assets comprise the infrastructure necessary to create a competitive local marketplace for wholesale Internet and data transport services. The project is administered by *Santa Fe Fiber*, a company established for the purpose by Cyber Mesa Computer Systems Inc. under the terms of the latter's telecommunications services agreement with the City. The agreement expires in 2020, at which time the City may exercise an option to transfer the corporate entity, fixed assets and business interests of Santa Fe Fiber to the same or another telecommunications provider of the City's choosing. The project accrues neither revenue nor expenses to the City beyond the initial costs of construction.

City Council subsequently allocated an additional \$400,000 to extend the network to the Santa Fe University of Art and Design ("SFUAD"). Planning is complete but engineering and construction have not begun.

As a result of the success of the project in attracting new telecommunications providers to Santa Fe, the Economic Development Division now recommends follow-up efforts including:

A. Expedite Chapter 27 code revisions and new franchises. A primary goal of the CIP Broadband Project is to increase the number of firms providing high speed broadband in Santa Fe. Since the project began, five firms have applied for franchises necessary to install utilities in the public rights of way. Additionally, three of the City's existing franchises must be renewed and/or updated. All are awaiting Chapter 27 revisions before they are presented to the Governing Body for consideration. Increased franchise revenues will offset the City's one-time costs for staffing and professional services.

B. Facilitate antenna installations on City-owned structures and in the public rights-of-way. Micro-cellular and fixed wireless internet technologies offer low visual impact, cost-effective options for expanding broadband coverage to businesses, residents and neighborhoods. The City can lease its rooftops and under-utilized antenna masts to commercial providers, thereby accelerating broadband expansion to underserved areas. Lease revenues would exceed the City's one-time costs for staff time and professional services.

C. Procure telecommunications services competitively. In large part due to advanced capabilities enabled by its existing wireline infrastructure, Century Link currently provides approximately \$300,000 per year of voice, ethernet and internet services to the City. By opening procurement to competition, the City can effectively trigger a competing infrastructure build-out necessary to satisfy the terms of service. Fiber-based broadband would then become accessible to neighborhoods along the distribution pathways. Lower pricing which typically accompanies competitive procurement will reduce the City's current telecommunications expenditures.

D. Redirect the proposed SFUAD network extension. At the time a network extension was originally conceived, Santa Fe University had no ready access to the very high speed broadband it needed to support film & television production and academic activities. Conditions have since changed. Century Link, Comcast and Plateau have each delivered fiber to the premise, and are now well positioned to extend broadband access to the surrounding area including the Saint Michael's Drive corridor. During the same period, latent conditions have emerged as critical to the continued viability of the downtown as a center for Santa Fe's financial, professional and governmental sectors. This is a consequence of the relative difficulty of upgrading infrastructure in the downtown core, in contrast with new greenfield developments such as Las Soleras and Santa Fe Commercial Center, which integrate the latest technology at the planning phase. Extending the network to City Hall instead of SFUAD will put the downtown area on even footing with other areas of the city which are more amenable to proprietary network build-outs due to less-encumbered rights-of-way, abundant greenfield opportunities and easier access.

As part of the substitute project, staff further recommends:

- Extend fiber optic cable to all lease parcels in the Downtown Railyard @ \$17,000
- Upgrade transport capacity to Albuquerque from 2 gigabits per second (gbps) to 10 gbps @ \$33,000

Altogether, the substitute project proposed above is estimated to cost under \$400,000.

The substitute project would pay for itself in cost savings. The City currently expends about \$100,000 per year to connect City Hall to the Railyard Administrative Offices and a back-up server located in Albuquerque. The proposed substitute project can eliminate those costs, effectively repaying the \$400,000 CIP investment over four years.

RECOMMENDATION

A resolution directing staff to:

- Expedite Chapter 27 code revisions and processing of new franchise applications;
- Facilitate commercial antenna installations on City-owned structures and in the public rights-of-way;
- Procure telecommunications services competitively in alignment with the City's economic development objectives;
- In lieu of extending the broadband network to SFUAD, extend it instead to City Hall and the Railyard parcels, and upgrade backhaul capacity to Albuquerque from 2 to 10 gbps.

CIP High Speed Internet Project

July 8, 2016

Capital Budget

Phase I Actual & Phase II Estimated

Description	Phase I Actual	Phase II Estimated
WIP Construction	\$843,297	\$300,000
• Fiber Optic Cable - Downtown		\$250,000
• Fiber Optic Cable - Railyard		\$17,000
• Upgrade Backhaul Capacity to 10 Gbps		\$33,000
Project Administration Salary	\$145,381	\$100,000
Engineering/Consulting	\$10,050	
Scheduling Software	\$630	
Advertising for RFQ	\$642	
Project Totals	\$1,000,000	\$400,000