

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
February 8, 2017 – Noticed Agenda Attached

Meeting Convened: 7:00 p.m. in the City Hall Auditorium

Meeting Adjourned: 8:50 p.m.

City Council Members present: All Councilmembers except Councilmember McArthur

Staff present: Caton, Shaver, Valentine, Hockins, Finlayson, and Tuin

Others Present: Jesse Daniels, Dennis Simpson, Ron Hall, Richard Swingle, Tim Pollard, Amy Hamilton (Daily Sentinel)

Agenda Topic 1. Broadband Discussion

Council President Norris called the meeting to order. Council President Norris asked Councilmember Taggart to introduce Mr. Michael Santorelli, Director, ACLP (Advanced Communications Law & Policy Institute) from the New York Law School.

Mr. Michael Santorelli described his background, starting in city government in New York. His focus is on broadband policy including current research. He provided his background on Municipal Broadband Policy; current research areas including barriers; government owned broadband networks (GON's); transition from telephone to internet protocol; bolstering Broadband connectivity across the U.S. via demand and supply, along with regulatory and policy reforms. He referred to the Policy Maker Toolkit that has 45 essential questions to guide the analysis, the underlying business model when producing studies, and materials to inform GON's discussion and proposals.

The "Big Picture" includes context, the municipal broadband debate, speeds, costs, options, and challenges. He described broadband deployments that have come and gone over the years. The take rate for such high speeds, like a gig, is low; there is also a lack of data on measurable economic development impact derived from construction of these systems.

Mr. Santorelli went over the deployment models; Purely Public, Muni Electric, and Public Private Partnerships (PPP). He provided several examples: Salisbury NC, UTOPIA, UT, Chattanooga, TN, Bristol, VA, Westminster, MD, and Ammon, ID and explained their motivation in bringing Broadband to their area.

He suggested the key takeaways found over the years are:

- Risky gamble
- Hard to compete with private provider
- Initial demand survey results are often inaccurate
- Deploying a muni network triggers significant opportunity costs
- There is little data identifying a clear cause-and-effect between gig networks and economic development
- Cities possess many levers they can pull to encourage private sector investment

Specific to Grand Junction's proposal, Mr. Santorelli said his opinion is that it is:

- Perilous to suggest prices, speeds, offerings
- Optimistic residential take rate projections
- Speed is unknown by most, interest decreases as price goes up
- Risk to City's credit rating is real
- Locks into technology for 30 years that might change

Conclusions offered by Mr. Santorelli:

- Time is your friend
- Use the ACLP's Policy Maker Toolkit
- Get an independent business analysis
- Include an indemnification clause in the contract
- Require transparency, auditing, and reporting (governments have more requirements)

Council had a general discussion with Mr. Santorelli regarding other communities, how to target the service, pricing, availability, the ownership and accountability piece, and elements of a public private partnership. It was noted that most of what was presented seemed on the negative side. Mr. Santorelli said a City build should be the last resort; they should exhaust every other option.

Jim Finlayson, City IT Manager, briefed Council of what was done in the beginning of 2015, and talked about the community forums.

There will be presentations at a future Workshop from the incumbent providers.

City Attorney Shaver reviewed some terms of the SiFi/Nokia contract and said he would approach them on whether a business analysis can be folded into Milestone Two.

With no further business the meeting was adjourned.

**GRAND JUNCTION CITY COUNCIL
WEDNESDAY, FEBRUARY 8, 2017**

**WORKSHOP, 7:00 P.M.
CITY HALL AUDITORIUM
250 N. 5TH STREET**

To become the most livable community west of the Rockies by 2025

1. Broadband Discussion - Presentation by Michael Santorelli, New York Law School

[Supplemental Documents](#)

2. Other Business