



Legislation Text

File #: ID 2022-519, **Version:** 1

TO: Mayor and City Commission

FROM: Cale Curtis, City Manager

DATE: January 18, 2023

RESOLUTION - APPROVING DEVELOPMENT AGREEMENT WITH SIFI NETWORKS MARGATE, LLC FOR CITY-WIDE FIBER NETWORK SYSTEM; PROVIDING FOR LICENSE TO INSTALL THE SYSTEM IN THE PUBLIC WAY; PROVIDING FOR CONSTRUCTION; PROVIDING FOR LOCATION OF FACILITIES, SHELTERS, AND CABINETS; PROVIDING FOR TERM, TERMINATION, PERMITTING, COSTS, AND INVOICING; APPROVING CITY MANAGER TO EXECUTE MANAGED SERVICES AGREEMENT FOR FIBER OPTIC CABLE CONNECTIONS TO CITY DESIGNATED LOCATIONS; PROVIDING FOR EFFECTIVE DATE.

BACKGROUND: On October 19, 2022, Scott Bradshaw, President of SiFi Networks, gave a presentation to the City Commission on an opportunity to provide Gigabit fiber-optic internet to the residents and business of Margate. The Development Agreement with SiFi Networks Margate, LLC (“SiFi”) will provide for the right of SiFi to access and use the public way to install, operate, and maintain a fiber optic network system both under and above ground, to support the delivery of service to subscribers. This Development Agreement provides for removal or abandonment of the system upon termination of the Agreement, and an initial 30-year term and two 30-year renewal terms.

A draft Smart City Managed Services Agreement (MSA) has been included in the agenda item backup. The MSA provides for the contract terms for SiFi to provide data services over fiber optic cable connections to City designated locations. The City currently operates at 250Mbps symmetrical for the City network (and 1Gb down/35Mb up for wifi). 10Gbps is 40X faster which would help account for more online operations such as ZOOM trainings, file transfer, etc.

RECOMMENDATION: For approval.

FISCAL IMPACT: This Agreement seeks to provide for administration of an efficient permitting process and provides for monthly payments, of \$16,666.00, to support the associated costs. It further provides for annual reviews and an increase in fixed cost amounts to cover City costs in accordance with City Code.

Additional cost savings:

- **Future rate increases:** SiFi has agreed to lock in the price of providing 10Gb service for the next 10 or 20 years (our choice) at a current savings of \$4,000 annually. Our current provider for City network has increased 3% in the past year and although we were able to get a better rate from Comcast for our backup, it is only for the next three years before it goes back to Market price.

- **Phone bill costs:** City will be able to cancel monthly analog lines and merge phone numbers into our digital voice network. City locations currently serviced by City Fiber such as Public Works and Parks and Recreation have been merged into the phone system, reducing analog phone line expense by \$23 per month per line. Adding on Calypso and FireFighters Park would save approximately \$2,000/year on phone expenses.
- **Expansion of our network:** Adding fiber to reach FireFighters Park and Calypso Cove from Fire Station 58 to provide network for our security cameras, City network and, wifi would cost approximately a half million dollars. We've identified areas that are out of reach such as Southeast, Serino, Coral Gate Park and the Water Tank at Coral Gate that are cost prohibitive to run network for a couple of cameras and to provide public WiFi. Based on the average cost per foot from the Firefighters Park estimate, it would be about 500,000 to install from City Hall to Southeast Park.

CONTACT PERSON: Patrick Garmon, IT Director