

NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

RE: **RESOLUTION OF THE BOARD OF ALDERS** Authorizing the City to 1) enter into an interlocal agreement; 2) create a broadband innovation committee to develop and manage a city-wide fiber network; and 3) enter into a concession agreement to develop a feasibility study. (City Controller)

REPORT: 1507-05

ADVICE: Approval

BACKGROUND

In spite of demonstrated demand for gigabit-level Internet access speeds across all areas of the State, the supply of higher speeds is either unavailable or is prohibitively expensive, particularly for small businesses, community anchor institutions (e.g., hospitals, education facilities, libraries, and municipal buildings), and for virtually all residential premises. There is a statewide project to construct the CTgig Network, which is a coordinated effort by a collaboration of Connecticut municipalities to deliver a state-of-the-art open access fiber optic network to homes and businesses throughout the state, utilizing private capital to underwrite the construction of that network through a public-private partnership business model.

Macquarie Capital was selected by a collaborative of municipalities through a procurement process as the company to secure financing for and construct the CTgig Project. Macquarie Capital requires, as a condition precedent to participating in the CTgig Project, an interlocal agreement among participating municipalities that will create an interlocal board, which shall serve as a centralized governing body authorized by state statutes and assigned certain powers to act on behalf of each of the participating municipalities. Macquarie Capital further requires that the interlocal board, when created, enter into a concession agreement with Macquarie Capital to fund the expenses for a reliable feasibility study to determine baseline engineering data and design criteria, demonstrate the probable costs of a fiber network deal, and explore what network architecture will work best for the CTgig Project.

PLANNING CONSIDERATIONS

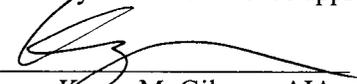
In February 2015, the Federal Communications Commission declared that “Internet broadband access is an essential public utility to which every citizen should have access” and that “municipalities cannot be prevented or curtailed in their efforts to develop their own broadband Internet networks.”¹ The CTgig Project would help create such a broadband network throughout Connecticut, allowing state businesses, institutions, and residences to connect to the Internet at higher speeds and lower cost than is currently available through private providers.

An interlocal agreement will provide clear power and authority to the interlocal board to efficiently manage the private investment bank funding and diverse construction elements of the massive fiber optic network planned by the CTgig Project, and also ultimately to facilitate the non-discriminatory and competitive distribution of broadband services over the evolving CTgig Network. Each of the Participating Municipalities are encouraged to create a Community Innovation Committee consisting of legislative and executive municipal leaders, and members of the communities, to provide support and be responsive to the municipal representatives serving on the interlocal board and its various subcommittees. The interlocal agreement will, and the concession agreement, may, each require a commitment from the City for a term of longer than a year.

ADVICE

The Commission finds the Resolution in the best interest of the City and recommends approval.

ADOPTED: July 15, 2015
Edward Mattison
Chair

ATTEST: 
Karyn M. Gilvarg, AIA
Executive Director

¹ Katz, E. S. (2015, March 2). FCC Backs State's Ultra High-Speed Internet. *The Hartford Courant*.