

SANFORD BROADBAND NETWORK FAQs



PROJECT BACKGROUND:

In order to spur economic development, including job creation and investment, a top priority for the Sanford Regional Economic Growth Council board (growth council) and the Sanford City Council has been to deploy high-speed optical fiber to the key employers in the community – community anchor institutions, like schools, medical facilities, manufacturers, and city government – and the critical commercial and industrial areas within the city, including the industrial parks and the historic mill yard.

Following two years of plan development and a competitive bid process, on Monday, September 28, 2015, at a press conference held during the New England Broadband Summit in Portland, Jim Nimon of the Sanford Regional Economic Growth Council, along with Steve Buck, Sanford City Manager, and Tom Cote, Sanford Mayor, announced plans to build a 32 mile municipal broadband network and connect to the Three Ring Binder (3RB). It will be the largest municipal network in Maine and the first major loop connecting York County to the 3RB (a middle mile project that strung 1100 miles of fiber through the rest of the state and was completed in 2012). Some of the frequently asked questions about the Sanford project are answered below.*

WHO IS RUNNING THIS PROJECT?

The project has been developed and shepherded by the growth council which includes board members from its three co-founders: the City of Sanford, the Sanford Industrial Development Corporation and the Sanford-Springvale Chamber of Commerce. The Letter of Intent was signed by the City and its private sector construction and operating partners. Like the growth council, this project is a public-private partnership stemming from the exploration of a best business model allowing for municipal investment and input while leveraging the strengths and expertise of private sector for-profit business. The growth council recognizes the collaboration of the public-private partnership as the best means to accomplish the City's economic development strategies.

WHO IS BUILDING THE SANFORD BROADBAND NETWORK?

NextGen Telecom of Rochester NH, is the private sector company selected to construct the 32 mile optical fiber network, and CEO Russ Stephens was introduced as the city's partner at the press conference in Portland.

WHO IS OPERATING THE SANFORD BROADBAND NETWORK?

Once construction is completed, GWI of Biddeford ME is the private sector company that will operate the network. GWI's CEO Fletcher Kittredge was also introduced as the city's partner at the press conference.

*Digital New England: A Summit for Regional Broadband Leaders, Holiday Inn by the Bay, Portland ME

WHO WILL OWN THE FIBER ASSETS ONCE THE CONSTRUCTION PROJECT IS COMPLETED?

The City of Sanford will own the fiber network and lease it to GWI.

WHAT IS THE SYSTEM DESIGN AND WHY?

The system is designed as an Open Access Non-Discriminatory Fiber Optic Network. There is no exclusivity to the Network, and providers other than GWI can use the network on non-discriminatory terms. Both dark fiber and lit services will be available as wholesale. This allows for a number of private sector business models to provide services on the Network and offer a multitude of broadband solutions spawning competitive pricing and market responsiveness to customers.

HOW MUCH WILL IT COST TO BUILD THE NETWORK?

Capital costs are projected to be just over \$1.5 million.

HOW WILL IT BE PAID FOR?

The growth council and the city have had very promising discussions over the months with federal and state agencies and several new potential sources were offered at the broadband summit. The city is prepared to fill any funding gap and expects to do so within the current operating budget. The total number of community anchor institution and leveraged funding partners is still being solidified. The City will first finalize the partners' participation as match for the anticipated leveraged funding opportunities and then commit to funding the gap for construction of the fiber network.

I HEARD THE SYSTEM WILL BE FUNDED BY MUNICIPAL TIF MONEY – IS THAT TRUE?

Tax Increment Financing (TIF) is a consideration as the Fiber Network may be used to establish a TIF District and capture the incremental value stemming from the implementation.

HOW DO I KNOW MY TAX BILL WON'T GO UP BECAUSE OF THIS?

Leveraged funding is anticipated (see above) and the substantial amounts now being spent by the city and schools on Internet-associated leases and connections won't be needed with the new network. This will essentially free up those dollars already part of the City and School's combined balance sheet to offset that portion of construction funded by taxation.

WHEN WILL THE SYSTEM BE BUILT (START/FINISH)?

The project construction may begin as early as spring 2016, with the entire project start to finish estimated at 12 – 14 months.

ARE THE STREETS GOING TO BE DUG UP TO ACCOMMODATE THE NETWORK?

The System has been designed to use pole attachment agreements as the primary method of stringing the 32 mile fiber network and does not anticipate laying any underground cables as part of the broadband construction project. The optic fiber will be attached to existing utility poles in the same manner as electrical, phone, and cable systems in the space already authorized for public utilities.

WILL THE NETWORK BE JUST FOR COMMERCIAL AND MUNICIPAL USE, OR CAN RESIDENTIAL USERS BE INCLUDED?

The network is being constructed initially for economic development purposes (see opening statement and reference to immediate needs of the community anchor institutions) but the operator is providing a foundation on which to expand and reach residential neighborhoods and additional businesses in the future. Again, the network is an open access non-discriminatory fiber optic system to be utilized by a host of internet service providers, all of which are reliant upon fiber optics as the backbone of their communications offerings.

WHERE WILL THE FIBER BE STRUNG?

See attached network map.

HOW CAN I SIGN UP TO TAKE PART?

In addition to connecting community anchor institutions, GWI intends to provide gigabit residential service to residents along the network route where there is sufficient density and demand. The operator will actively solicit residential customers prior to construction.

CAN OTHER COMMUNITIES JOIN IN THE SANFORD NETWORK?

Yes, the network can accommodate additional municipal partners along the proposed routes, such as Wells, Kennebunk and Alfred. Connecting communities may lease dark fiber by the strand-mile or purchase lit services as provided by GWI.

MY INTERNET IS JUST FINE. WHY MESS WITH A GOOD THING?

The Sanford network is offering a high-speed (up to 10 GB/sec symmetric), open-access, non-discriminatory system that will promote competition among internet service providers. Businesses and residents will continue to choose their service provider but will benefit from increased competition and offerings.

WHY DOES THE CITY NEED ITS OWN NETWORK? THERE ARE ALREADY BROADBAND PROVIDERS IN SANFORD.

The city believes that in today's global economy, owning infrastructure assets, like roads and optical fiber, is in the public interest, and securing multiple private sector internet service providers and fostering competition for speed, bandwidth, pricing and dependability, affords a competitive advantage to existing companies and citizens, as well as those who are not here yet but will be attracted to Sanford in the future. Please note that earlier this year the Maine definition of "broadband" changed to symmetric speeds of "10 MB/sec download and 10 MB/sec upload" meaning Sanford, like 80% of our state, has no broadband service. This helps explain why Maine ranked 49th out of 50 states for broadband speed as 2015 began.

I HEARD METROCAST IS MAKING THEIR SYSTEM FASTER – WOULDN'T IT BE EASIER AND CHEAPER TO JUST USE THEIR SYSTEM?

No existing ISPs in Sanford provide open-access, non-discriminatory, high-speed, fiber-to-the-premise internet broadband solutions; as with any major consumer expense we would recommend comparing services and making the best choice for your company or family.

ADDITIONAL QUESTIONS OR COMMENTS SHOULD BE ADDRESSED TO:

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City of Sanford Proposed Municipal Fiber Route

