



# BROADBAND RECOMMENDATION

Bringing Fiber based, reliable, high-speed internet to  
the “4 Towns”

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# 4 Towns Regional Broadband Project



The Towns of Berthoud, Johnstown, Mead and Milliken have worked diligently over the last 6 months of 2021 to understand what options may be possible to bring fiber based, reliable, and affordable, internet service to their communities. In addition to understanding the basic technology requirements, a plan was developed that included surveying community members across all 4 Towns to understand current experience and satisfaction with existing Internet options. Additionally, a high-level design and associated cost plan to determine the level of investment required to bring fiber-based services across all 4 Towns was created. All 4 Towns agreed that more competition and a fiber-based approach within the telecommunication sector for their communities would bring improved outcomes for residents, businesses, and community organizations.

More specifically, the Towns agreed upon four primary objectives:

1. **Inclusivity:** To provide the opportunity for high-speed broadband service to all residents, businesses, schools, local government, non-profit organizations, healthcare service providers, and multi-tenant properties within the four (4) communities and possibly the areas between the four Towns that are unincorporated.
2. **High Speed:** Requires at least 1 Gigabit symmetrical (upload and download) broadband connection for residential (and up to 10 Gigabit symmetrical broadband connection for non-residential) with the ability to potentially grow into faster services over time. A need to accommodate both smart city applications and triple-play services were also identified as key needs for any new provider.
3. **Reliable:** The service needs to be dependable as it will have many uses requiring high availability. Some examples are businesses - both storefront and home, residents, students, and healthcare professionals. A focus on redundancy should be a key element to ensure reliability.
4. **Reasonable cost:** The monthly charges for such service should be reasonable and affordable to ensure the needs of each community are met.

The community survey results, and details surrounding the design / engineering plans, as well as cost projections are all available on request from the Town of Johnstown.

The four Towns with very close proximity to each other provide an opportunity for any provider to look at aggregating demand across nearly 20,000 homes and businesses on the Front Range of Colorado. The Northern Colorado area, which includes these 4 Towns is one of the fastest growing markets in the US and within 40 minutes of the Denver metro market. A preliminary engineering analysis was completed on the fiber to the premise network needed to provide high-speed internet and other services to 100% of homes and businesses. Key statistics in this analysis include fiber distribution mileage needed for construction, fiber backbone mileage to interconnect the markets to one another and estimation of shelter, cabinet and equipment costs. Essentially, these costs together provide a total capital cost estimate to build the network, based on engineer's estimates.

#### **Total Passings & Distribution Mileage**

<b>Town</b>	<b>Fiber Distribution Mileage</b>	<b>Total Passings</b>	<b>Homes Per Mile</b>
<b>Berthoud</b>	94.3	6,283	67
<b>Johnstown</b>	109.8	6,854	62
<b>Mead</b>	77.4	3,113	40
<b>Milliken</b>	59.4	3,441	58
<b>Total</b>	340.9	19,691	58

#### **Preliminary Summary of Capital Costs**

<b>Fiber Distribution</b>	<b>Fiber Drops</b>	<b>Electronics</b>	<b>Vehicles &amp; Stock</b>	<b>Total Capital</b>	<b>Cost Per Home Passed</b>
<b>\$10,371,394</b>	\$3,392,820	\$1,240,000	\$650,000	\$15,654,214	\$2,492
<b>\$12,081,581</b>	\$3,701,160	\$1,240,000	\$650,000	\$17,672,741	\$2,578
<b>\$8,512,144</b>	\$1,681,020	\$960,000	\$425,000	\$11,578,164	\$3,719
<b>\$6,531,338</b>	\$1,858,140	\$960,000	\$425,000	\$9,774,478	\$2,841
<b>\$37,496,456</b>	\$10,633,140	\$4,400,000	\$2,150,000	\$54,679,596	

#### **Key Expectations and Asks of any new Provider included:**

- A turnkey solution from a leading broadband provider to build, own, operate a regional fiber to the home network; making it accessible to 100% of homes, businesses and community organizations across the 4 Towns.
- A commitment to meeting this requirement within 3 years with a buildout plan that enables each Town to begin receiving services within the first 18 months or sooner.
- Consistent and uniform pricing for high-speed internet services across the 4 Towns, with the understanding that the provider must respond to competitive pressures from other providers and which may influence pricing to some degree.
- Tiered, competitive packages up to 1 gigabit for residential services in the first 3 years.
- 10 gigabit services available to residential customers after year 3 or sooner.
- Competitive Small and Medium Business (SMB) packages at competitive rates but with higher speeds and reliability than existing "business class" SMB services.
- Enterprise class internet and transport services to serve large businesses, schools, hospitals, libraries and other community anchor institutions.
- High-quality customer service with demonstrable quality, Net Promoter Score (NPS) or other service metrics.
- The ability to wholly fund the project without any required funding participation from the 4 Towns.

- Successful references including community engagement, ideally already active within Colorado.

#### **What the 4 Towns Can Provide:**

- Streamlined permitting processes to support a large-scale underground fiber construction project to ensure that permitting does not delay production.
- A single point of contact for all permitting, construction coordination, locates, community engagement, notification, inspections and restoration.
- Community engagement and outreach to support education on the project and the project.
- Existing data in GIS, including parcel maps, existing utilities, rights of way, city property and related information.
- City property for location of points of presence, fiber distribution hubs, cabinets and other provider facilities.
- Franchise agreement as applicable.

#### **Reaching out to Providers and Recommendation:**

Following our release of information regarding the Town's objectives, and summary survey results with estimated project costs, during the Summer of 2021, preliminary discussions with interested providers were held with 11 separate entities including the Town's current providers. Of these providers, 5 demonstrated a solid understanding of the 4 Town's objectives and had applicable experience delivering community, fiber-based internet solutions. All 5 had slightly different go-to market approaches with differing strengths and weaknesses. Following further dialogue with these 5 providers, digging deeper into their planned community approach, as well as reviewing their desire and capacity to fund the whole project three entities were identified as well positioned to meet the goals and objectives of the 4 Towns. In October 2021, Allo Communications, Highline Telecommunications, and Loveland Pulse were presented to the elected officials of each of the 4 Towns and recommended to be shortlisted to visit in-person with Town leadership and further determine their interest and ability to execute on the 4 Towns desired broadband plans.

During late November and early December 2021 in-person meetings were held with these 3 providers and whilst all communicated a strong desire to work with the 4 Towns, it was clear that Allo Communications presented the strongest case to be considered as a new fiber based, community provider of triple play and help the Town implement desired smart city services across the 4 communities.

Some of the strong attributes that Allo Communications presented included:

- Track record of success in northern Colorado delivering cost competitive, triple play services and smart city applications in other similar sized communities.
- Demonstration of excellent customer service, NPS success, and community engagement.
- A willingness and capability to fund the capital requirements to build out the new fiber network and the operational know-how to successfully manage the new network.
- Strong technical capacity including the ability to complete a final design.
- Commitment to complete network construction within Town's desired timeframes and to equally build out, market, and connect equitably across the 4 Towns.

- With global shortages of materials required to construct fiber networks, Allo were also able to demonstrate a commitment to ensure material supply and delivery would not be a limiting factor to the construction of the new network.

### **Recommendation:**

Town Administrators from the “4 Towns” all concur that an agreement should be sought with Allo Communications and input from private sector partners, both Peakview Enterprises (Owner’s Representative) and Magellan Advisors (Broadband Study Responder) support this recommendation.

### **Next steps:**

Each of the Town representative facilitating the Broadband Study and this Summary and its recommendation as applicable. Collectively with the elected officials we desire to seek consensus authorizing for the Town representatives to begin discussions with Allo and confirm a simple Agreement (such as an MOU) between Allo and each of the 4 Towns to be presented to the governing bodies of each Town. This should be a simple Agreement as no Town commitments, monetary or otherwise, are being made and granted to Allo. The execution of a Franchise agreement with Allo would also happen as required.

It is expected that this Agreement could be completed for Town Council/Board consideration by end of March 2022. In parallel to this, Allo would complete their own expected final design and costs of the project at their own expense. Assuming these timelines are met, following final design review, agreement on a project timeline with final market pricing, and establishment of the permitting process, construction could begin as early as Summer 2022. Full construction should be complete within 18-24 months from commencement.

### **Allo highlights:**

- Lincoln, Nebraska headquarters serving 27 communities across NE, CO and AZ.
- Well capitalized with a significant investment from SDC Capital Partners, LLC, headquartered in New York, focused on applicable IT and communications infrastructure investments.
- Presence in Northern Colorado with initiatives in Fort Morgan, Breckenridge, Hudson and soon Greeley.
- Good fiber-based internet options with competitive pricing supported by IP voice and IPTV bundle options with a strong channel lineup.
- Excellent technical team and operational know-how.
- Solid customer care, community engagement, and applicable marketing activities.

## 4 Towns Preliminary Design

