

Town of Johnstown Broadband Planning



Johnstown
Colorado

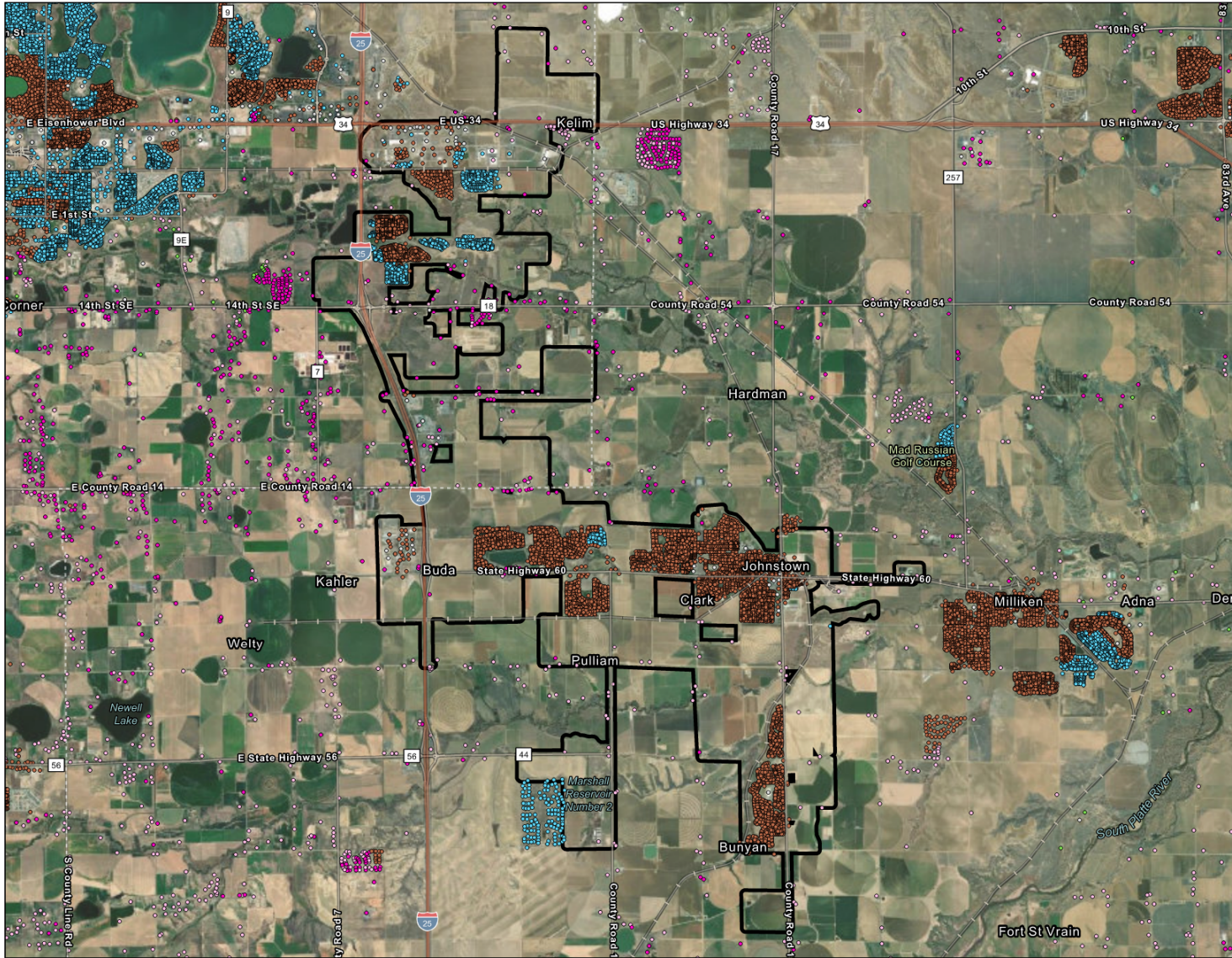
February 2024

Agenda

- ✓ Service Area and growth
- ✓ Capital scope and cost
- ✓ Financial Models
- ✓ Market updates
- ✓ Next Steps



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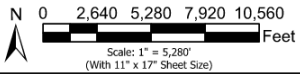


Terrestrial Service Technology

Johnstown Broadband Planning



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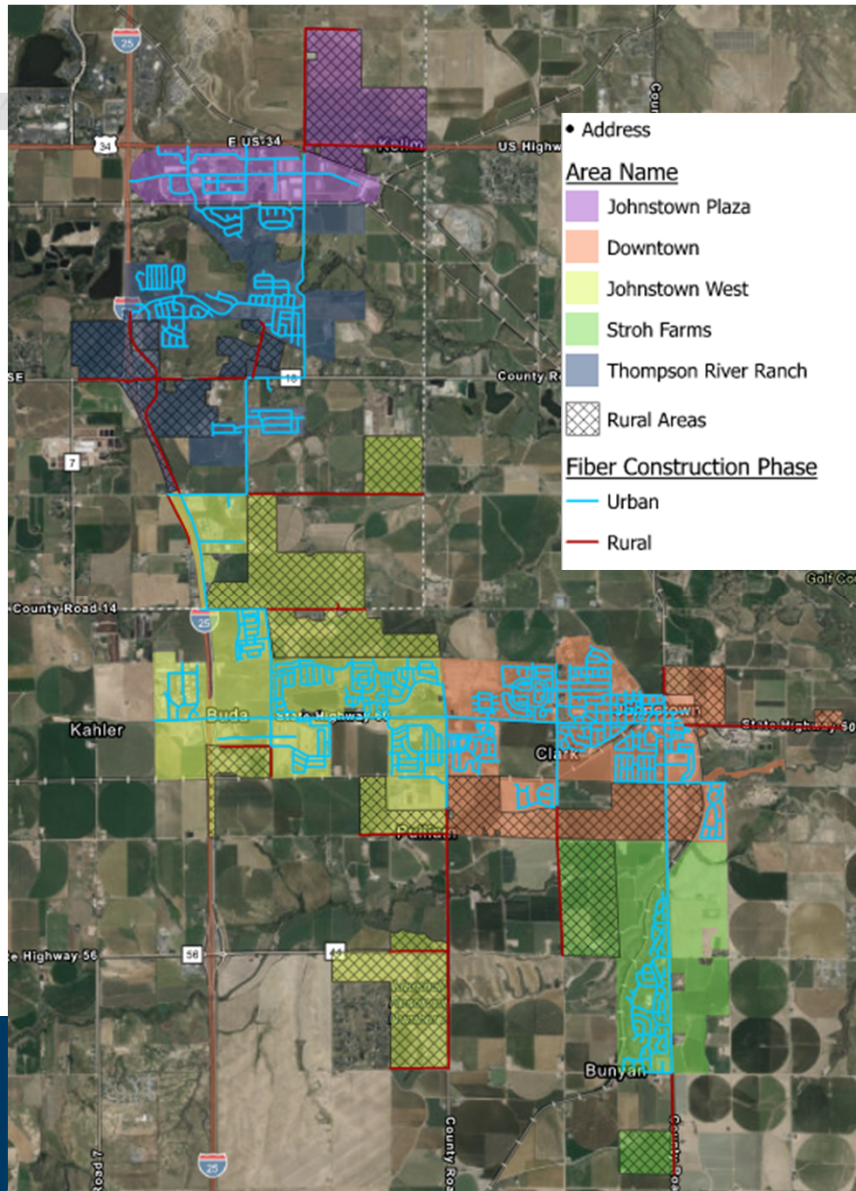


- Johnstown Municipal Boundary
- No Reported Terrestrial Service
- Copper Wire
- Coaxial Cable
- Fiber to the Premise
- Unlicensed Terrestrial Fixed Wireless
- Licensed Terrestrial Fixed Wireless
- LBR Terrestrial Fixed Wireless (LBR – Licensed by Rule)

Date Exported: November 2023

Project Construction Cost

Total Cost Summary by Area				
ITEM	TOTAL FOOTAGE	NUMBER OF ADDRESSES	COST PER ADDRESS	ESTIMATED COST
Johnstown Plaza	47,042	129	\$20,153	\$2,599,711
Downtown	214,329	3,311	\$3,670	\$12,152,638
Johnstown West	202,376	2,148	\$5,190	\$11,148,924
Stroh Farms	61,799	749	\$4,751	\$3,558,869
Thompson River Ranch	127,490	1,947	\$3,745	\$7,292,471
TOTAL	653,036	8,284		\$36,752,613
Average Cost per Address				\$4,437



Public Broadband

Why have Municipalities/Public Agencies pursued broadband?

- ✓ Broadband as a Utility
 - Consideration that broadband is no different than power, water, sewer – it is an essential utility
 - Create equity through bridging the “digital divide”
- ✓ Desire to “future proof” community through fiber
- ✓ Economic development/health
- ✓ Create a more reliable, resilient communication infrastructure
- ✓ Set the foundation for “Smart City”
 - Improve transportation, services, communication
 - Data to efficiently operate and manage assets



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Service Models

- ✓ Status Quo
 - Service by private industry
- ✓ Public-Private-Partnership
 - Private ISP, Private Equity, Private Contractor
 - Longer term relationship; lack of control over service
- ✓ Municipality as ISP
 - (i.e. Longmont, Fort Collins, Loveland, Estes Park)
- ✓ Connect to other Municipal Broadband providers
 - Service agreement/IGA
 - Possible revenue sharing/cost offsets
 - Level of control
- ✓ Hybrid Open Access (NEW)



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Johnstown Owned Utility

✓ Funding

- Johnstown provides funding for infrastructure

✓ Network Operations

- Establish business unit within Town to operate in competitive telecom market
- Town builds, owns, operates, and maintains network

✓ Schedule

- Driven by ability to generate revenue and cover debt service
- Additional time to construction for broadband business setup (~2 years)

✓ Risk

- Business model risk fully assumed by Johnstown
- Staffing availability
- Market sensitivity to competition/pricing affecting ROI



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Regional Municipal Providers

Provider	Service Package	Service Price	Other fees?
Fort Collins Connexion	1 Gig symmetrical	\$70/month	No
Longmont NextLight	1 Gig symmetrical	\$69.95/month	No
Loveland Pulse	1 Gig symmetrical	\$74.95/month	No
Estes Park Trailblazer	1 Gig symmetrical	\$69.95/month	+activation fee, \$89.95
Johnstown Model*	1 Gig symmetrical	\$95/month	No



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*estimated pricing for ROI

Johnstown Owned Utility

✓ Summary

- Take Rate: 50% of Residential and 30% of Businesses
- Total Network Construction Cost: \$36.8 M
- Bond Total: \$45M
- Johnstown Cash Contribution: \$13.75M
- Positive Net Operational Income: Year 10



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Municipal Partnership via IGA

- ✓ **Funding**
 - Johnstown provides funding for infrastructure
 - Funding is matched to work orders defining specific areas
- ✓ **Network Operations**
 - Pulse builds, owns, operates, and maintains network
 - Pulse commits to service at every address with funded areas for a minimum of 25 years.
- ✓ **Schedule**
 - Johnstown defines priority
 - Flexible phasing to match funding availability
 - Each defined area can maintain independent ROI similar to whole
- ✓ **Revenue**
 - Income Shared to Town – as % of Gross Revenue



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Municipal Partnership (pay as you go)

✓ Summary

- Take Rate: 50% of Residential and 30% of Businesses
- Total Network Construction Cost: \$36.8 M
- Bond Total: \$0M
- Johnstown Cash Contribution: \$36.8M
- Return on Investment: Year 26

✓ Risk

- Some loss of control to outside entity
- Operational and overhead costs borne by partner
- Potential longer schedule to full build out due to funding availability
- Have to define priority areas carefully



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Municipal Partnership (bond funded)

✓ Summary

- ✓ Take Rate: 50% of Residential and 30% of Businesses
- Total Network Construction Cost: \$36.8 M
- Bond Total: \$36.8M
- Johnstown Cash Contribution: \$19M
- Return on Investment: Year 38

✓ Risk

- Very long payback due to debt service
- Some loss of control to outside entity
- Operational and overhead costs borne by partner



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Market Updates

- ✓ Xfinity's plan for Johnstown
 - Fiber to the home

- ✓ Key Considerations
 - No control over build out schedule or final service area
 - Added competition for existing and any new service provider entering market
 - Are there incentives that would drive commitment from Xfinity to serve less profitable locations?



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Hybrid network

✓ Funding

- Build on private sector work
- Johnstown provides funding for core infrastructure to extend to specific underserved areas

✓ Network Operations

- Town can own and lease infrastructure to private provider
- Internet service provided by private sector

✓ Schedule

- Johnstown defines priority
- Flexible phasing to match funding availability

✓ Revenue

- Fiber leases to pay back investment over time



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Next Steps



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