



STAFF REPORT

Meeting Type: City Council
Meeting Date: August 4, 2025
From: Gregory Brewster, SandyNet Director
Subject: Plan Adoption: SandyNet Master Plan

DECISION TO BE MADE:

Whether to adopt the proposed SandyNet Master Plan.

APPLICABLE COUNCIL GOAL:

- **Goal 3.1:** Complete, adopt, and implement the SandyNet Master Plan to ensure the resiliency and sustainability of the utility, including staffing levels and space needs.

BACKGROUND / CONTEXT:

On November 19th, 2001, Sandy City Council adopted an ordinance establishing SandyNet. Since that time SandyNet has provided the community, including businesses, with broadband service. Originally using copper telephone lines, DSL was provided through 2009, which largely replaced with a wireless system that blanketed Sandy with Wi-Fi. The existing master plan was adopted in 2009, when wireless service was still expanding, and the fiber footprint consisted of only a handful of buildings in the downtown district.

With the rise of internet-based video streaming from YouTube and Netflix, SandyNet's wireless system experienced more demand than it could serve. In order to meet rising broadband requirements, fiber optic service to each home and business was determined to be a viable solution. In 2014, fiber optic construction started, which passed 100% of homes by the end of 2015. In 2017 the Urban Renewal District was constructed using urban renewal funds to build out fiber to businesses.

To date, SandyNet services 80% of homes within Sandy city limits with fiber. Additionally, fiber is available to 95% of businesses within city limits. With the recent completion of the 2022 SandyNet American Rescue Plan Act Project, apartments and other rental complexes were built out with fiber to close the remaining service gaps within city limits. While some private properties and apartment complexes do not have fiber, any complex that has given SandyNet permission to construct fiber has been built out.

Finally, SandyNet has worked with Clackamas County's Broadband eXchange (CBX) to create a public-public partnership that has helped build out fiber to rural sections of the Sandy community, outside of city limits.

All these milestones and more have been implemented under the active 2009 Telecommunications Master Plan, which contains little to no language regarding most of the goals and projects that have been implemented. While SandyNet recognizes 10 years as being a fiber operator, the department is faced with both challenges and opportunities in its effort to support the Sandy community.

Funding, staffing levels, regulatory changes and future plans and structure are all considerations that the new master plan aims to address. Rural Innovative Strategies Inc. (RISI) was awarded the project to assess and write SandyNet's new master plan. RISI performed comprehensive interviews with key stakeholders and took an in depth look at SandyNet financial outlook and cost model to create recommendations that help keep SandyNet in line with the community's expectations and make SandyNet a sustainable utility that can be self-sufficient for years to come.

KEY CONSIDERATIONS / ANALYSIS:

On December 16, 2024, staff brought before the Council it's draft of the SandyNet Master Plan and answered questions from the Council. RISI presented the master plan in detail, and the SandyNet Advisory Board attended and provided clarification and information around their recommendation.

The Council asked staff to design a ranking system for identifying areas that were viable for SandyNet rural expansion and attach it to the master plan. Staff worked with the SandyNet Advisory Board to develop a system that encompasses several important factors when determining a viable service location. An example of the form that staff will use is attached for the Council's records.

Preliminary Implementation

Since the December 16 meeting, staff has already begun implementing sections of the master plan, including a rate increase for the 500Mbps and 1000Mbps residential and business speed tiers, which will take effect in the August utility bill. Staff included several other master plan initiatives in its 2025-2027 budget which were approved by the Council during the June 2, 2025, City Council Meeting. Those initiatives included setting funds aside to design a new facility and continuing to refresh system hardware inside of subscriber's homes and businesses.

Under Section 3.2, SandyNet staff have been looking at how the department can move out of its existing facilities. Should the opportunity to build or purchase a new site, staff believes that there can be cost savings by combining the new building with a redundant data center. Funding was set aside in the 2025-2027 budget to begin the process of construction of a new building.

Considerations for Future Implementation

Under Sections 4 and 5, any of the recommendations mentioned in the document are not required to be executed immediately, or in combination with one another. The master plan speaks to actions and recommendations but largely leaves the implementation strategy to Council to determine. Staff would like to note that in some instances, a phased/staggered implementation may be ideal, and each goal should be assessed outside of the master plan adoption to ensure that a proper and effective implementation plan is in place.

Under Section 7, most regulatory requirements are mandated, and SandyNet has begun resolving the identified/outstanding issues. Items under section 7 are currently identified regulatory requirements, which are subject to change in the future as the regulatory landscape continues to evolve. Therefore, specification about specific item level compliance or noncompliance status is omitted from the report.

BUDGET IMPACT:

None required for adoption of the master plan.

RECOMMENDATION:

The SandyNet Master Plan was reviewed and endorsed by the SandyNet Advisory Board on November 21st, 2024.

Staff respectfully requests that Council review the master plan, RISI's presentation, and staff's adjustments, and adopt the SandyNet Master Plan.

SUGGESTED MOTION LANGUAGE:

I make a motion to adopt the SandyNet Master Plan with its included addendums and exhibits.

LIST OF ATTACHMENTS / EXHIBITS:

- SandyNet Master Plan
- Ranking System for Rural Expansion
- RISI Presentation Slides – December 2024