



Request for City Council Committee Action

Date: July 28, 2006

To: The Honorable Paul Ostrow, Chair

Referral to: Ways & Means Committee

Subject: Community Benefits of Broadband Wireless Initiative

Submitted by Karl Kaiser _____, 673-3910
Chief Information Officer

Approved by Steven Bosacker _____
City Coordinator

Prepared by: Bill Beck, Minneapolis Deputy Chief Information Officer

Recommendation:

Approve the adoption of Wireless Minneapolis Digital Inclusion Task Force Final Report of July 17, 2006 as a basis for Wireless Minneapolis contract negotiations

Previous Directives:

Adopted - November 5, 2004

W&M/Budget – Your Committee recommends concurrence with the recommendation of the City’s Chief Information Officer (CIO) request for authorization to initiate a program that will provide Citywide Broad Band Wireless Internet Services to all residential, commercial and institutional users, by proceeding with the following activities:

- (a) The Business Information Services Department is directed to initiate a Citywide Broad Band Wireless Internet Services project;
- (b) The proper City officers are authorized to issue a Request for Proposals (RFP) to deploy, manage and administer ubiquitous Citywide Broad Band Wireless Internet services;

- (c) Development of a Citywide Broad Band Wireless Internet services business case based on a public/private partnership and responses to the RFP. Further, the initiative will be funded by a public/private partnership, with the private sector partner being responsible for all acquisition, design and implementation costs and management of the network going forward; the City will recover all soft costs expended from the project planning through network completion from the partner upon contract execution.

Permanent Review Committee (**PRC**) Approval – Not Applicable

Policy Review Group (PRG)

Approval ____ Date of Approval ____ Not Applicable X

Presenter in Committee: Bill Beck, Deputy Chief Information Officer

Financial Impact (Check those that apply)

X No financial impact (If checked, go directly to Background/Supporting Information).

Action requires an appropriation increase to the ____ Capital Budget or ____ Operating Budget.

Action provides increased revenue for appropriation increase.

Action requires use of contingency or reserves.

Business Plan: ____ Action is within the plan. ____ Action requires a change to plan.

Other financial impact (Explain):

Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

As directed by Council, Business Information Services, in May of 2006 established The Wireless Minneapolis "Digital Inclusion Task Force" (DITF) to directly engage City residents and businesses in developing a formal community technology agenda. The recommendations the Digital Inclusion Task Force are intended to be a base of reference for contract negotiations and ensure that all residents benefit equally from Wireless Minneapolis technology initiatives.

Catherine Settanni, director of the Community Computer Access Network, coordinated Task Force efforts with the help of twenty-nine volunteer experts in the field of community technology and technology literacy were asked to contribute their time and expertise in the development of this report. The recommendations, analysis and suggested community benefit requirements that follow represent the collective opinion of the task force.

Task Force members worked together to:

1. Articulate a vision for bridging the digital divide within the City of Minneapolis;

2. Develop strategies that address persistent barriers to technology access and literacy;
3. Recommend these strategies for inclusion in the City of Minneapolis' "community benefits agreement," (CBA);
4. Help identify an intermediary organization/agency/or foundation to coordinate digital inclusion efforts and manage digital inclusion funds.

Background/Supporting Information Attached

The City of Minneapolis is currently engaged in a number of closely linked initiatives that are focused on enhancing Public Safety (implementation of new E-911 and Computer Aided Dispatch systems); improving City of Minneapolis services for residents, businesses and visitors; streamlining processes associated with City of Minneapolis service delivery (311 and Remote Inspector programs); reducing costs for all City of Minneapolis departments; and improving communications to and within all workgroups of City of Minneapolis government (upgrade of the City-wide telecommunications system). To support City of Minneapolis goals, challenges and initiatives, Public Safety personnel and other institutional department workgroups require ubiquitous access to reliable, high-speed, high-performance fixed and mobile broadband IP data connectivity services. These services will be deployed to optimize the cost-effectiveness of City of Minneapolis operations and to improve overall service delivery to constituents.

The City of Minneapolis Business Information Services (BIS) Business Plan 2006-2010 aligns Broadband plans with the City's strategic goals. BIS defines its Mission as transforming City government to be more integrated, customer-centric, efficient, accountable, and accessible. One of the key trends and challenges the BIS Department cites in the plan as a focus for 2006 is Broadband Internet. The plan states: "Broadband Internet technology is rapidly emerging in cities as an option to meet institutional, business, residential and visitor demand for low cost, high-speed Internet services. BIS will implement a fixed and mobile broadband Internet services capability to meet the City's internal institutional needs and provide a universal broadband communications backbone that benefits the residents and businesses as well."

Minneapolis is the first city to use our position in the market to compel business to provide a service to everyone. The BIS broadband team originally considered a city-owned system, but after seeing the financial burden, legal entanglements and operational challenges experienced by other municipalities, BIS recommended a public-private partnership. In doing so the City is avoiding legal battles with industry providers who claim that tax-subsidized wireless service is unfair competition.

The City of Minneapolis issued a challenge to industry experts to prove to us they can build a network that will help us do our jobs better and at the same time provide affordable broadband service to residents and businesses. U.S. Internet and Earthlink made the final cut because they submitted detailed proposals that are strong on technology, creative in application, have solid business models for providing cost effective solutions to meet the City's needs; offer reasonably priced service to businesses and residents and contain attractive components to address the digital divide in meaningful ways.

The City's approach is groundbreaking. A strictly private-sector, "hands off" approach would mean the City declines to increase efficiency and lower-income neighborhoods are inevitably left underserved and unconnected. A strictly public sector approach would have the taxpayers paying at least \$25 million to build a network that could be obsolete the day it finally goes live, pose operational challenges to the City and will subject the City to challenges from the private sector. The City's entire 2006 capital budget for roads, bridges and everything else we build is \$23 million.

The BIS recommended business plan ensures that the vendor who gets the contract in the end, they, not taxpayers, shoulder the risk of ensuring their technology solutions are reliable; the system is continually updated to keep up with emerging technology and industry standards; that they work effectively with other ISPs and content providers, as well as operate this network as a profitable venture.

Additional information can be found in the Wireless Minneapolis business case and its appendices.