



Item No. 25 Town of Atherton

CITY COUNCIL STAFF REPORT – REGULAR AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

THROUGH: MICHAEL KASHIWAGI, COMMUNITY SERVICES DIRECTOR

FROM: MARTY HANNEMAN, CITY ENGINEER

DATE: JULY 19, 2017

SUBJECT: AUTHORIZE THE CITY MANAGER TO NEGOTIATE A LEASE AGREEMENT AND EASEMENTS WITH ATHERTON FIBER; DIRECT CITY ATTORNEY TO DRAFT LEASE AGREEMENT AND EASEMENTS; AUTHORIZE CITY MANAGE TO EXECUTE LEASE AGREEMENT AND EASEMENTS

RECOMMENDATION

- Authorize the City Manager to negotiate a lease agreement and easements with Atherton Fiber/Paxio/Open Fiber; and
- Direct the City Attorney to draft a lease agreement and easements; and
- Authorize the City Manager to execute the lease and easements on behalf of the Town.

BACKGROUND

In mid-2014 the City Council created the Technology Subcommittee. The Subcommittee is led by Council Members Rick DeGolia and Bill Widmer. The make-up of the Committee also includes numerous interested residents and local school representatives. In late 2014, the Subcommittee released a Request for Information (RFI) to potential local service providers, including Google, AT&T and Comcast. The RFI expressed the Town's interest in various options to establish Town-wide connectivity and provide high-bandwidth services to its residents, Town organizations, facilities (library, city hall, council chambers) and schools (public and private).

The Town envisioned the creation of a network that used existing and future public infrastructure to deliver service. Potential usage across such a system could include emergency notification, traffic signal management, security management, street light management, information sharing, and other traditional communications, entertainment and internet access. None of the traditional companies responded. Local resident, Mike Farmwald, learned of the RFI and responded to the Town's Technology Committee. After learning more about what the Committee was exploring,

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Mike Farmwald created Atherton Fiber (AF) as a private "competitive local exchange carrier (CLEC)" so that it could use local utility poles and operate as a telecommunications utility. Atherton Fiber is independent from the Town and there is no agreement between the Town and Atherton Fiber for the provision of services; however, Atherton Fiber is committed to bringing the Council and IT Subcommittee's vision to reality.

Atherton Fiber has now partnered with PAXIO to engineer, and build the fiber network in Atherton from start to finish. PAXIO has extensive experience in building fiber to the home (FTTH) networks dating back to 2003, and was one of the first companies nationally to bring gigabit to the home in 2006.

Once the fiber network is completed, Atherton Fiber is partnering with OpenFiber to operate the fiber network. OpenFiber specializes in operating open access fiber networks. This means that any service provider or customer can make use of the last mile fiber to provide services to customers, or for their own IT needs. Currently, several prominent local service providers that work with OpenFiber have expressed an interest in providing service to Atherton residents including: Berkeley based LMi.net, and Unwired Ltd., Santa Clara based PAXIO, and San Francisco based Monkeybrains.

ANALYSIS

AF is moving forward with the Town wide fiber installations and now needs space for their communications equipment hub. Based on discussions with staff for potential locations, they have requested per attached June 30, 2017 letter, to lease a portion (approximately 160 SF) of the unoccupied existing PD annex. This building currently houses AT&T communications equipment and Police repair areas. Attached are pictures of this area. AF is also requesting the required easements for their conduit lines to enter this facility from Ashfield Road and Fair Oaks Lane.

This is deemed the best location given the anticipated redevelopment of the site for the new Civic Center project. The agreement would require AF to implement all necessary tenant improvements and to relocate or rebuild the structure if/when needed at their cost when this building is eventually demolished for the Civic Center project. AF would also be responsible to pay all costs required for the easements. AF is requesting to have this space available by late summer early fall of 2017. Based on the current Civic Center project schedule, a new building to house AT&T, Police and AF equipment will be needed in late 2019.

The Atherton Fiber Network is a huge win-win for the Atherton community which puts the Town on the cutting edge of service delivery options using a state-of-the-art fiber network. The Town has the required space to assist AF with their immediate needs to house their fiber optic distribution HUB and potentially for a long-term solution within a proposed new

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communications building the Town will need to build as part of the Civic Center project to house the AT&T and Police equipment. More information about AF can be found at <https://www.athertonfiber.com/>.

POLICY ISSUES

Atherton Fiber expects to create an opportunity for leased access to internet service providers, chosen by residents, over a locally installed high-speed fiber network. Choice is one of the primary benefits of the system design and residents would have the ability to select service over the high-speed network from providers such as Google, Sonic, AT&T, Paxio, Comcast and others. Policy issues relevant to the discussion include installation of the network within the public right's-of-way (ROW) will require approval by the Town via an Encroachment Permit for actual field work.

FISCAL IMPACT

None. If approved by City Council, AF will be required to pay for all costs associated with the facility improvements, future relocation, and easements.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the item is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service provides (water, power, and sewer), and regional elected officials.

ATTACHMENT

- 1) Atherton Fiber June 30, 2017 Letter
- 2) Pictures of Proposed PD Annex Lease Areas



June 30th, 2017

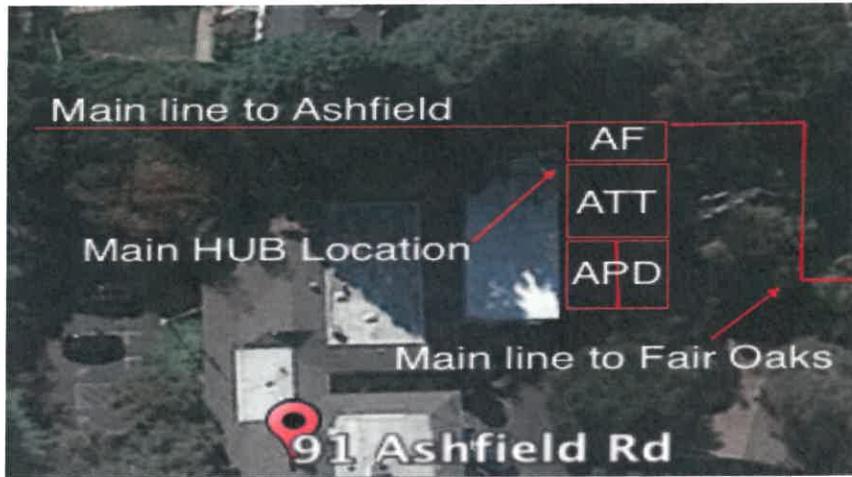
Mr. George Rodricks
City Manager
91 Ashfield Rd
Atherton, CA

Re: Atherton Fiber - Easement for HUB Location

Dear George,

We are happy to share that the Atherton Fiber project is moving forward nicely, and we have come to the point where we are now in need to resolve the HUB location. To this end, we have spoken with staff to address possible locations and plans. Given the pending town hall rebuild, it seems the best solution is for us to use the vacant space in the PD annex building. This building currently serves PD and ATT.

We are requesting an easement for space and power in the PD annex building and to install conduit from Ashfield and Fair Oaks to that location. This location is currently vacant and needs some improvements to be usable. We will cover the cost of all improvements to make the room suitable for our use. The easements we are requesting are outlined below:



We understand that this location is only temporary and will work with the Town of Atherton staff to finalize a permanent location. Given our construction timeline as well as the timeline required to deliver fiber to the Police department for connectivity to the park, we hope this easement can be resolved in short order.

Thank you in advance for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Clark'.

Philip Clark
Project Manager for Atherton Fiber

Inside picture of proposed AF lease space in PD annex building



Outside picture of entry for the proposed area for AF lease area in PD annex building

