

Memorandum

To: Orange County Board of Commissioners

From: Orange County Manager, Bonnie Hammersley
Orange County Chief Information Officer, Jim Northrup

Date: January 21, 2020

Subject: Broadband Initiative Pilot Project Update with Attached Service Area Map

This memorandum is to provide an update to the Orange County Board of Commissioners on the County's current Broadband Initiative pilot project with Open Broadband and provide a timeline of relevant events.

The Broadband Initiative is a 3 year pilot project to expand broadband internet services in unserved and underserved areas of Orange County. \$500,000 in funding was approved in June of 2017 and after a competitive bidding process, a contract with Open Broadband, LLC was approved by the Board in October 2018.

In May of 2019, the first Orange County customer in an underserved area had broadband service delivered to their residence via this pilot project.

\$255,000 has been paid on the Open Broadband, LLC contract to date. Leaving \$245,000 unspent on the currently underway contract. An additional \$150,000 funding was approved in the Manager's FY20 Budget in order to expand beyond the current. Combining this \$150,000 with remaining unspent funds on the initial contract would show \$395,000 is currently unspent.

As of the writing of this update, Open Broadband is serving high speed internet to 85 customers in Phase 1 (see Attachment 1 Service Area Map). Additionally, Open Broadband is continuing work in the Phase 1 area on a weekly and often a daily basis doing customer installs and fine tuning equipment.

Open Broadband has equipment on two County communications towers. One is located on Meadowlands Drive in Hillsborough and the other on Hawkins Road in Cedar Grove Township. Additional broadcast equipment is installed at the following locations:

- Dorsett Farm Efland Cedar Grove Road

- Cedar Grove United Methodist Church
- Cedar Grove Ruritan Club
- Poplar Ridge. Covey Creek

There is a Crown Castle cell phone tower off of Schley Road that is currently in the pre-permitting process and should come on line by March 2020.

Along with weekly progress meetings, Open Broadband provides monthly internal progress reports to the county as well as external newsletters to their customers.

In other broadband news, Piedmont Electrical Cooperative has entered into a non-monetary partnership with River Street Communications to offer wireless and eventually fiber to the home to all of Piedmont's customers. Currently River Street's focus is in Person County, but Orange County is working with them to explore any opportunity to bring broadband to Piedmont's Orange County customers.

Analysis: The Open Broadband Pilot is not moving at the previously expected pace. The expectation was that Phase 2 would either be started by now or pending. Currently, the focus is solely on Phase 1 and Phase 2 planning has been put on hold.

As expected, finding low cost vertical assets has and continues to be a challenge. At the current pace, Open Broadband should have approximately 100 customers signed up by February 2020. This puts the current broadband costs for the County at approximately \$2,500 per installation.

Broadband Timeline of Relevant Events Past, Present and Future

- **October 2021** – 36 month pilot complete and Manager offers final report to the Board.
- **December 2019** – Approximately 85 customers have service.
- **April 2019** – First Phase 1 customer is signed up proving that initial equipment setup is working
- **February 2019** – Manager requests Board approval for Open Broadband tower agreement
- **October 2018** – Contract with Open Broadband is executed and 6 month clock to sign up first customer and have them working begins.

- **September 2018** – Board approves awarding grant funds to Open Broadband.
- **May 2018** – RFP is advertised as per the County Attorney’s recommendation.
- **March 2018** – RFP vendor(s) selection commences
- **January 2018** – Broadband RFP closes and vendor interviews commence
- **November 2017** – County solicits Broadband Request for Proposals (RFP)
- **June 2017** – \$500k for broadband incentives approved in County budget
- **Late 2016** – County works with Representative Graig Meyer to set meeting with CenturyLink. This meeting paved the way for CenturyLink to provide budgetary numbers for improving broadband in its service area and those numbers were used as a base number for the FY 2017-18 \$500,000 Broadband Incentive.
- **September - December 2016** – IT met with Federal Engineering and Emergency Services to discuss the positive impact proposed telecommunications towers may have on broadband services in rural Orange County. It was requested at that meeting that approximately 15’ of vertical strata be reserved for placement of 3rd party wireless broadband equipment on any new towers to be constructed by Orange County. Discussions also included how both the County’s telecommunication and fiber plans have synergies that may decrease long range costs and offer a more secure and reliable fiber connection to each proposed tower location.
- **July 2016** – Former Governor Pat McCrory released the NC broadband strategy report. No funding identified within this report for broadband improvements.
- **May 2016** – The County’s public network build out was completed in downtown Hillsborough and all County-occupied buildings.
- **March 2016** – WiFi-to-Go pilot began via collaboration by IT and the County Library.
- **March 2016** – The State assisted Orange County with identifying vertical assets - understanding the location and availability of county-wide vertical assets is important to businesses that want to bring wireless internet services into Orange County.
- **December 2015** – An ISP meeting on State/County collaboration occurred.
- **Late 2015** – The Orange Public + Education Network (OPEN) formed to foster collaboration and cost-sharing among Orange County and its municipalities.
- **August 2015** – The County’s Broadband Survey closed.
- **June 2015** – The County’s Broadband Survey was released.
- **Apr. 2015** – The Broadband Initiative resident group was formed.

- **November 2014** – The Manager directed County staff to make a concerted effort to engage residents in broadband discussions.
- **June 2014 – January 2016** – Orange County leveraged its relationship with Time Warner resulting in Time Warner extending its wireless hotspots network throughout downtown Hillsborough and into Fairview and Cedar Grove Parks. Prior to the County’s contact, Time Warner reported it was only going to deliver hotspot services to Durham and Chapel Hill. This service allows any individual to connect wirelessly throughout downtown Hillsborough and the parks for free.
- **2011** – North Carolina House Bill 129 barred governments from using public funds to become Internet Service Providers.
- **2010** – The Federal Communications Commission (FCC) publishes its National Broadband Plan.
- **2010** – MCNC awarded federal funds for middle-mile network in rural NC.
- **2009** – The US Recovery and Reinvestment Act stimulus bill included a provision to make loans to states for the purpose of broadband.

Orange County Broadband Initiative Pilot Project (Phase 1)

