

## **BDU / Technology Infrastructure Advisory Committee**

Meeting Date: April 5, 2018, 4PM

Location: Bloomington City Hall McCloskey Room

Board Attendance: Mike Sullivan, Marianne Chitwood, Mike Allen, Chris Robb

Public Attendance: Lucas Salazar

Staff Attendance: Rick Dietz, John Hamilton

Mayor John Hamilton attended the meeting to update the BDUAC on activity on the broadband/fiber initiative.

John Hamilton: We continue to pursue partnership options. Axia's withdrawal from US cities was disappointing. We worked very hard on that, but their capital backer pulled support at the last minute. We've had extensive conversation with a large private equity firm interested in exploring new approaches to infrastructure investment as well, but they were ultimately not ready to enter the market. We are engaged in discussions right now with 2.5 options: two from our RFI pool and 1 new prospect.

Q: How do we avoid equity backing pulling out like Axia?

JH: The two RFI respondents we are talking with right now are more traditional triple play ISPs with investor resources committed to expansion.

Q: What about City build and operate?

JH: PPP (Public-private partnership) is best route for this project. We don't have resources for a full build ourselves -- quotes are between \$30-60 million just for capital expenses of network build, not including operations. Private capital also provides valuable market discipline.

Chris Robb: Indiana Legislature will step in immediately if Bloomington tries to do this without a private partner.

JH: Bloomington 46% of Bloomington customers are cord cutters (internet-only service). The market is changing right now.

Q: How should BDUAC be involved?

JH: There will be a City role even if this is entirely a private build, including review of use of City fiber/conduit assets, work on digital divide and general advice to City as you have been doing.

Q: What's next?

JH: We need to determine most desirable of current partner options. If it's 2 or 3 parties we may invite them for intensive onsite meetings similar to early RFI meetings. If there are ultimately public funds involved then there will potentially be City Council, BPW, BDUAC and significant public engagement.

Q: How worried are you about the State of Indiana scuttling this project?

JH: I'm not concerned if it's mostly a private project. If that's the case the goal is to do all we can to ensure we are still addressing the City's priorities.

JH: Thanks so much for your continued engagement and advice. (Hamilton leaves for another appointment).

RD: Large financial services firm we have been talking to is not a short term option for Bloomington, but possibly a longer term one if we aren't committed to something else down the road. They didn't want to string CoB along while they are working on national business models. We will continue to engage with more traditional providers from our RFI pool and beyond.

Chris Robb: IU has launched the OmniSOC, a multi-institutional security operations center with Purdue, North Western, Nebraska and Rutgers. Accepts feeds/logs and provides "security-as-a-service".

Mike Sullivan: HealthLinc is now self-governing and disentangled from IU Health.

Marianne Chitwood There have been 3 cuts in I-Light fiber in 1 year due to I-69 construction. Now seeking compensation.

Michelle Cole: Envisage hiring now, in need of analysts to support new buildouts/customers. Purchased "exposure tracker" software to add to Envisage portfolio.