

NOTE: This is not an official town document.

This is a version of the LAH Cost sharing document that has modified to show council members and residents of some possible language changes to the original cost sharing document that only lists Comcast as the only viable vendor that allows for reimbursements. With some simple text changes, this town resolution could allow for reimbursements to residents for any viable, competitive Internet service provider that the residents wishes to use.

Town of Los Altos Hills

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COST SHARING POLICY FOR CONSTRUCTION OF LAH RESIDENTIAL

INTERNET BROADBAND SERVICES FOR INTERNET UNDERSERVED* RESIDENTS IN LOS ALTOS HILLS**

Version 1.0 8/27/2019

Background:

The City Council believes that it is in the public's interest to have adequate broadband** Internet Service available to all residents for better access to public safety information, more opportunity for civic engagement, and enhancing education and digital literacy. The purpose of this policy is to establish a means by which the Town can provide limited financial support for the construction of land based, viable, competitive broadband Internet Service connectivity that is researched and selected by the property owner. This new cost sharing policy replaces the previous COST SHARING POLICY adopted by council 8/18/2016 . This new policy now replaces it with options to allow for other competitive Internet Service Providers in addition to Comcast cable systems to provide high speed broadband Internet Services.

Our communications and telecommunications infrastructures, standards and methods by which we connect to the world for our work, home, families, security, entertainment, etc is changing quickly. Almost all services are now being delivered primarily over the "Internet". What residents want today most is **high speed Internet connectivity options in whatever infrastructure or technology** can deliver that service to their homes efficiency, cost effectively and with high speeds in both upstream and downstream data delivery. As new viable competitive Internet Service providers become available in

Los Altos Hills, residents can do their own research and select the Internet Provider that best fits their requirements and costs.

LAH understands that the service that the residents want most at their home is high speed broadband Internet Service and not “cable TV”. Almost all content available over cable is now available over the internet and in the future far more content will be available over the Internet. This resolution is designed to cost share and help residents where broadband Internet Service is not currently available or not available without large install (Greater than \$500) costs from current local Internet providers.

With the LAH property owner taking 75% of the cost and any risks associated an Internet Service Provider option, the Town Of Los Alto Hills will leave the choice of the Internet Provider to the property owner. The resident must do their own research to find the vendors that offers them the most valuable service. This LAH Cost Sharing plan only permits one cost share per parcel for each 20 years.

***** Broadband definition: Currently the FCC “US broadband standard” developed in 2015 is 25 MB down and 3 MB up. It is likely this standard will be upgraded to 100 MB in the near future. Most residents would desire to have Internet speeds over 100 MB download and upload speeds of 25-50 MB to handle multiple cameras and other new internet connected devices.***

Promote Competition and innovation

The town of Los Altos Hills understands that residents want to promote competitive Internet Connectivity vendor options in Los Altos Hills to better serve residents with better services for lower prices. LAH wants multiple vendors to deploy and offer new and competitive residential Internet Connectivity infrastructure and technologies in town. This policy will help to promote new Internet Connectivity options for residents that will benefit all LAH residents into the future by providing multiple vendor services and upgraded technology. LAH also wants to promote new residential communication technologies as they become available to offer a modern, live and work environments for today and tomorrow’s work and life changing environments.

Eligibility ***

This program applies only to the initial installation (not monthly service) of Internet Service infrastructure and equipment to be connected. This includes all infrastructure to provide connectivity to the resident and directly to the resident dwelling and initial set of modem and hardware. This program applies only to areas where residential dwelling units that can not be serviced with Broadband** level service with current Internet Service Providers without expensive (greater than \$500) install fees.

The Internet Service that will be provided as part of this cost sharing policy must meet the following standards:

- Must be able offer at least 100 MB download service / 25 MB Upload service to resident
- Can not be satellite based internet system
- The service must be transferable to any future resident of the property without an expensive install fee.

- Preferable if the service can be upgraded to 500+ MB services in the future

Cost Sharing:

If an application for supporting funds is approved by the Town, the Town will contribute a maximum of one dollar (25%) for every three dollars (75%) contributed by residents toward the customer contribution cost of constructing new Internet Service infrastructure or neighborhood.

The Town's maximum contribution for any single project shall be \$15,000, except as otherwise approved by the City Council. For this purpose, "project" shall mean Internet Service infrastructure project for the benefit of the public residing within the project area. Customer contribution shall mean that portion of the project construction cost which is the payment obligation of the resident-customer.

Procedure:

One or more residents of a particular eligible street desiring Broadband Internet Service may request that the Town Public Works Department obtain a project construction cost estimate in writing from the Internet Service Provider selected by the residents. The Town will forward a copy of the cost estimate to residents. Upon receipt of the Internet Service Provider project cost estimate, which will specify the customer contribution amount, residents may request supporting funds from the Town and shall submit their request for such funds to the Town on a Town-approved application form. Supporting fund requests are subject to availability of budgeted funds and will be disbursed on a first-come, first-served basis.

The City Manager of the Town shall review and consider for approval supporting funds requests within 30 days and may request any relevant supporting documentation as necessary. Supporting funds requests of \$15,000 or less may be approved by the City Manager. However, any funds request may be forwarded to the City Council for review and consideration and all supporting funds requests in excess of \$15,000 shall require City Council review and approval.

The Town's supporting funds amount shall not exceed 25% of the residents customer contribution cost for construction of the Internet Service system based on the project construction cost estimate prepared by Internet Service Provider. If the supporting funds request is approved, applicants shall have ten (10) business days from date of approval by the Town to deposit their 75% share of the required customer contribution with Internet Service Provider.

The City Manager and Public Works Department staff will work with residents in facilitating communications with Internet Service Provider. The Town shall remit its share of the customer contribution to Internet Service Provider upon receipt of invoice from Internet Service Provider and notification that the 75% resident customer contribution has been received.

Ineligibility

For this program, eligible contribution costs for supporting funds shall be amounts paid directly to the Internet Service Provider for Internet infrastructure and equipment and shall NOT include:

- 1) Monthly Internet service fees billed to residents

- 2) costs or expenses incurred directly by property owner residents beyond the customer contribution cost,
- 3) reimbursements of similar costs previously incurred by other property owner residents,
- 4) costs for extended warranty, future maintenance, or future enhancements to the Internet Service or system.
- 5) other costs deemed ineligible by the Town's City Manager.

Miscellaneous Provisions

Exceptions to this policy shall be subject to review and approval of the City Council.

- The Town reserves the right to terminate or make changes to the provisions of this policy at any time.
- If all budgeted supporting funds are committed prior to the end of a given fiscal year, the City Council may approve an additional contribution of supporting funds at its discretion.
- The Town is not responsible for cable system project design, project cost estimates, project construction, project management and billing services, warranty, future enhancements or any other costs billed directly to the property owner resident by the Internet Service Provider.
- It is possible that a resident may gain access to the Internet Service system although they did not contribute to the initial cost of constructing the related infrastructure. Such residents have no obligation to pay or reimburse either the property owner, residents or the Town for the original construction cost of this infrastructure. Any questions or concerns can be directed to the Town's City Manager or Public Works Department.