

<i>Tab</i>	<i>Action</i>	<i>Option</i>	<i>Version</i>
144	1	A	1

“Of the appropriations in the 2016 budget for the Finance General Reserves BCL, \$5,000,000 is appropriated solely for the implementation of a Municipal Broadband Pilot Project and may be spent for no other purpose. Furthermore, none of the money so appropriated may be spent until authorized by future ordinance. Council anticipates that such authority will not be granted until the Executive presents Council with a spending and implementation plan for a Municipal Broadband Pilot Project.”

Background:

In 2015 a study commissioned by DoIT investigated options for building a municipally owned broadband Internet Service Provider in Seattle with Gigabit fiber to the premises service. This study provided pricing models for building a city-wide broadband network and also provided more modestly priced pilot projects in select neighborhoods to practically test the financial feasibility of municipal broadband in Seattle.

The study estimated that each of these three possible pilot projects would cost approximately \$5,000,000 to design and build. This green sheet would add \$5,000,000 in the Finance General Reserves BCL to fund the construction of a Municipal Broadband Pilot. It is Council intention to fund a pilot project in the Beacon Hill neighborhood with this funding.

In developing rates for the service, it is Council’s intention to set rates at a level that would fully recover the cost of operation and maintenance, but would not seek to recoup the capital costs of installation. This rate model would demonstrate the feasible of municipal broadband if it was initially built with outside funding, such as a levy or a progressive tax. A pilot project of this small size could also be used to explore the option of having no rates at all, making municipal broadband a free service. This option would demonstrate the ongoing cost to an outside funding source to maintain this service for all Seattle.

<i>Tab</i>	<i>Action</i>	<i>Option</i>	<i>Version</i>
144	1	A	1

Budget Action Transactions

Budget Action Title: Add \$5,000,000 GSF appropriations to Finance General Reserves for a Municipal Broadband Pilot Project

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Add \$5 million in Finance General for a Municipal Broadband Pilot project				FG	Reserves	2QD00	00100	2016		\$5,000,000