

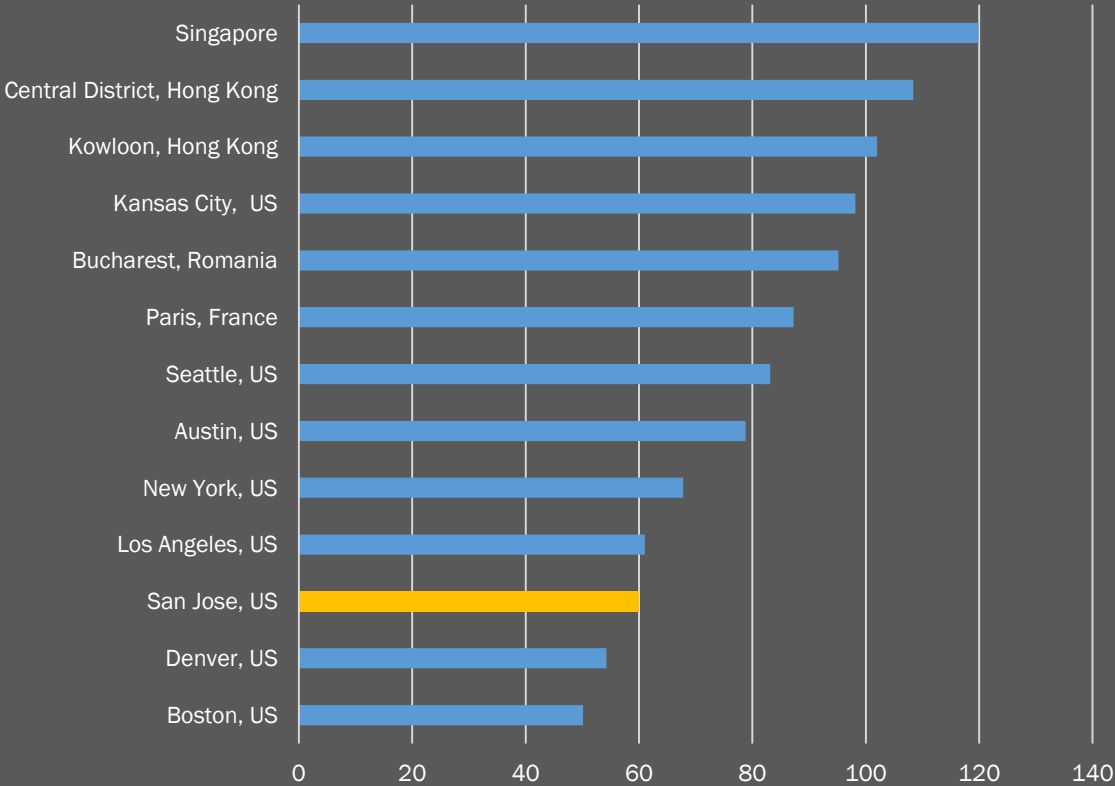
Item 3.4

T-Mobile Funding and Reimbursement Agreement

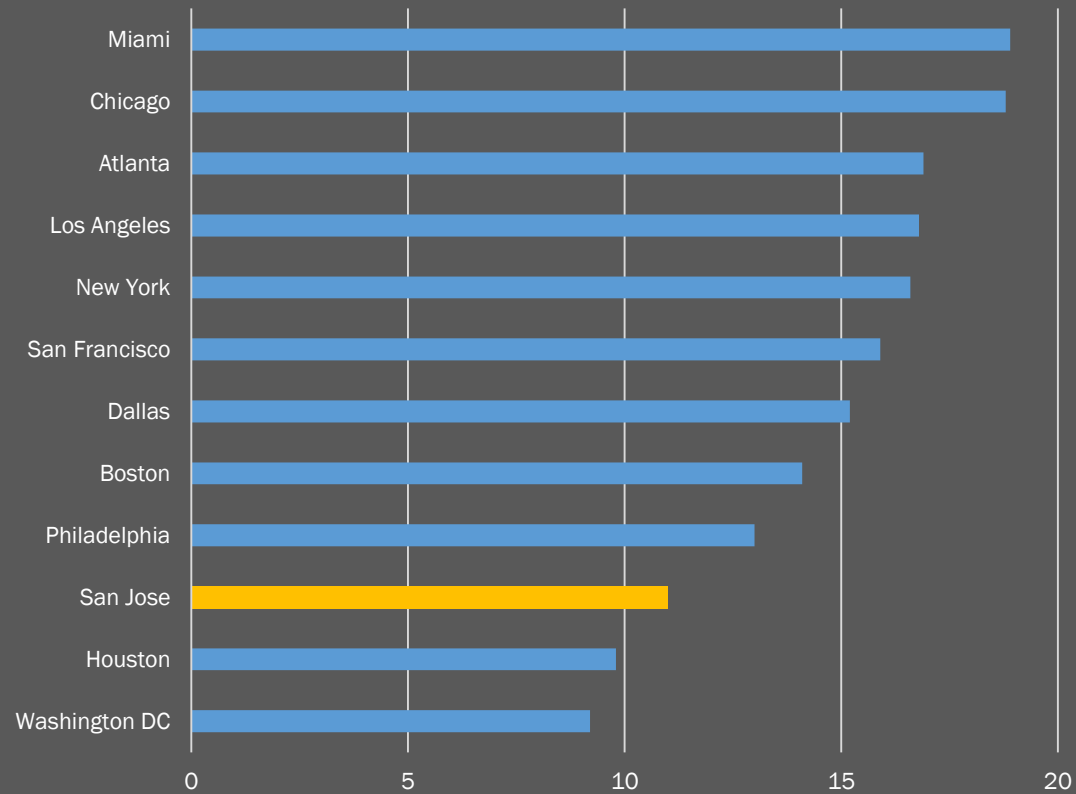
Dolan Beckel, Director, Office of Civic Innovation and Digital Strategy
Kip Harkness, Deputy City Manager

Broadband Strategy

Average residential wireline download speeds (mbps)



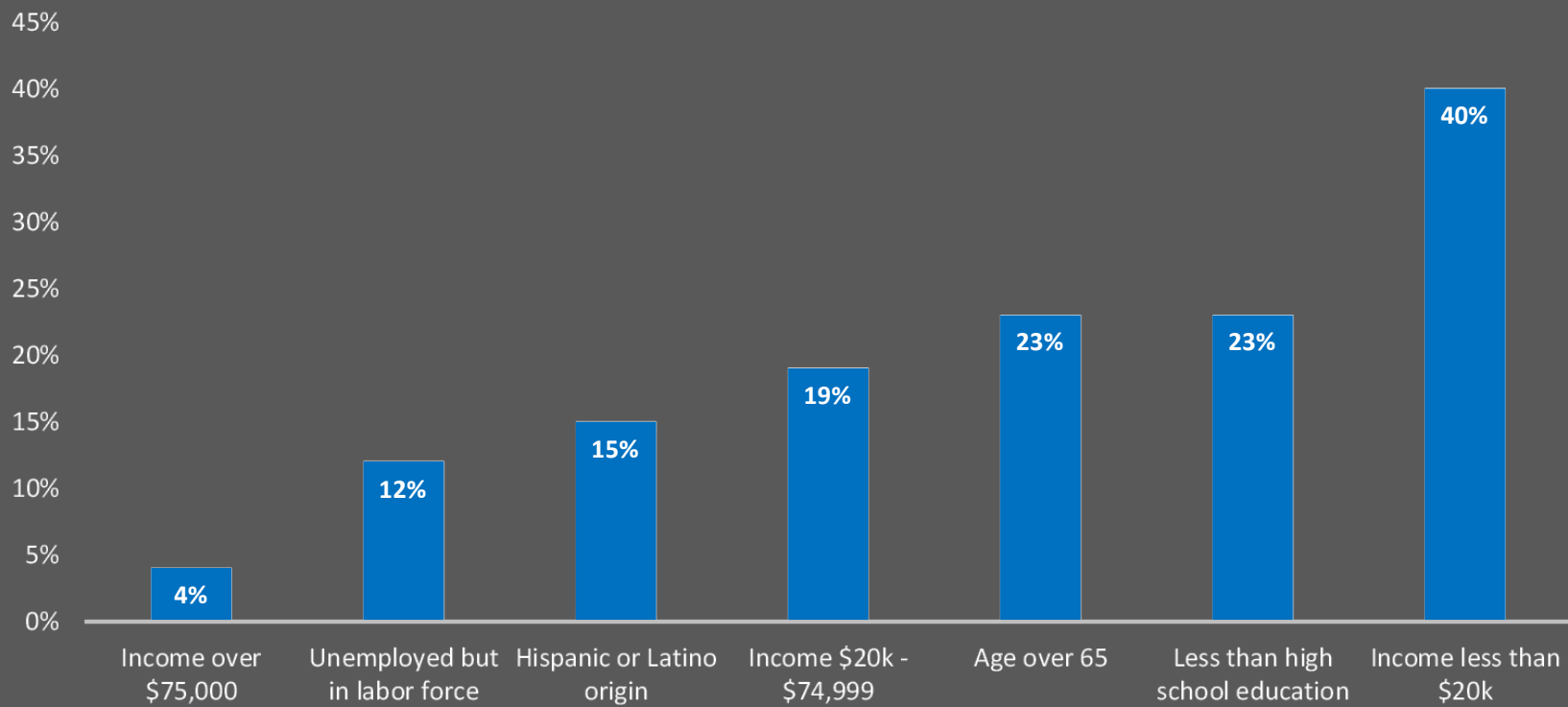
Average mobile download speeds (mbps)



San Jose's broadband significantly lags our peers

Digital Inclusion



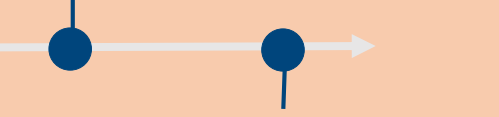



50,000 Unconnected Households



Source: 2015 American Communities Survey
Percentages are compared to category – overlap occurs

Broadband Strategy

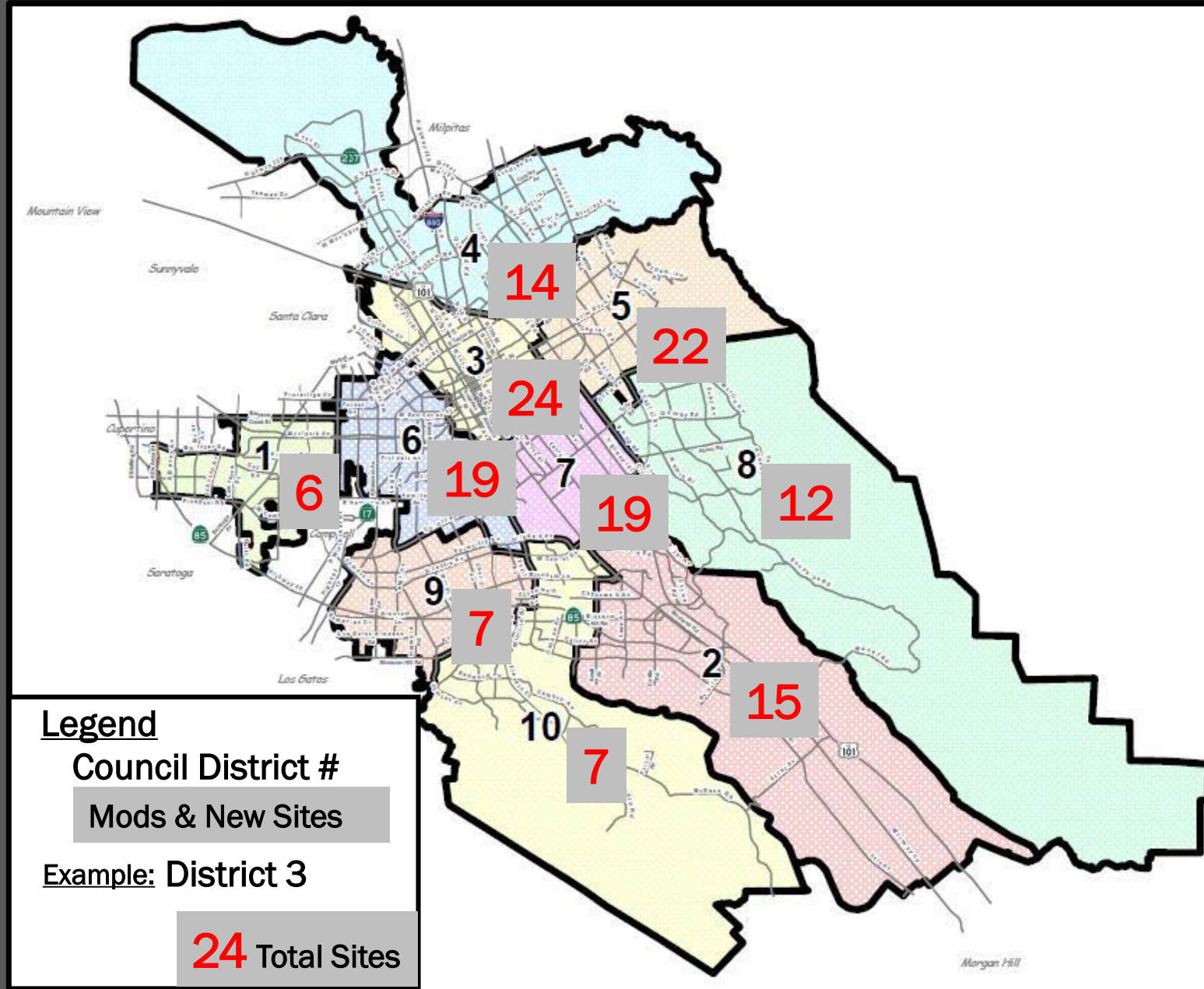
Hybrid Approach – 80% results for 20% effort

	Government-led	Hybrid model <u>(Recommended)</u>	Market-led
	<p>Chattanooga</p>  <p>San Francisco (just shelved plans)</p>	<p>New York City</p>  <p>Seattle</p> <p>Charlotte Kansas City</p>	<p>Los Angeles</p>  <p>San Diego San Jose (historically)</p>
Summary	<p>Cities building full fiber networks is expensive, complex, and risky</p>  <p>Too Risky</p>	<p>Cities that welcome private investment with appropriate guidance are most successful</p>  <p>Just Right</p>	<p>Cities with laissez faire broadband stagnate as cable-telecom duopolies</p>  <p>Too Ineffective</p>
Key Takeaways	<ul style="list-style-type: none">• Seattle, Palo Alto and others have determined that city-led full fiber build-outs are not practical, after detailed assessments• Chattanooga’s unique buildout included control by the utility and federal funds	<ul style="list-style-type: none">• Enter into value exchange agreements leveraging City Assets to incent investment, fund speed and predictability, and close the digital divide• Centralize broadband governance• Adopt balanced broadband friendly policies.	<ul style="list-style-type: none">• Broadband speed and price cluster to the bottom of the peer set• No substantial competition in any market-led city

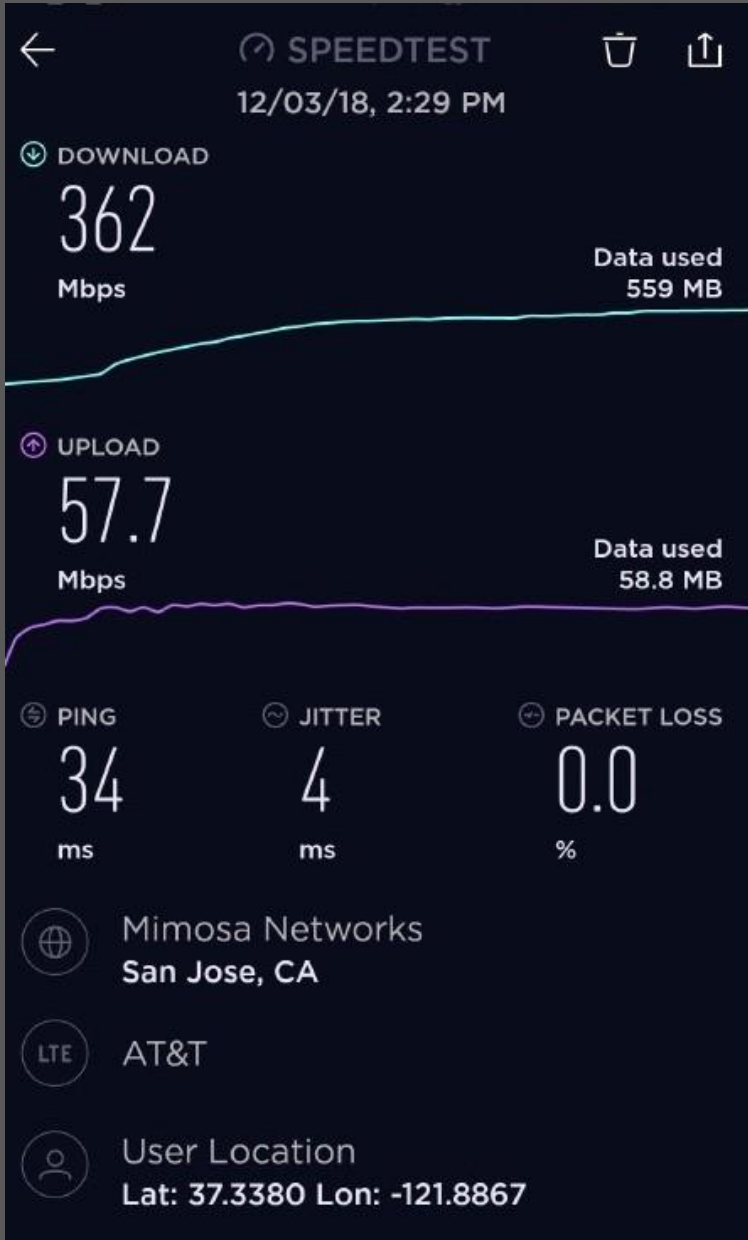
T-Mobile Agreement

- Deploy T-Mobile next generation 5G macro cell based network
 - 109 improvements to existing macro sites on public and private property
 - 36 new macro sites (1 tower, 35 rooftops/similar, 5-9 on City property)
- Achieve Speed and Predictability
 - City makes good faith effort to meet / exceed targets for increased speed and volume
 - City investigates regulatory improvements along with other process improvements
 - T-Mobile funds \$800,000 drawdown account for additional City resourcing
 - T-Mobile funds \$500,000 City process improvements
- Enable \$21 Million private sector infrastructure investment
- Accelerate Metro brand targeting under served communities
- Generate approximately \$900,000 in macro usage fee revenue
- Investigate large facility competitive access

Equitable Deployment



Enables Next Generation 5G+ Deployments



- Increased speed and capacity
- Reduced latency
- Massive input/output processing
- Enables new technologies