Broadband USA Applications Database

Applicant Name: SHERBURNE, VILLAGE OF

Project Title: Village of Sherburne Broadband Initiative

Project Type: Comprehensive Community Infrastructure

_______________________Executive Summary_______________________

The Village of Sherburne (Village) is nestled in the rolling hills of Chenango County in upstate New York. The Village is situated on the northern border of the County. The highest summits of the hills are, from 200 to 500 feet above the valleys. The banks of the Chenango River embellish the southeast side of the Village. The primary purpose of the Village’s Broadband Initiative is to provide affordable high speed services to all the residences and businesses. Provide high speed connectivity to public safety agencies. Stimulated demand for broadband will result in economic growth, and job creation. Eliminating the digital divide and promoting economic growth, are all in adherence with the statutory objectives of the BTOP program. Due to dire economic straits and a looming unemployment rate hovering around 9.5% (source: U.S. Bureau of Labor Statistics) for the entirety of Chenango County, in which the Village is located, the Village hired a consulting firm, to determine the feasibility of designing and building a state of the art fiber to the home network. The business plan determined three strategic goals which are essential to the future well being of the community. 1. Significantly impact economic development by offering the community advanced networks and telecommunications solutions. 2. Provide reliable, high quality, low cost broadband services to residential, commercial, industrial customers. 3. Partner with local and regional area service providers to optimize market development and maximize network capacity. In order to accomplish the strategic goals, it was recommended that the Village follow three tactical initiatives: 1. Design and build a fiber optic network to provide a state-of-the-art telecommunications infrastructure. 2. Develop and deploy service offerings to include voice, data and video service, including dark fiber sales and/or lease. 3. Identify, analyze, and develop revenue opportunities based on network connectivity and utilization. The objective of the Village is to build a fiber to the home system which connects not only public safety entities and government offices but offers last mile providers a mechanism to deliver broadband services. In the realm of economic development, a continuum exists where the availability of advanced technology fuels the potential for economic growth as industry and commerce seek communities with advanced technical resources. The network platform becomes an investment for future economic growth, which brings with it increasing revenue potential. New businesses are asking for available bandwidth, speed, price and connectivity to the outside world. The lack of available middle mile infrastructure with access to a point of presence is the primary reason the Village has high unemployment. The Village is designated as an economically distressed area according to U.S. Department of Transportation’s Federal Highway Administration. The Broadband initiative offers an effective solution to alleviate the problems related to a lack of access. The proactive approach by the Village has spurred other agencies, such as the Sherburne Area Local Development Corporation (SALDC) to stimulate investment in the Village. SALDC has committed
resources to build a 30-acre Business-Tech park. Included in the Business-Tech Park is a 15,500 sq. ft. utility building to house municipal electric operations as well as the department of public works operations. The Village offers the lowest 1% electric rates in the US. In addition, 1,600 households and 298 businesses inhabit the Village's service area. 27 community anchor institutions exist in the Village including 3 schools, 1 library, 2 medical and health providers, 4 public safety entities, 3 public housing centers, and 14 government facilities. To connect the inhabitants, the Village proposes to construct a middle-mile fiber optic backbone with interconnection to a POP via Frontier Communications' Central Office in conjunction with a passive optical network (PON), delivered to a rural area in need of broadband access while eliminating the digital divide currently plaguing rural communities in the area. The Village will utilize a PON solution to distribute and manage the fiber optics from their Network Operating Center (NOC). The Village is currently in negotiations with Frontier Communications to utilize the middle mile infrastructure and the parties have signed a memorandum of understanding (MOU). Please refer to the government and key partnerships portion of the uploads section Frontier Communications is a for-profit private entity and the incumbent last mile telephone provider for the Village and surrounding areas. Frontier Communications will provide last mile services via the Village's fiber optic system. The Village’s fiber optic system will be nondiscriminatory and interconnection will be open to all providers. The Village is committed to nondiscriminatory, interconnection with other providers and network openness, with respect to middle-mile. Without limiting the foregoing, the Village of Sherburne hereby commits to: (i) adhere to the principles contained in the FCC's Internet Policy Statement on network neutrality (FCC 05-151, released August 5, 2005; 2005 Lexis 4494); (ii) not favor any lawful Internet applications and content over others; (iii) display any network management policies in a prominent location on the service provider’s web page and provide notice to customers of changes in these policies; (iv) connect to the public Internet directly or indirectly, such that this proposal is not an entirely closed private network; and (v) offer interconnection, where technically feasible without exceeding current or reasonably anticipated capacity limitations, on reasonable rates and terms to be negotiated with requesting parties. In no event shall interconnection result in a BTOP-funded facility being used for ineligible purposes under the NTIA BTOP program. All of the foregoing commitments are subject to (a) the needs of law enforcement; and (b) reasonable network management. The Village commits to negotiate interconnection arrangements in good faith with those who request it. In order to make the project economically viable, the Village has taken a hands-on approach to educating their Utility staff on fiber optic deployment including splicing, pulling, and testing of the fibers. Utilizing existing staff will reduce the overall cost of the project. The total cost of the project is $3,039,180 dollars. The Village will provide 30% in cash for the matching funds portion for the Broadband Initiative which equates to $911,992 dollars. The type of funding will be grant match. The use of the funding will be for infrastructure and professional services as expressed in the Detailed Project Costs Spreadsheet. The Village has the funds in hand and will not require any financing terms and conditions. The overall expected subscriber projections for the project are estimated at 850 household customers and all community anchor institutions. Furthermore, Frontier Communications, the incumbent last mile provider will incorporate their existing dial-up customers onto the fiber optic system. The estimated jobs created as a result of this project will be a great economic boom for the Village. The Village of Sherburne utilized the methodology suggested by the Council of Economic Advisors. In particular, Table 5 - Simple Rule for Estimating Job-Years Created by Government Spending is used. The Council of Economic
Advisors suggests the following: $92,000 of government spending creates 1 job-year 64% of the job-years represent direct and indirect effects 36% of the job-years are induced effects The Village of Sherburne's Broadband Initiative requires $3,039,180.00 to build out the system. Following the Council of Economic Advisors rules, we estimate the following: 3 Direct jobs created in the actual government-sponsored project 18 Indirect jobs created at suppliers who make the materials used in the project 12 Induced jobs created elsewhere in the economy as increases in income from the direct government spending lead to additional increases in spending by workers and firms. Most importantly, the Village's project will be the driving mechanism for the SALDC Business-Tech Park. Implementation of the SALDC Business-Tech Park will create three to five shovel-ready sites on the remaining 20 acres for future business development which will lead to upwards of 150 to 200 new private sector jobs.