



DATE: May 3, 2016

CATEGORY: Unfinished Business

DEPT.: Public Works

TITLE: **Google Fiber – Project Description, CEQA Determination, and Master Encroachment Agreement**

RECOMMENDATION

1. Approve the Project Description, Fiber to the Premises Citywide Master Plan (Attachment 1 to the Council report).
2. Determine that the Google Fiber project is categorically exempt pursuant to California Environmental Quality Act (CEQA) Guidelines, Section 15301, Existing Facilities, Class 1, and Section 15303, New Construction or Conversion of Small Structures, Class 3.
3. Approve a Master Encroachment Permit Agreement between the City of Mountain View and Google Fiber California, LLC (Google Fiber), for the installation of a communitywide, high-speed fiber network service.
4. Authorize the Public Works Director, or his designee, to execute a Master Encroachment Agreement with Google Fiber.

BACKGROUND

Google Fiber is Google's "fiber to the premises" project that provides broadband high-speed Internet service via fiber-optic cables, with connection speeds up to one gigabit per second (1 Gb/s). Google Fiber services are currently available in Kansas City, Austin, Provo, Atlanta, and Nashville, where the cost to subscribe is \$100 per month for 1 Gb/s Internet service, \$130 per month for 1 Gb/s Internet plus video service, and a lower-tier 100 megabits per second (Mbps) Internet service at \$50 per month. In February 2014, Google Fiber announced its proposal to explore building fiber broadband networks in 34 U.S. cities and invited those cities to be considered for potential expansion. Silicon Valley cities invited for consideration included Mountain View, Palo Alto, Sunnyvale, Santa Clara, and San Jose. Google Fiber requested that cities submit extensive information identified in the "Fiber City Checklist" which

included information about local ordinances, regulatory conditions, policies, and permitting requirements by May 2014. In order to accelerate deployment of the fiber network, Google Fiber also asked for streamlined permitting and inspection processes that are different than the City's normal processes.

On April 22, 2014, the City Council heard a presentation on the Google Fiber project and directed staff to complete the Fiber City Checklist and authorized staff to prepare a streamlined permitting process for Digital Infrastructure and Video Competition Act of 2006 (DIVCA) franchise holders. The City Council also authorized the City Manager to execute lease agreements with Google Fiber for the placement of network huts on City-owned property. In May 2014, Mountain View submitted a completed Fiber City Checklist to Google Fiber. During the remainder of 2014, Google Fiber was evaluating the next set of U.S. cities in which to implement their fiber network. In January 2015, Google Fiber announced their fiber services would be implemented in the metro areas of Atlanta, Charlotte, Nashville, and Raleigh-Durham.

In summer 2015, City staff began meeting with Google Fiber to better understand the project and to identify City processes and permits needed by Google Fiber. As this project is significant in size and scope, topics such as community outreach, permitting process, construction impacts, installation methodology, and project phasing have been discussed extensively. The project description, environmental analysis, and Master Encroachment Agreement are complete and ready for Council consideration.

Other Silicon Valley cities have either approved the Google Fiber project or are soon scheduled to review the project. In December 2015, the City of San Jose approved the Google Fiber project description and Master Encroachment Agreement and made an environmental determination. In February 2016, the City of Santa Clara approved the Google Fiber project. The City of Sunnyvale has approved the Google Fiber project administratively as allowed in their municipal code. The City of Palo Alto has preliminarily indicated that the Google Fiber project is planned for consideration at a Council meeting in May 2016.

ANALYSIS

Project Description

Google Fiber's project description (Attachment 1) provides the basis for environmental analysis for the project pursuant to the CEQA. The project description describes a fiber infrastructure network that would allow Google Fiber to provide Internet services throughout the City to as many residences and small businesses as possible. This

network expansion is different than the gigabit communication expansions from AT&T (i.e., GigaPower) as this is an entirely new installation of fiber-optic cable in streets and on utility poles in Mountain View, rather than an augmentation of an existing system. The network design is comprised of four primary elements, including local aggregation sites (network huts) installed exclusively within Google-owned buildings, a fiber ring, underground vaults, and direct fiber connections to households.

Google Fiber has reduced the number of network huts needed in the City of Mountain View and has indicated the network huts will not be located on City-owned property. Consequently, the City is no longer being asked to execute the network hut lease agreements previously authorized by the City Council.

A conceptual map of the proposed distribution network is provided in Attachment 2. Of the approximately 178 miles of fiber network to be installed in the City, 45 percent would be placed underground and 55 percent would be installed aerially on existing utility poles.

Approximately 4,200 underground vaults, with no aboveground profile, will be placed in the public right-of-way or in public utility easements (see Figure 2, below). Although no aboveground cabinets are anticipated, the project description identifies the potential for up to 10 aboveground cabinets placed in the public rights-of-way or public utility easements, and are generally 17" x 17" and less than 3' in height. If cabinets are needed for enhancement of system performance, Google Fiber will work with City staff and residents to place cabinets in locations to minimize negative visual impacts.

Figure 2: Example of Underground Vault (left) and Above Ground Cabinet (right)



Community Outreach

Google Fiber would employ a series of public notification and outreach efforts, including:

- Start of construction announcement in the press where Google Fiber briefs the local media on fiber construction and offers interviews to explain to the media what citizens can expect.
- Locally targeted social media campaigns to share the news that construction is starting on platforms like Facebook and Twitter.
- E-mail local residents who have signed up with Google Fiber to receive more information about the local construction progress.
- Establish and maintain a 24/7 construction hotline where residents can ask questions and voice concerns.
- Ahead of construction on a particular street, Google Fiber will leave door hangers, including the construction hotline, on homes and businesses where construction activity will occur on the frontage.

Google Fiber will hire a local Community Impact Manager who will be the liaison to all local neighborhood groups and will be available for informational meetings and reactive to concerns or questions.

Environmental Review

As part of the approval process for the scope of work identified, an assessment for potential environmental impacts was undertaken by Google. Staff has determined that the project described in the project description, consisting of the local aggregation sites, vaults, cabinets, underground fiber, and overhead wire fiber connections to customers, is categorically exempt under CEQA Guidelines Section 15301, Existing Facilities, Class 1, and Section 15303, New Construction or Conversion of Small Structures, Class 3. The project consists of typical utility work and facilities and presents no unusual circumstances that would affect the exemption.

Master Encroachment Agreement

Google Fiber has been issued a California Video Franchise Certificate by the California Public Utilities Commission, also known as the Digital Infrastructure and Video Competition Act of 2006 (DIVCA). Under the DIVCA Video Franchise Certificate, Google Fiber is afforded rights to construct, operate, and maintain a physical network within public right-of-way and provide certain digital video services to the community. The City is allowed to determine time, place, and manner in which these facilities are installed and maintained within the public right-of-way.

The City and Google Fiber have negotiated a Master Encroachment Permit Agreement for the construction, operation, and maintenance of the network within the public right-of-way. Basic terms of the agreement include:

- The agreement provides the framework for Google Fiber to construct, operate, and maintain the network and does not grant easements over City land or other property rights;
- The agreement requires that Google Fiber obtain an excavation permit for each installation prior to construction;
- The City will make the same provisions available to other similar providers;
- The agreement outlines a notification process for locating cabinets;
- Google Fiber shall maintain the fiber network in a safe condition and good appearance throughout the term of the agreement;
- Google Fiber shall remove or relocate, without cost to City, vaults or cabinets that must be relocated for City-initiated street modifications;
- The agreement provides a process for discontinuation of the fiber network; and
- The agreement contains standard insurance and indemnification provisions.

Outside of the Master Encroachment Agreement, but a part of the excavation/sub-permit process, Google Fiber has requested a streamlined permit process. This streamlined permit process decreases the review of plans by staff prior to permit issuance, and increases the oversight by inspectors during construction. To accommodate this process and this large-scale project, staff anticipates utilizing contract

permitting and inspection employees during the proposed 36-month build. Resources will be obtained as workload demands, and costs will be fully funded through fees paid by Google Fiber.

FISCAL IMPACT

The City will receive a franchise fee of 5 percent of gross revenues for video services provided under the DIVCA franchise, and this fee would be available in the General Fund. Because subscription rates and revenues are not yet known, staff cannot estimate the amount of this fee. This amount may not vary significantly from current franchise revenue as it is generally assumed that customers will choose between services rather than add services.

The cost of processing permits and inspecting construction will be recovered through permit fees paid by Google Fiber.

CONCLUSION

Staff recommends approval of the Google Fiber project description, determination that the project is categorically exempt, and approval of the Master Encroachment Agreement. The project would allow Google Fiber to move forward with the next steps for implementing high-speed Internet services in Mountain View and would not result in environmental impacts.

ALTERNATIVES

1. Do not approve the project description or Master Encroachment Permit Agreement.
2. Direct staff to seek modified terms to the project description and/or Master Encroachment Permit Agreement.
3. Provide other direction.

PUBLIC NOTICING

The Council’s agenda is advertised on Channel 26, and the agenda and this report appear on the City’s website. A copy of this report was provided to Google Fiber.

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- Attachments: 1. Project Description, Fiber to the Premises Citywide Master Plan
2. Conceptual Map of the Proposed Distribution Network