

ADMINISTRATIVE REPORT

TO: Shane Bourke, City Manager	DATE: November 12, 2024
FROM: Rory Tarant, Interim Chief Strategy Officer	MEETING: Investment and Strategy Committee
REPORT WRITER: Terri Beaupre, Executive Consultant, Strategic Incentives	
SUBJECT: Fibre Optics: Fee Rebate & Broadband Analysis	

RECOMMENDATIONS

Administration recommends that Investment & Strategy Committee recommend Council:

1. Approve Fibre Optics Fee Rebate program, allowing for up to a 100% rebate on municipal fees, for fibre alignment projects initiated between July 1, 2024, and December 31, 2025 and
2. Direct Administration proceed with the Broadband Analysis, subject to 2025 budget deliberations.

PREVIOUS COUNCIL / COMMITTEE DIRECTIONS

In February 2023, Committee directed Administration to undertake initiatives to analyze current broadband / fibre optics capacity and service levels throughout the city and affect improvements where they are needed. This led to actions on two specific fronts:

1. Administration commenced discussions with local fibre optics companies who were working with current and prospective customers in the city that are interested in potentially establishing and/or growing their commercial presence in Grande Prairie, but are limited by the current state of local infrastructure, and
2. Administration issued a Request for Expression of Interest (REFI-2024-42) which ran from April to June 2024 to determine whether there is commercial interest in working with the City to thoroughly analyze the current state of broadband infrastructure and potentially, engage in initiatives to improve service quality where required

BACKGROUND

The City of Grande Prairie has been actively pursuing ways to support improvements to local broadband and fibre optics infrastructure. Three specific opportunities to address this matter have emerged through these initiatives:

1. **Fee Rebate Program:** The City Administration, in collaboration with local fibre optics stakeholders, identified an opportunity to stimulate investment through a Fibre Optics Fee

Rebate program. This initiative, running from July 1, 2024, to December 31, 2025, offers a full rebate of City fees associated with fibre infrastructure projects. It aims to make certain projects financially viable, attracting business and supporting expansion between fibre optics companies, service providers, and their customers.

By implementing this rebate program, the City aims to remove barriers for businesses, fostering an environment that encourages growth and innovation. This initiative builds on existing momentum, as the Invest Grande Prairie team continues to align broadband development with community needs, ensuring Grande Prairie remains competitive in digital infrastructure and supports long-term economic growth.

2. **Broadband Analysis:** The City's Request for Expression of Interest (REFI-2024-42), which was open from April 1 to June 10, 2024, aimed to explore opportunities for enhancing broadband connectivity in Grande Prairie. The initiative attracted significant interest, resulting in 13 submissions from potential broadband service providers. This response confirmed a robust market interest in collaborating to upgrade the City's connectivity infrastructure. A central theme that emerged from the RFEI process is that there is a need to conduct a comprehensive analysis of the current broadband and fibre infrastructure, as well as the service levels within Grande Prairie, and to identify potential solutions for existing deficiencies.

The proposed project would:

- a. Inventory existing service providers and investigate their broadband expansion plans.
- b. Summarize available provincial and national funding programs.
- c. Coordinate meetings with key service providers to discuss underserved areas.
- d. Create a City map using relevant data to identify underserved areas.
- e. Assess the accuracy of broadband service data and identify misrepresented service levels.
- f. Determine areas covered by existing service provider plans and funding, and those needing additional City support.
- g. Review internal processes for issuing permits and approvals to expedite broadband deployment.
- h. Provide high-level recommendations for developing a future broadband strategy, including process revisions and funding needs.
- i. Define viable technology options and business models for identified service gaps.
- j. Outline cost/benefits of potential business models for broadband expansion, including investments and emerging technologies.
- k. Present implementation scenarios with budget estimates and service coverage diagrams.
- l. Assess the pros and cons of the scenarios and provide recommendations.

This analysis will identify gaps between current broadband capabilities and the service levels needed by the community. This initiative requires approximately \$50,000 in funding, which is included in management's 2025 recommended budget, for consideration later this week.

3. **Other REFI Projects:** In addition to the Broadband Analysis that is being recommended for Budget 2025, additional projects from the REFI process are currently under review and may come forward for consideration by Council in 2025 for funding consideration.

ANALYSIS

Relationship to City Council's Areas of Focus / Strategic Priorities

Innovative Efficiencies & Economic Readiness. This project aligns with the City's priority to foster a resilient local economy by enhancing broadband infrastructure. It supports economic growth, boosts digital connectivity, and strengthens Grande Prairie's competitiveness, ensuring readiness for future economic opportunities.

Environmental Impact

The broadband infrastructure analysis project, along with the Fiber Optics Fee Rebate, is expected to have positive environmental effects. The rebate will improve energy efficiency, support sustainable infrastructure with smart technologies, and facilitate green initiatives like remote monitoring. Additionally, fiber installations require less physical infrastructure, leading to reduced land disruption and helping the City meet its sustainability goals. Enhanced connectivity will further lower carbon footprints by promoting remote work and digital services.

Economic Impact

Enhanced connectivity will support both existing businesses and attract new ones, reflecting the City's commitment to supporting its business community both now and in the future. These advancements are also guiding the City toward becoming a smart city by enhancing digital infrastructure and fostering innovation. By facilitating infrastructure upgrades and reducing barriers, the City is supporting sustainable growth and positioning itself for future opportunities.

Social Impact

Enhancing broadband infrastructure delivers key social benefits by improving access to essential services like healthcare and education, especially in underserved areas. It also facilitates remote work, addressing the community's evolving digital needs. These improvements help residents stay connected and access important resources more effectively.

Relevant Statutes / Master Plans / City Documents

Risk

No significant risks identified

Alternatives (Optional)

STAKEHOLDER ENGAGEMENT

Throughout the REFI process, there has been ongoing consultation with providers and operators in the broadband industry. Additionally, discussions with local business owners and potential future investors have been conducted to ensure the infrastructure improvements address both community and economic needs. The RFEI received 13 responses from both local and national companies.

BUDGET / FINANCIAL IMPLICATIONS

This investment supports the City's connectivity and sustainability goals through the Proposal for Broadband Analysis. The total cost for this project is approximately \$47,000 plus applicable taxes.

SUMMARY / CONCLUSION

Based on feedback from the REFI process, Administration is recommending the introduction of a fee rebate initiative. This temporary rebate, from July 1, 2024, to December 31, 2025, is designed to expedite investment to invest in local broadband projects. By reducing barriers and encouraging infrastructure upgrades, the fee rebate will enhance connectivity to the level required for a modern urban center. It will support both existing and new businesses, stimulate economic growth, and ensure Grande Prairie remains competitive in the digital landscape. As a time-limited incentive, the fee rebate is expected to accelerate investment in local broadband infrastructure and strengthen Grande Prairie's position as a forward-looking urban center.

In addition to this effort, the Broadband Analysis project is recommended to begin with a review of network requirements and an assessment of potential routes, technologies, assets, carriers, and partners. The two-phase engagement is expected to last three months, with Phase I results delivered at the end of this period and Phase II shortly after. After each phase, findings will be refined to support future actions. Funding for this initiative is suggested to be ascertained through the City's budget process.

The Broadband Analysis will identify the differences between current broadband capabilities and the service levels required by commercial, industrial, institutional, and residential customers. The study will also explore viable technologies and approaches to bridge these gaps, offering a clear pathway for feasibility and project implementation.

ATTACHMENTS