



CITY OF DUBLIN

Office of the City Manager
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Memo

To: Members of City Council
From: Dana L. McDaniel, City Manager
Date: November 12, 2015
Re: Resolution 83-15 – Authorizing the Capital Lease of Fiber Optics from Fiber Technologies Network, LLC

Background

As City Council is aware, the City possesses a 125-mile conduit and fiber optic system throughout Central Ohio known as Dublink. It has been staff's desire to extend the Dublink system to critical City facilities. It recently has come to staff's attention that Fiber Technologies Network, LLC possesses certain fiber optic infrastructure along the route shown in Attachment "A." This fiber route can be easily and very inexpensively connected to the existing Dublink fiber optic system.

The City has an opportunity to execute a Capital Lease with Fiber Technologies Network, LLC for four strands of optical fiber along this route. Leasing these fiber along this route will achieve the following:

- Extend the City's optical fiber backbone along Avery Road connecting the City's Avery Park, Avery Park Water Tower, and Dublin Road Water Tower.
- Extend the City's optical fiber backbone in a cost efficient manner. The Capital lease is a 15-year lease at \$1,100 per month plus CPI. The lease allows for an extension beyond the initial 15 years. The City currently is leasing its own optical fiber to others at \$3,000 per month. Leasing from Fiber Technologies Network, LLC will represent a significant savings to the City. We also estimate the cost to build the same fiber line to be between \$300-350,000. Leasing will result in significant savings.
- The City's current radio system repeater on the Avery Road water tower is served by T-1 lines. Those T-1 lines currently cost the City nearly \$10,000 per year. Once the optical fibers are in place via this Capital Lease, the City will be able to terminate the T-1 line service and avoid this cost completely. As you can see, the City will nearly pay the annual lease via this cost avoidance beginning almost immediately.
- Optical fiber access to the Avery Road and Dublin Road water towers will enable the City to connect to existing 1 gigabit wireless bridges placed there in support of the City-wide WiFi system.
- The City may be able to reimburse itself for some of this Capital Lease from the State Capital Funds the City is to receive for the 100 gigabit project.
- The City could potentially leverage funding from the State Capital Funds intended for the 100 gigabit project to extend laterals to Jerome High School, Grizzell Middle School, and Deer Run Elementary School. This could be of great fiscal benefit to Dublin City Schools while connecting them to the State-wide 100 gigabit backbone.

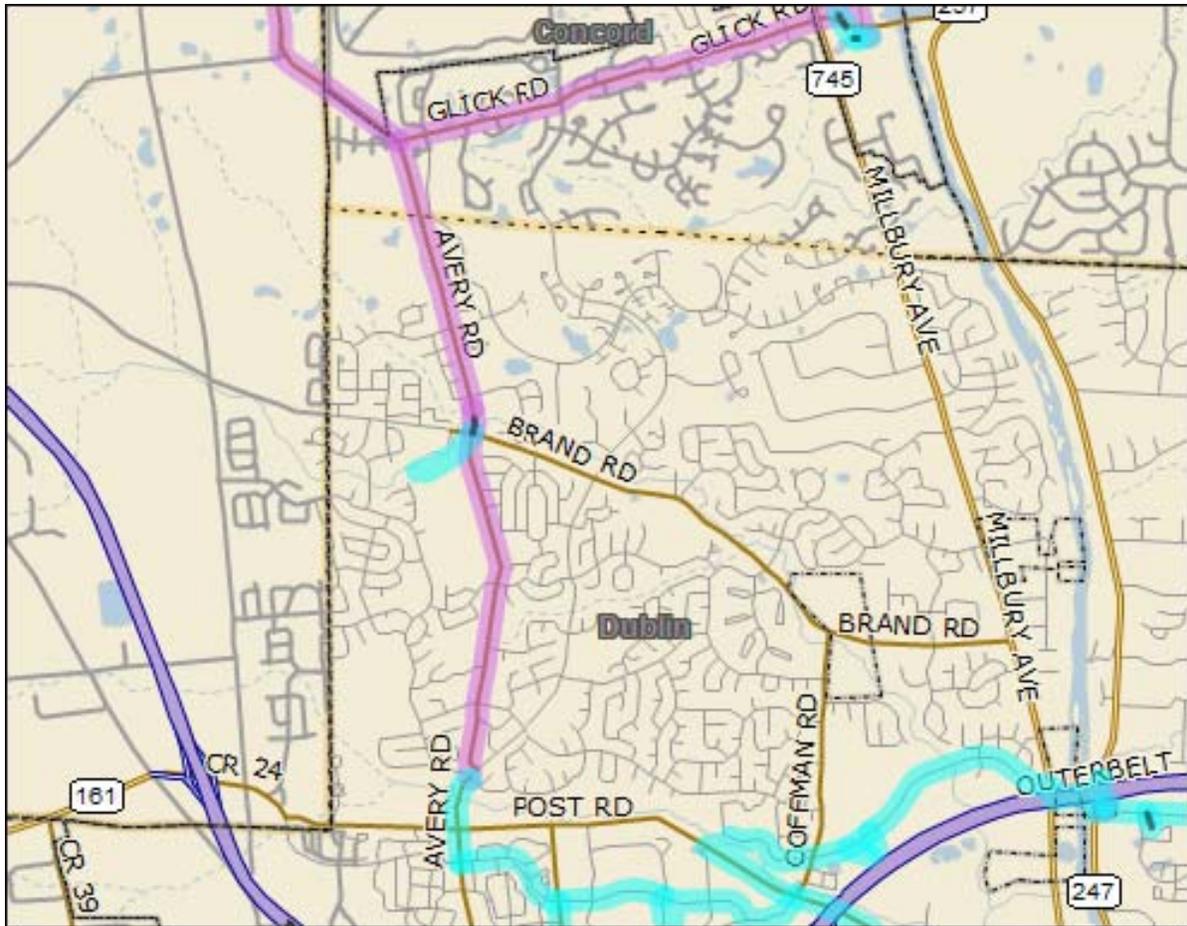
As Council can see, the extension of the City's optical fiber backbone in this manner is extremely cost effective and sets the conditions for many opportunities and return on investment.

Recommendation

Staff recommends Council approve Resolution No. 83-15. Please contact Dana McDaniel with any questions.

ATTACHMENT A

(Note: the route to be leased is in purple, from Post Road at Avery Road, north along Avery Road and then east along Glick Road, terminating at the Dublin Road Water Tower. The route north of Glick Road is not part of this lease arrangement)



RECORD OF RESOLUTIONS

Dayton Legal Blank, Inc., Form No. 30045

Resolution No. 83-15

Passed _____, 20____

**A RESOLUTION AUTHORIZING THE CITY MANAGER
TO ENTER INTO A CAPITAL LEASE WITH FIBER
TECHNOLOGIES NETWORK, LLC FOR THE PURPOSE
OF LEASING CERTAIN FIBER OPTICS**

WHEREAS, Fiber Technologies Network, LLC possesses certain dark fiber assets within the City of Dublin; and

WHEREAS, the City of Dublin seeks the opportunity to expand its existing system of fiber optics in a cost efficient manner and is willing, from time to time, to lease such fibers rather than constructing new fiber systems; and

WHEREAS, the City of Dublin desires to lease four (4) fiber strands from Fiber Technologies Network, LLC; and

WHEREAS, it is necessary for the City of Dublin to execute a Capital Lease with Fiber Technologies Network, LLC to memorialize this engagement.

NOW THEREFORE, BE IT RESOLVED by the Council, of the City of Dublin, State of Ohio, _____ of the elected members concurring that:

Section 1. The City Manager is hereby authorized to execute a Capital Lease with Fiber Technologies Network, LLC authorizing the City of Dublin to utilize four (4) strands of optical fiber for negotiated consideration to be paid to Fiber Technologies Network, LLC.

Section 2. Payment for the capital lease will come from a budgetary allocation in the annual capital improvement program from the "Other Projects" account (account 401-0314-780-2579).

Section 3. This Resolution shall take effect upon passage in accordance with Section 4.04(a) of the Revised Charter.

Passed this _____ day of _____, 2015.

Mayor - Presiding Officer

ATTEST:

Clerk of Council