



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
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Consent
June 1, 2010

Honorable Mayor and
Members of the City Council

Title: Dissolution of Council Wi Fi Ad Hoc Committee

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** dissolving the council Wi Fi Ad Hoc Committee.

Contact: Dean Peckham, Citywide Economic Development, 916-808-7063

Presenters: Not applicable

Department: Economic Development

Division: Citywide

Organization No: 18001031

Description/Analysis

Issue: On April 18, 2006, pursuant to Chapter 13 of the Council Rules of Procedure, Council approved the formation of a special council committee known as the Wi Fi Ad Hoc Committee and the appointment of four Council Members (Former Mayor Fargo, Council Member Hammond, Councilmember Fong, and Council Member McCarty), to serve until the charge of the committee had been accomplished.

On August 19, 2008 the Council approved Resolution 2008-585, terminating the agreement with Sacramento Metro Connect (SMC), LLC for development of a wireless broadband (wi-fi) network.

Since the Wi Fi Ad Hoc Committee is no longer active, staff is requesting that the Council approve the attached resolution, pursuant to Chapter 13, (C)(1)(d), of the Council Rules of Procedures (Resolution 2010-053), formally dissolving the Wi Fi Ad Hoc Committee.

Policy Considerations: Between 2006 and 2008 the Council directed staff to issue two requests for proposals (RFP's) for the development of a citywide wireless broadband network. As negotiations neared completion in both projects (Mobile Pro – 2006 and SMC, LLC – 2008) the development teams were unable to bring the projects to fruition due to unproven financial models which could not guarantee a revenue stream and, in the case of SMC an inability to submit a detailed

deployment plan and begin construction as required. Accordingly, the Council terminated the agreement with SMC, LLC.

Simultaneously, there were numerous examples across the nation of cities who committed financial resources for purposes of community-wide wi-fi and were subsequently faced with the issue of maintaining or removing these assets in an era of diminished financial resources.

Environmental Considerations: This recommendation does not constitute a “project” and therefore is exempt from the California Environmental Quality Act (CEQA) according to Section 15061 (b)(1) and 15378(b)(3) of the CEQA guidelines.

Sustainability Considerations: Not applicable.

Rationale for Recommendation: The Council Wi Fi Ad Hoc Committee has not met since July 2008. Pursuant to Chapter 13, (C)(1)(d), of the Council Rules of Procedures (Resolution 2010-053), the Council is required to formally dissolve the Wi Fi Ad Hoc Committee.

Financial Considerations: None

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: Dean Peckham
Dean Peckham, Senior Project Manager

Approved by: James R. Rinehart
James R. Rinehart, Economic Development Director

Recommendation Approved:

Gus Vina
Gus Vina
Interim City Manager

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Attachment 1

RESOLUTION NO. 2010-

Adopted by the Sacramento City Council

DISSOLUTION OF THE COUNCIL WI-FI AD HOC COMMITTEE

BACKGROUND

- A. On October 25, 2004 the City Manager's Office received an unsolicited written proposal from a local developer (Plaza 555) to create a public-private partnership that would analyze the potential and feasibility of installing a Wi Fi network in Downtown Sacramento

The City Manager's Office and City Attorney's Offices determined that it would not be in the City's best interest to enter into an exclusive agreement without first conducting an open and competitive process to solicit the best proposer/proposal from the wide range of companies in the business of providing such services.

- B. At the Council Meeting of March 15, 2005 Council directed staff (Resolution #2005-163) to issue an RFP to solicit proposals for the design, installation and operation of a Wi-Fi network.
- C. At the Council meeting of September 20, 2005 the City Council authorized staff (Resolution #2005-681) to negotiate the agreement with Mobil Pro/NeoReach to establish a City-wide wi fi network.
- D. At the Council meeting of April 11, 2006 the Council formed the Wi Fi Ad Hoc Committee (no resolution) to provide policy input to staff during negotiations and to the City Council during its consideration of the contract.
- E. On June 8, 2006, the council received a letter and press release from Mobil Pro, informing the city that it was withdrawing from negotiations.
- F. On June 15, 2006 the Council Wi Fi Ad Hoc Committee reaffirmed their commitment to Wi Fi deployment and reissuing the Request for Proposals.
- G. On July 18, 2006 the Council directed staff (Resolution 2006-540) to issue a second RFP for the design installation and operation of a Wi Fi Network.
- H. On June 21, 2007, the city and Sacramento Metro Connect, LLC (SMC) entered into 1) City Agreement No. 2007-0630 for the design Deployment and operation of a citywide wireless broadband network by SMC (Wireless Network Agreement) and 2) city Agreement No. 2007-0631 for providing wireless network broadband services to City offices and employees. (Anchor Tenancy Agreement).

- I. On August 19, 2008 the Council terminated the Anchor Tenancy Agreement and Wireless Network Agreement (Resolution #2008-585) with SMC, LLC for failure to commence construction for the deployment of the wireless network, which constituted a default of the agreement and cause for termination of the Agreement.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Pursuant to Chapter 13, (C)(1)(d), of the Council Rules of Procedures (Resolution 2010-053), the Wi Fi Ad Committee of the Sacramento City Council is hereby dissolved.