

COLLABORATING FOR BEST RESULTS: CREATING A REGIONAL BROADBAND AUTHORITY IN THE ROANOKE VALLEY

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BROADBAND AUTHORITY

- Local governments asked the Regional Commission to coordinate a Broadband Task Force composed of public and private sector representatives.
- A Broadband Authority recommended by a Broadband Task force in 2012-2013.
- Created by four localities in 2013 under the Virginia Wireless Services Authority Act
- Board composed of 5 members. (Four local governments and one citizen member)



THE PLAN

The primary goal of the Authority is to improve affordable broadband services in the Roanoke Valley by encouraging collaboration, competition, and long term investments.

2013 Task Force: 15-20 recommendations

“Fewer words; more action!”

In 2014, the RVBA hired a consultant to develop a business plan for the operation of a small network.

A decorative graphic consisting of several parallel white lines of varying lengths, slanted diagonally from the bottom right towards the top right, located in the lower right quadrant of the slide.

INITIAL SWOT ANALYSIS

Strengths

- Shared Understanding
- Existing Assets
- Capabilities
- Massive ROW
- Demographics
- Market Acceptance

Opportunities

- Growing Markets
- Additional Stimuli
- Receptive Markets
- Collaboration w/ other Regional Initiatives

Weaknesses

- Capital Constraints
- Needs of Major Users being served
- Unserved Markets
- Inexperience

Threats

- Incumbents
- Community Expectations
- Market Changes
- Emerging Technology

VERTICAL MARKETS-INITIAL CONCERNS

- The RVBA is an unknown and unproved entity
- To the telecommunications community we are similar to *vaporware*
- To the community of potential customers we present great risk
- We must establish our credibility as a carrier-class operator
- Political opposition came from a local government elected official and incumbents
- We focused on three vertical markets -- for starters:
 - Industrial and business parks
 - Important collocation centers
 - Schools/Government facilities (opportunistically)

APPROACH

- Identified 94 priority sites in 2014 (now up to 225+)
 - 16 business parks
 - 6 Important collocation areas (1 site coincident with bus park)
 - 73 schools
- Identified large and prominent potential customers
- Started network design at the nearest carrier collocation point to access the known demand
- Built the network to reach the business parks and collocation centers
- Passed schools where practical
- Utilized the existing facilities at City of Salem Electric Department for our principal Network POP
- Did not anticipate providing residential services
- Sought to find an operator, but are now operating network on our own.
- Obtained VRA bond funding for Phase I and Phase II

Roanoke Valley Broadband Authority EBITDA



Project Attractiveness: IRR = 4%

FUNDING FOR BROADBAND DEVELOPMENT

Phase I-50 Miles

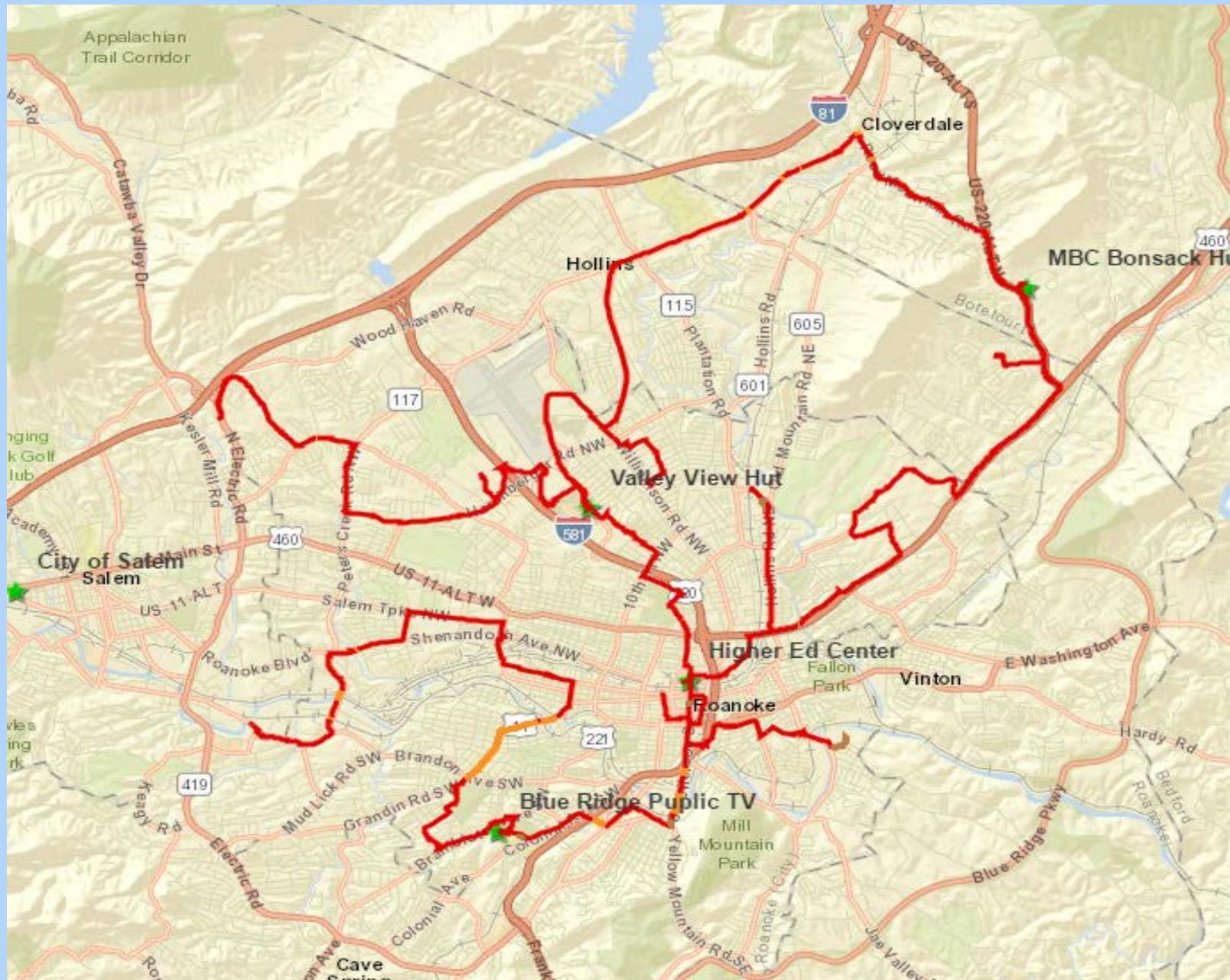
- Virginia Resource Authority (Capital): \$6 million
- Split between the Cities of Roanoke and Salem - \$600,000 for 10 years

Phase II-25 Miles

- Virginia Resource Authority (Capital): \$3.5 million
- Roanoke County - \$350,000 for 10 years.
- Operations cost: \$1.1 million per year (\$327,200 each locality)
- Operations being reduced by income each year.



Phase I: 2015-2016 - 50 Mile Network was constructed



Achievements

- Hired a CEO and other staff
- Sub-contract repair, installation and network monitoring
- Sub-contract advertising, website and other marketing.
- Have 20+ large business customers with more in the pipeline.
- Faced uncertainty with state legislation introduced to restrict municipal broadband.
- Working with municipalities and schools on a regular basis.
- On track with original financial plan-increasing revenues
- Received positive state and national press coverage.

4 Way Future Path Conduit



Buried Conduit



Micro Trenching



Ways to support broadband in rural areas:

- Conduct a study of current conditions and create realistic goals.
- Leverage open access networks that passes through the region for economic development (example, MBC in our area)
- Provide incentives to attract new wireless providers to the region
- Work with existing providers to expand services
- Work with school systems to provide access for students at home (example, mobile hot spots for unserved areas).
- Coordinate with public safety departments on tower deployments

It's important to work with existing providers

- Communicate with existing providers!
- Find grants and incentives to encourage existing providers to expand service areas. (example., VA Dept. Housing & Community Development funds now go to private providers that partner with a locality)
- Existing providers may be willing to help test new technologies.
- Invite new providers to the region to fill gaps in service. (Wireless providers for example)
- Provide incentives to attract new providers. (Space on towers for example)
- Help document and market existing infrastructure as an asset.

Questions?