

ROANOKE VALLEY BROADBAND AUTHORITY

P.O. Box 2569, Roanoke, VA 24010
www.highspeedroanoke.net

MEMBERS:

Kevin Boggess, City of Salem
Clay Goodman, Roanoke County
Kathleen Guzi, Botetourt County
Mike McEvoy, Citizen
Chris Morrill, City of Roanoke

Roanoke Valley Broadband Authority Meeting

Friday, July 18, 2014 at 8:30 a.m.
Roanoke Valley-Alleghany Regional Commission office (Top Floor Conference Room)
313 Luck Avenue, SW, Roanoke, VA 24016

The next scheduled meeting of the Roanoke Valley Broadband Authority will be held on **Friday, July 18, 2014 at 8:30 a.m. at the Roanoke Valley-Alleghany Regional Commission office, 313 Luck Avenue, SW, in downtown Roanoke.**

AGENDA

1. **Call to Order and Introductions** *Chairman Boggess*
2. **Roll Call of Board/Determine if Quorum is Present** *Secretary Strickland*
3. **Minutes Approval** *Chairman Boggess*
 - May 30, 2014 Joint Meeting, pp. 3-13
 - June 6, 2014 Special-Called Meeting, pp. 14-16
4. **Treasurer's Report** *Olivia Dooley, Treasurer*
 - Approval of Financial Report (January 20, 2014-June 30, 2014), p. 17
 - FY'15 Budget
5. **Election of Officers (2-year terms to end June 30, 2016), p. 18** *Chairman Boggess*
6. **Summary of Recent Local Government Presentations** *Bob Picchi*
Blue Ridge Advisory Services Group, Inc.
7. **Clarification of the Role of the Western Virginia Water Authority** *Chairman Boggess*
8. **Request for Closed Meeting Pursuant to Virginia Code §2.2-3711** *Chairman Boggess*

Recess into a Closed Meeting in compliance with Section 2.2-3711(A)(6), Code of Virginia, (1950), As Amended, for the purpose of:

Discussion or consideration of the investment of public funds for potential extension of fiber optic lines, where competition or bargaining is involved, where, if made public initially, the financial interest of the Authority would be adversely affected pursuant to Virginia Code Section 2.2-3711.A.6.

- 9. **End Closed Meeting and Reconvene Authority** *Chairman Boggess*
- 10. **Adoption of Certification Resolution of Closed Meeting, p. 19** *Chairman Boggess*
- 11. **Action(s) as a Result of the Closed Meeting** *Chairman Boggess*
- 12. **Other Business:** *Chairman Boggess*
 - Meeting with Business Community
 - Correspondence from Citizens
 - Next Meeting Date
- 13. **Adjournment**

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Mike McEvoy, Citizen
Chris Morrill, City of Roanoke

MINUTES

A Joint Meeting of the Roanoke Valley Broadband Authority and the Roanoke Valley Broadband Advisory Committee was held on Friday, May 30, 2014 at 8:30 a.m. at the Roanoke Valley-Alleghany Regional Commission Office (Top Floor Conference Room) located at 313 Luck Avenue, SW, Roanoke, VA.

1. CALL TO ORDER

Chairman Boggess called the meeting to order at 8:30 a.m. and welcomed those in attendance. A quorum was present.

Attendance ---

Roanoke Valley Broadband Authority Members: Kevin Boggess, City of Salem; Clay Goodman, Roanoke County; Kathleen Guzi, Botetourt County; Mike McEvoy, Citizen; and Chris Morrill, City of Roanoke.

Roanoke Valley Broadband Advisory Committee Members: A.K. Briele, City of Salem; Sam English, Attention Point; Allen Layman, Botetourt County; Brad Orth, City of Salem; Shivaji Samanta, Virginia Western Community College; Jeff Terry, Roanoke County Schools; and Kendall White, Carilion Clinic.

Roanoke Valley-Alleghany Regional Commission Staff: Olivia Dooley, Matt Miller, Jackie Pace and Wayne Strickland.

Interested Parties/Others: Paul Combs, ComCast; Steve Cronemeyer, Verizon; Kristin Rich Heller, Blue Ridge Advisory Services Group (via telephone); Judd Hofmann, Citizen; Meredith Hunley, Virginia Tech; Bill Hunter, Roanoke County Technology; Rob Ledger, City of Roanoke Economic Development; Jill Loope, Roanoke County Economic Development; Dan O'Donnell, Roanoke County; Bob Picchi, Blue Ridge Advisory Services Group; Tom Spitnale, ABS Technology Architects; and Margaret Hunter Wade, Cox Communications.

2. APPROVAL OF MINUTES

The Minutes of the April 18, 2014 Joint Meeting of the Roanoke Valley Broadband Authority and the Roanoke Valley Broadband Advisory Committee were previously distributed.

ACTION:

Upon motion by Mr. McEvoy, seconded by Mr. Goodman and carried, the Minutes of the April 18, 2014 Joint Meeting of the Roanoke Valley Broadband Authority and the Roanoke Valley Broadband Advisory Committee were approved, as distributed.

3. FINANCIAL REPORT

The Financial Report, for the period January 20–May 31, 2014, was previously distributed in the agenda mailing.

ACTION:

Upon motion by Mr. Morrill, seconded by Mr. McEvoy and carried, the Financial Report was accepted, as distributed.

4. PRESENTATION OF THE BUSINESS/OPERATIONS PLAN FOR THE BROADBAND AUTHORITY

Bob Picchi and Kristin Rich Heller, consultants with the Blue Ridge Advisory Services Group presented the “*Phase II Report of the Draft Business Plan*”. A copy of the PowerPoint can be accessed at www.hightspeedroanoke.net.

Highlights from the Draft Plan Included:

➤ Addressable Market –

- Total retail telecommunications market for the Authority is about \$600 million annually.
- Competitive space, the addressable market is about \$100 million. Of that, the high potential market is about \$8 million.

➤ Vertical Market –

- The Roanoke Valley Broadband Authority is unknown and an unproved entity.
- To the telecommunications community, the Authority is similar to “vaporware”.
- The Authority presents great risk to the community of potential customers.
- The Authority needs to establish itself as a “carrier class” operator.
- Recommend focusing on three vertical markets for starters:
 - Industrial and Business Park.
 - Important Collocation Centers.
 - Schools (*opportunistically*).

➤ Approach –

- Identified 94 Priority Sites – 16 business parks, 6 important collocation areas (*1 site coincident with business park*), and 73 schools.
- Identify a single business need (*now*).
- Start network design at the nearest carrier collocation point to access the known demand.
- Build the network to reach the business parks and collocation centers.
- Opportunistically, pass schools where practical.
- Utilize the existing facilities at Salem Electric Department for principal Network POP.
- Six (6) segments were addressed (*see attached segment maps*).

➤ Capital Requirements –

- Initial Network Plan is 61 miles, expanding to 90 miles by Year 3. (*Build of 61 miles anticipated before July 2015*).
- Capital requirements will be approximately \$7.2 million.
- An additional \$1 million will be required to supplement negative cash flow over the first six years of operations.
- Will explore fiber swaps and fiber leases where it is more cost effective than building.
- **The Authority should plan for an initial contribution of \$8.2 million over the first six years.**
- The CAPEX estimate will be refined after design and permitting.

➤ Model for Operation –

- Operate the Broadband Authority as an independent entity, hosted by the Western Virginia Water Authority –
 - Similar skill sets.
 - Broadband Authority will benefit greatly by association.
 - Negotiate a shared-service agreement
- Opportunistically, deploy telecom conduit with wet utilities.
- Contract out Network Operations.
- Host the Broadband Authority POP in Salem Electric Department's data center.
- Negotiate a fiber lease with Salem Electric.

➤ Important Activities –

- Engage legal counsel to provide support for regulatory issues (*how will State Corporation Commission view the Authority, will certification easements be needed, etc.*).
- Begin the process of Engineering and Permitting the Network.
- Develop an RFP for furnish and installation of Network.
- Hire a General Manager.
- Begin the process of building a brand identity.
- Execute necessary pole attachment and ROW agreements.
- Explore fiber lease and fiber swap opportunities to avoid overbuilding.

Discussion ensued. Mr. Picchi stated that the best way to drive economic development would be to operate as an “open access” Network. The question of ownership of the network would influence how the network was funded. (How the capital costs would be divided, would Salem pay less since it could take credit for POP and existing fiber, could costs be divided by population, return on investment, fiber miles, etc.). Mr. Picchi stated if the Authority is not cash flow positive by Year 10, other models and possible outsourcing of some aspects to MBC should be investigated. Mr. Goodman asked if there were any models out there concerning cost allocation. Mr. Picchi stated none that he was aware of. Matt Miller was asked to prepare breakdown options for review.

Ms. Guzi asked if Greenfield Center was included (MBC currently runs adjacent) to have laterals into the park. Mr. Picchi indicated that a lease agreement with MBC could provide Botetourt with other service access as far north as Fincastle.

Mr. Picchi stated that the final deliverable will be a detailed written document to be completed in the near future.

The next step will be to communicate with each locality's board/council (regular meeting or at a work session). Chairman Boggess stated he would like for Mr. Picchi to address elected officials (boards/councils) within the next 30 days, if possible. Localities will look into seeing if a joint meeting would work better for some, versus individual board/council meetings. Authority members agreed that after the localities are briefed, the business community would then need to be addressed.

ACTION:

Board members unanimously agreed to hold a Special-Called meeting on Friday, June 6, 2014, at which they would go into a Closed Session to discuss options on how to fund the broadband initiative that was just presented. (The meeting would be held at the Regional Commission office at 8:30am).

5. OTHER BUSINESS

- Margaret Hunter Wade announced that Cox Communications will make its Ultimate High Speed Internet service available in Roanoke, making the speeds of its other popular tiers of Internet service up to three times faster. With speeds as fast as 100Mbps, Cox is continuing to provide its customers the fastest speeds in Roanoke. The new speeds automatically go into effect on July 17, 2014. Cox Communications reported that Roanoke was the first in Virginia (in 3 markets) for residential service 150 megabyte speed increase, at no cost to customers.
- Mr. Cronemeyer reported that Verizon was rolling out 4G LTE AWS wireless in the area (will double bandwidth).

The meeting adjourned at 9:50 a.m.

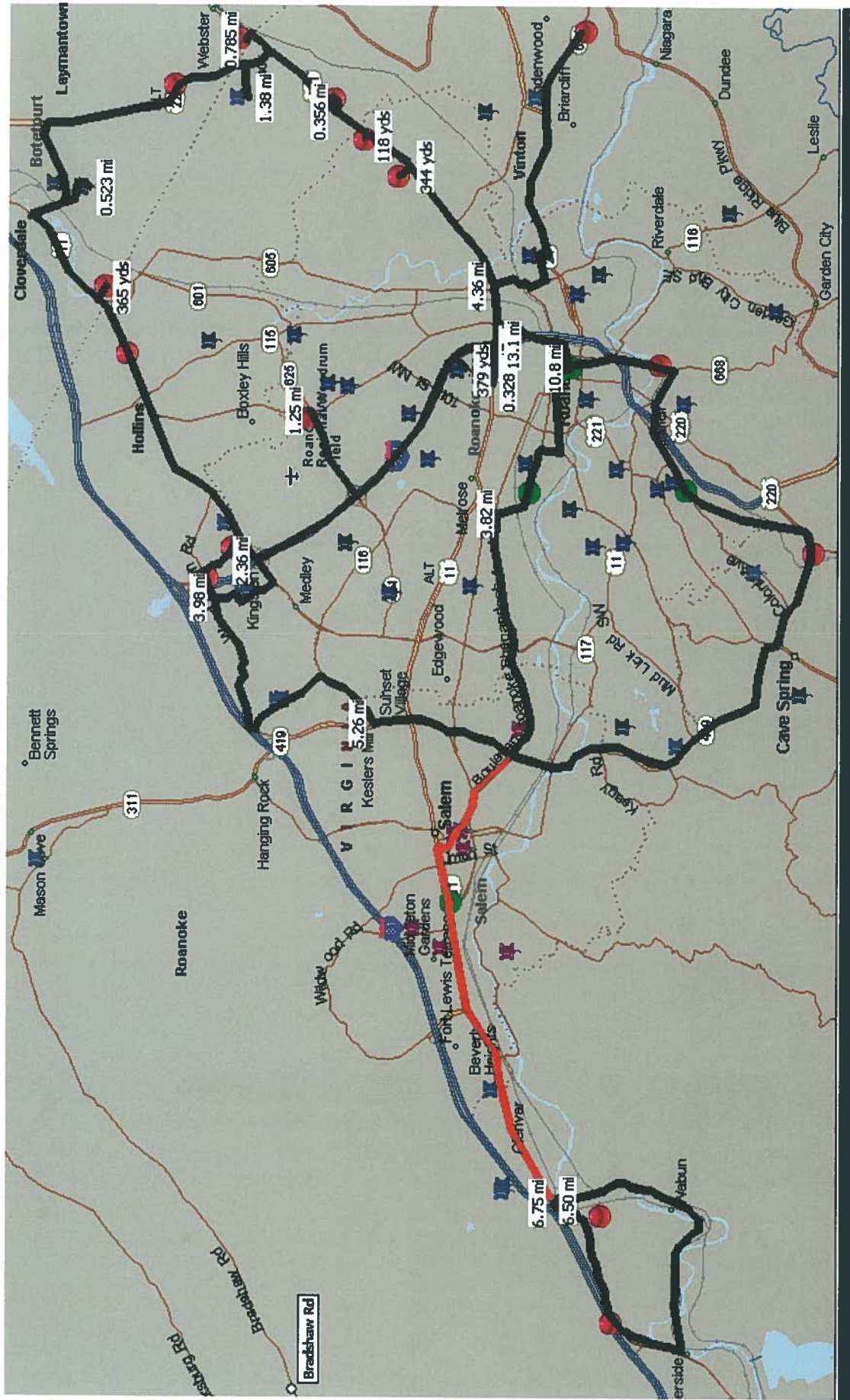
Wayne Strickland
Secretary to the Roanoke Valley Broadband Authority

WS:jlj

Attachments: Six Segment Maps from the Broadband Operations Plan

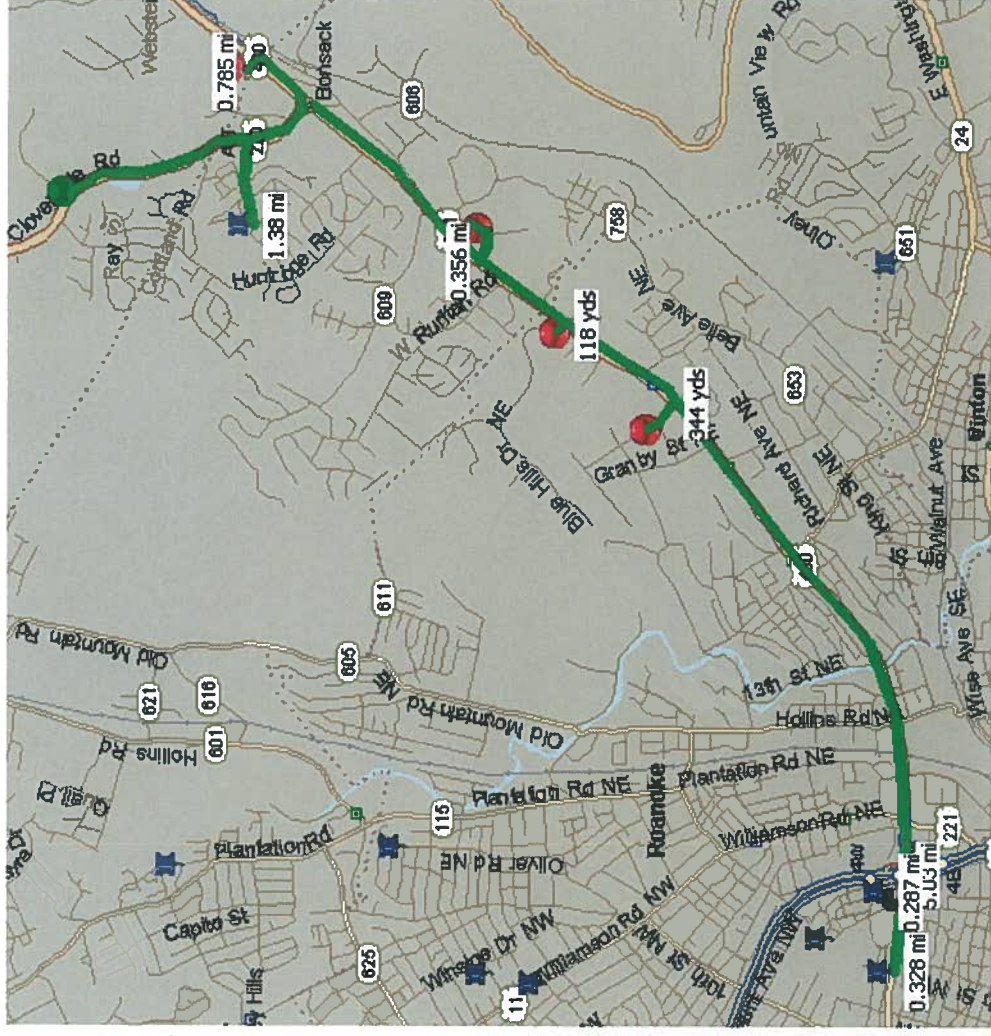
Network Plan

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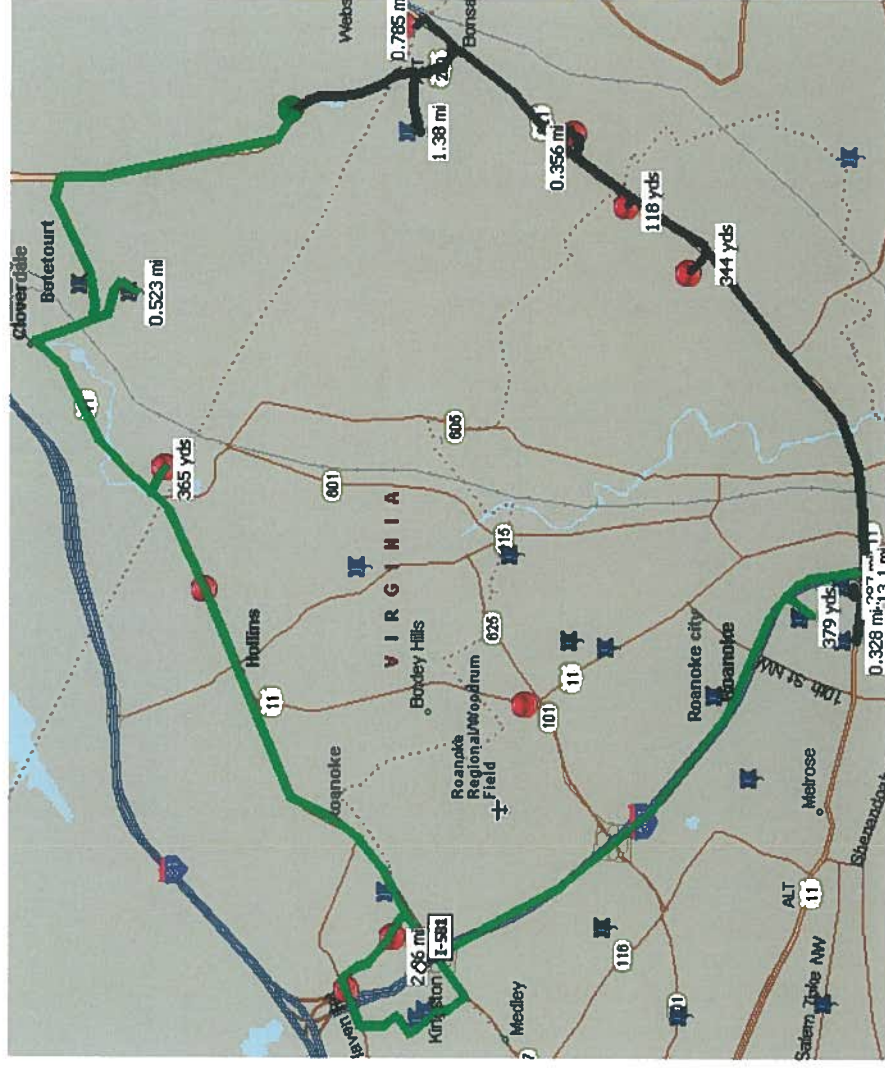
Segment 1

- 8 Miles
- Collocation
 - East Park – MBC / Citizens
- Business Parks
 - East Park
 - Jack Smith Industrial Park
 - Statesman Industrial Park
 - Valley Gateway Bus Park
- Schools
 - Bonsack
 - Lucy Addison
 - Roanoke City Schools Admin building



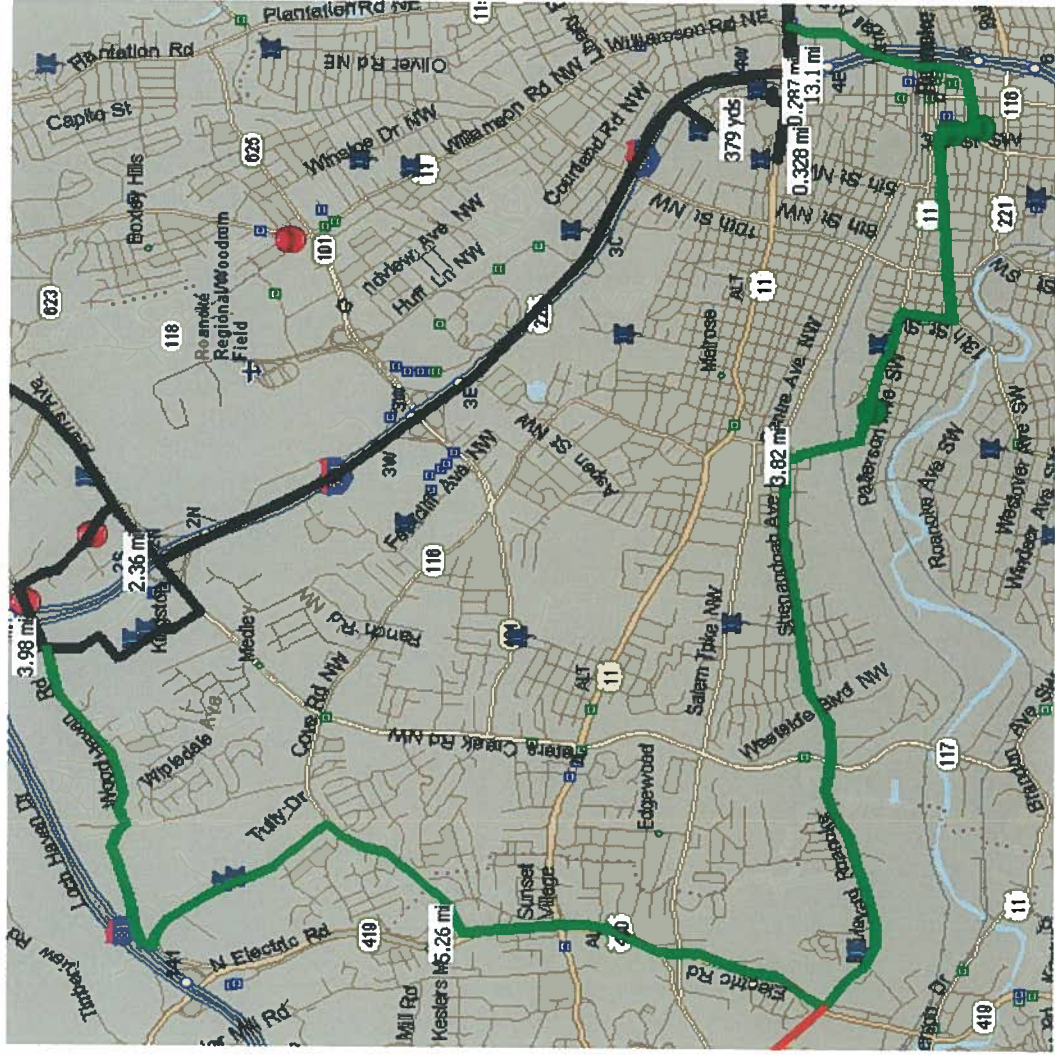
Segment 2

- 16 Miles
- Collocation
 - N/A
- Business Parks
 - Vista Corp Park
 - Hollins University
 - Valley Point Bus Park
 - North County Bus Center
- Schools
 - Read Mountain
 - Cloverdale
 - Burlington
 - North side High
 - North side Middle
 - Round Hill
 - Lincoln Terrace



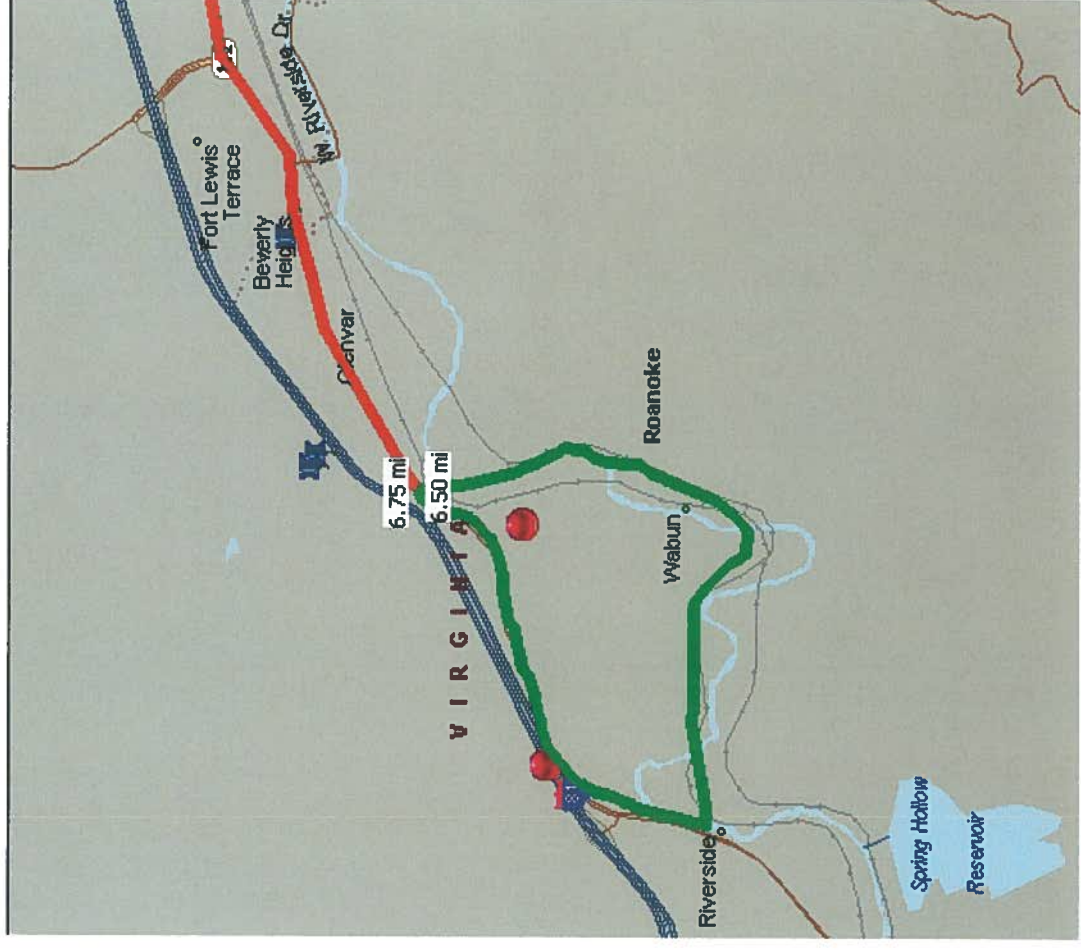
Segment 3

- 13.5 Miles
- Collocation
 - AEP Telecom
 - COX / MBC
 - Interconnect with Salem Electric Fiber
- Business Parks
 - Roanoke City Center
- Schools
 - Hurt Park
 - East Salem
 - Glen Cove



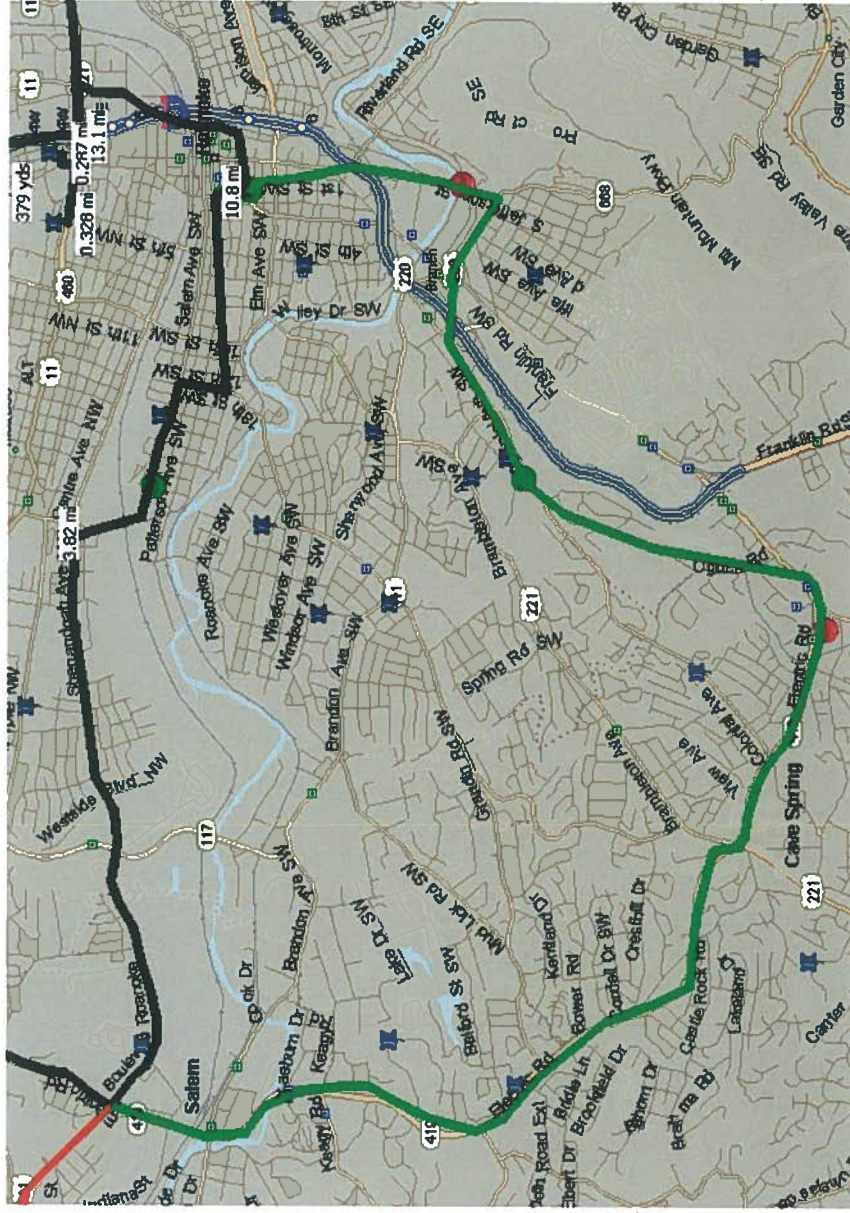
Segment 4

- 6.5 Miles
- Collocation
 - Salem Electric Fiber
 - Salem Data Center
- Business Parks
 - Valley Tech Park
 - Roanoke County Center for Research & Technology
- Schools
 - N/A



Segment 5

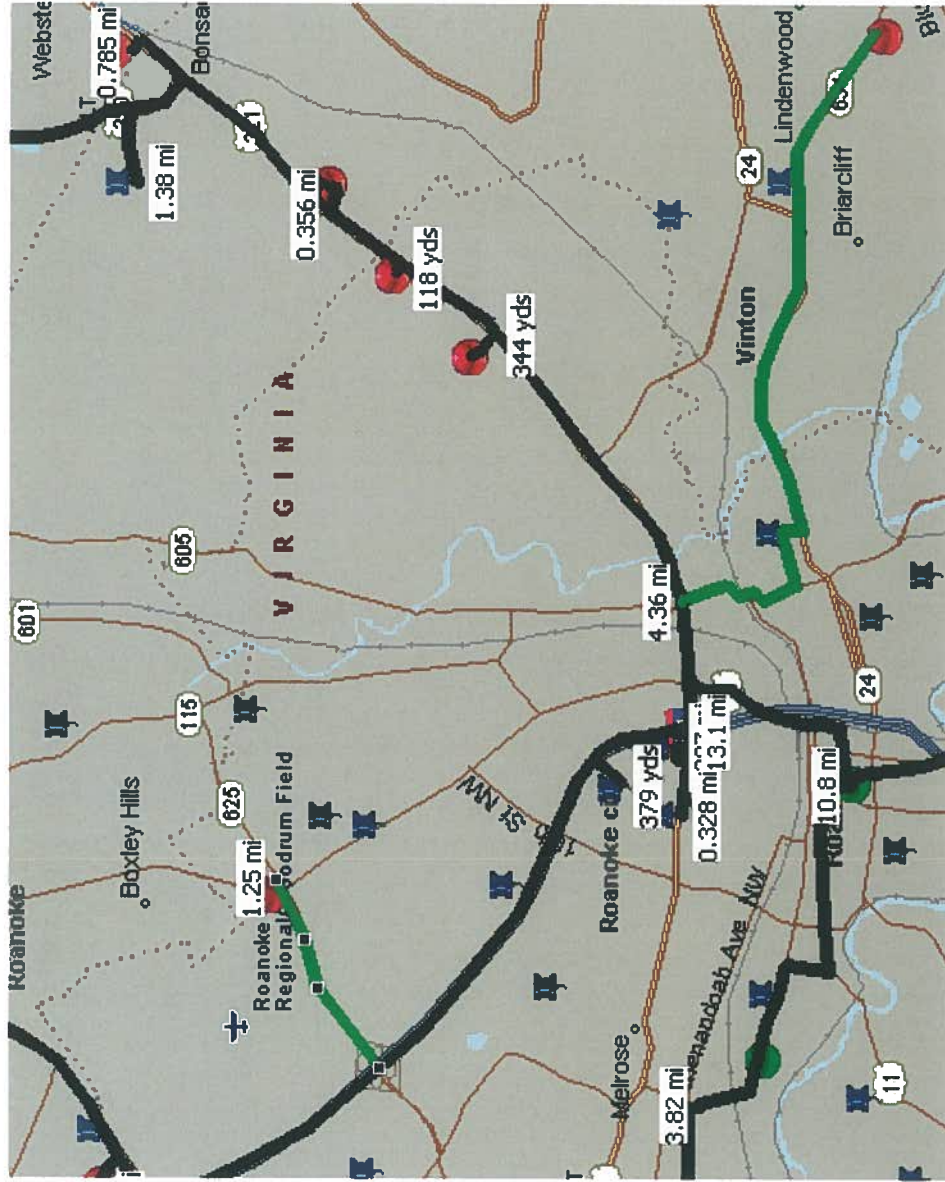
- 11 Miles
- Collocation
 - Blue Ridge TV
- Business Parks
 - Tanglewood Executive Park
 - Carillion Riverside Medical Research
- Schools
 - Oak Grove
 - Fishburn Park



Segment 6

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- 5.6 Miles
- Collocation
 - Blue Ridge TV
- Business Parks
 - Action Auto Data Center
 - Vinton Business Center
- Schools
 - Fallon Park
 - W.E. Cundiff



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MINUTES

A Special-Called Meeting of the Roanoke Valley Broadband Authority was held on Friday, June 6, 2014 at 8:30 a.m. at the Roanoke Valley-Alleghany Regional Commission Office (Top Floor Conference Room) located at 313 Luck Avenue, SW, Roanoke, VA.

1. CALL TO ORDER

Chairman Boggess called the meeting of the Roanoke Valley Broadband Authority to order at 8:30 a.m. and stated that the purpose of the meeting was to serve as a work session for Authority members to discuss options on how to fund the broadband initiative that was presented at the May 30, 2014 meeting by Mr. Picchi.

2. ATTENDANCE

A quorum was present, with all members in attendance: Kevin Boggess, City of Salem; Clay Goodman, Roanoke County; Kathleen Guzi, Botetourt County; Mike McEvoy, Citizen; and Chris Morrill, City of Roanoke.

Roanoke Valley-Alleghany Regional Commission Staff Present: Matt Miller and Jackie Pace.

Others Present: Wayne Bowers, City of Roanoke Economic Development; Steve Cronemeyer, Verizon; Jill Loope, Roanoke County Economic Development; Roy Mentkow, City of Roanoke; and Margaret Hunter Wade, Cox Communications. Bob Picchi, Blue Ridge Advisory Services Group, was present via Skype.

3. REQUEST FOR CLOSED MEETING PURSUANT TO VIRGINIA CODE §2.2-3711

A motion was made by Mr. McEvoy, seconded by Mr. Goodman to convene a closed meeting as authorized by Virginia Code §2.2-3711(A)(6) for the following purpose:

(A)(6) Discussion or consideration of the investment of public funds for potential extension of fiber optic lines, where competition or bargaining is involved, where, if made public initially, the financial interest of the Authority would be adversely affected pursuant to Virginia Code Section 2.2-3711(A)(6).

The motion was adopted and carried by a vote of 5 to 0. The voting was recorded as follows: Kevin Boggess – Aye, Clay Goodman – Aye, Kathleen Guzi – Aye, Mike McEvoy – Aye, and Chris Morrill – Aye. The Roanoke Valley Broadband Authority went into a closed meeting at 8:35 a.m.

4. **END CLOSED MEETING AND RECONVENE SPECIAL-CALLED MEETING OF THE BROADBAND AUTHORITY**

Motion was made by Mr. McEvoy, seconded by Mr. Goodman that the Broadband Authority end the Closed Meeting and return to the Special-Called meeting.

The motion was adopted and carried by a vote of 5 to 0. The voting was recorded as follows: Kevin Boggess – Aye, Clay Goodman – Aye, Kathleen Guzi – Aye, Mike McEvoy – Aye, and Chris Morrill – Aye. The Roanoke Valley Broadband Authority ended the closed meeting and returned to its Special-Called meeting at 9:25 a.m.

5. **RESOLUTION OF CERTIFICATION OF CLOSED MEETING**

A motion was made by Mr. McEvoy, seconded by Mr. Goodman to adopt the following certification resolution.

CERTIFICATION OF CLOSED MEETING

Whereas, the Roanoke Valley Broadband Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

Whereas, Section 2.2-3712 of the Code of Virginia requires a certification by the Roanoke Valley Broadband Authority that such closed meeting was conducted in conformity with Virginia law.

Now, Therefore, Be It Resolved, that the Roanoke Valley Broadband Authority hereby certifies that, to the best of each member's knowledge: (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Roanoke Valley Broadband Authority.

The motion was adopted by a vote of 5 to 0 by roll call as follows:

Member & Vote

Mr. Boggess - Aye
Mr. Goodman - Aye
Ms. Guzi - Aye
Mr. McEvoy - Aye
Mr. Morrill - Aye

6. **ACTIONS OF THE AUTHORITY AS A RESULT OF THE CLOSED MEETING**

Chairman Boggess stated that the Authority decided to proceed with financial recommendations made by Mr. Picchi, although there are still details to work out. Members agreed that there are remaining funds on Mr. Picchi's contract that would allow him to assist the localities by further developing funding options and presenting his recommendations to each board and council.

The Authority also agreed to continue looking into outside financing/potential funding to go forward with the next phase of the broadband initiative. It was noted that engineering and design work can occur simultaneously and Mr. Picchi can work with the Water Authority on some of these details.

Mr. Picchi was asked to present a hybrid of his last two PowerPoint presentations to the four individual jurisdictions at an upcoming work session and/or board/council meeting once times/dates are finalized.

Possible tentative dates discussed were as follows –

- Monday, June 16, 2014 at 2:00 pm - Roanoke City Council Work Session. Mr. Morrill stated that board members of the Water Authority would be invited to hear Mr. Picchi's presentation as well.
- Monday, June 23, 2014 at 5:30 pm - Salem City Council Work Session.
- Tuesday, June 24, 2014 – Roanoke County Board of Supervisors, 3:00-3:30 pm and later that evening, a meeting of the Botetourt County Board of Supervisors at 7:30 pm.

7. OTHER BUSINESS

- Concerning the next regularly scheduled meeting date of the Broadband Authority (Friday, June 20), members agreed to meet on that date, but noted there may be a possibility of canceling the meeting if there is no substantive business to conduct. A notice would be sent later in June.
- The staff of the Regional Commission was asked to look into possible Economic Development (EDA) grant opportunities, perhaps applying by September of this year.
- Matt Miller previously sent an announcement from Governor McAuliffe's office concerning broadband grants for schools. Mr. Miller noted that he has contacted Karen Jackson, Virginia Secretary of Technology, to get more details.
- The Board agreed that they will soon need to update the business community leaders who initially helped to push the broadband issue forward. The Board noted that it would be best to talk with the business community leaders after Mr. Picchi concludes his briefings with each board and council.

The meeting was adjourned at 9:35 a.m.

Wayne Strickland, Secretary,
Roanoke Valley Broadband Authority

ROANOKE VALLEY BROADBAND AUTHORITY

Financial Report

January 20 - June 30, 2014

DATE	FOR			BALANCE
1/20/2014	Deposit	Loan from RVARC		5,000.00
1/22/2014	Check 091	Roanoke Times (RFP Adv)	126.72	4,873.28
1/31/2014		Balance		4,873.28
2/25/2014	Check 092	VML (Insurance 2/1 - 6/30/2014)	344.00	4,529.28
2/28/2014		Balance		4,529.28
3/31/2014		Balance		4,529.28
4/2/2014	Deposit	City of Roanoke	28,600.00	33,129.28
4/18/2014	Check 093	BRASG Inv #578	10,379.48	22,749.80
4/14/2014	Deposit	City of Salem	28,600.00	51,349.80
5/30/2014	Check 094	BRASG Inv #580	15,867.93	35,481.87
6/06/2014	Check 095	BRASG Inv #582	17,201.83	18,280.04
6/06/2014	Check 096	VML Insurance 14/15	837.00	17,443.04

BROADBAND REPORT
SUBJ: Election of Broadband Authority Officers

Section VI, Section 6.2 of the Roanoke Valley Broadband Authority Bylaws reads as follows:

“The Officers of the Authority are elected for two-year terms in even numbered years by the Board. The term shall run from July 1 of the first year through June 30 of the second year after initial incorporation terms. Except for death, resignation or removal, the Officers shall hold office until their respective successors shall have been elected by the Board.”

The election of officers took place at the first official board meeting on January 17, 2014. Board members agreed at that meeting that it would be best to keep on schedule and to hold elections again at the June 2014 meeting.

The next two-year term for officers will run from July 1, 2014 to June 30, 2016.

Current Officers

Chairman	Kevin Boggess
Vice Chairman	Mike McEvoy
Secretary	Wayne Strickland
Treasurer	Olivia Dooley

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CERTIFICATION RESOLUTION

**AT A REGULAR MEETING OF THE ROANOKE VALLEY BROADBAND AUTHORITY
HELD AT THE ROANOKE VALLEY-ALLEGHANY REGIONAL COMMISSION ON
FRIDAY, JULY 18, 2014 at 8:30 AM**

**RESOLUTION CERTIFYING THE CLOSED MEETING WAS HELD IN CONFORMITY
WITH THE CODE OF VIRGINIA**

WHEREAS, the Roanoke Valley Broadband Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Roanoke Valley Broadband Authority that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, that the Roanoke Valley Broadband Authority hereby certifies that, to the best of each member's knowledge:

1. Only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting which this certification resolution applies; and
2. Only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Roanoke Valley Broadband Authority.