

RESOLUTION NO. ____-2025

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORT BRAGG APPROVING THE PURCHASE OF MENDOCINO COMMUNITY NETWORK (MCN) FOR \$300,000 AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS TO FINALIZE THE TRANSACTION AND IMPLEMENT THE CITY'S BROADBAND UTILITY

WHEREAS, the City of Fort Bragg is committed to enhancing broadband access, reliability, and affordability for all residents and businesses; and

WHEREAS, the establishment of a municipal broadband utility is a strategic priority to ensure equitable access to high-speed internet and support economic development, education, and public safety; and

WHEREAS, the City of Fort Bragg has been awarded over \$10 million in grant funding from the California Public Utilities Commission and other sources to support the buildout and implementation of its municipal broadband infrastructure; and

WHEREAS, the Mendocino Community Network (MCN) is a long-standing internet service provider serving residents within and beyond City limits and offers infrastructure, customer base, and operational capacity to support the City's broadband goals; and

WHEREAS, the acquisition of MCN is a key component of the City's long-term broadband utility plan and will accelerate deployment of services, ensure continuity of operations, and leverage existing infrastructure and staffing capacity; and

WHEREAS, the City has completed its due diligence review of MCN and finds the acquisition aligns with the City's broadband strategy and financial planning; and

WHEREAS, the City and the Mendocino Unified School District (MUSD), the current owner of MCN, have negotiated a purchase price of \$300,000, with payment terms consisting of an initial payment of \$100,000 at closing, followed by annual payments of \$50,000 over four years; and

WHEREAS, the agreement includes a provision for MCN to continue operating and serving current customers, including those outside City limits, and to support the City's broadband utility during the transition and implementation period;

WHEREAS, the proposed action to purchase Mendocino Community Network (MCN) and transition operations under the City's Broadband Utility is not a project under the California Environmental Quality Act (CEQA), as defined in CEQA Guidelines Section 15378(b)(4). This action involves the funding and administrative acquisition of an existing business operation and does not have a potential for a significant effect on the environment.

WHEREAS, future broadband infrastructure projects involving physical construction or ground disturbance may be subject to CEQA review and will be evaluated for environmental compliance at the time those specific projects are brought forward.

NOW, THEREFORE, the City Council of the City of Fort Bragg hereby finds, determines, and resolves as follows:

1. The recitals set forth above are true and correct and incorporated herein as findings of fact.
2. Approves the purchase of Mendocino Community Network (MCN) for \$300,000 under the negotiated payment terms;
3. Accepts the findings of the due diligence report regarding the MCN acquisition;
4. Authorizes the City Manager to finalize and execute the Purchase Agreement and all necessary documents related to the acquisition;
5. Authorizes the City Manager to take all actions necessary to transition MCN operations into the City's Broadband Utility framework;
6. Directs staff to incorporate MCN into the City's broadband implementation plan and provide periodic updates to the City Council.

The above and foregoing Resolution was introduced by Councilmember _____, seconded by Councilmember _____, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 12th day of May, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSED:

JASON GODEKE
Mayor

ATTEST:

Diana Paoli
City Clerk