



CITY COUNCIL STAFF REPORT

TO: City Council

DATE: March 10, 2025

DEPARTMENT: Economic Development Department

PREPARED BY: Sarah McCormick, Economic Development Manager

PRESENTER: Sarah McCormick, Economic Development Manager

AGENDA TITLE: Receive Report and Consider Adoption of City Council Resolution Approving Contract with GHD, for Construction Management Services (PWP-00130), Authorizing City Manager to Execute Contract (Amount Not to Exceed \$1,449,466.60), and Finding the Project Exempt from CEQA under 14 CCR 15301(b), 15302(c), 15304(f).

RECOMMENDATION

Adopt of City Council Resolution Approving Contract with GHD, for Construction Management Services (PWP-00130), Authorizing City Manager to Execute Contract (Amount Not to Exceed \$1,449,466.60), and Finding the Project Exempt from CEQA under CCR 15301(b), 15302(c), 15304(f).

BACKGROUND

Broadband deployment is a cornerstone initiative aimed at invigorating economic opportunity, fostering community vibrancy, and bridging the digital divide in Fort Bragg. The project prioritizes the development of affordable, reliable high-speed fiber-optic infrastructure to enhance existing businesses, attract a diversity of new businesses, support online education and healthcare, enable remote work, and connect Fort Bragg globally.

The City's network includes a centralized data center at C.V. Starr equipped with core-routing, firewall, maintenance switches, and Optical Line Terminal (OLT) equipment. This data hub connects to fifteen (15) Distribution Areas (DAs), which aggregate fiber locations and distribute connectivity via underground conduit and fiber. From each DA, fiber cable extends to local service terminals (flowerpots), with final underground drops installed upon service requests, ensuring flexibility and responsiveness to user needs.

The City's last-mile network will connect to the California Middle Mile Initiative, enhancing reliability and redundancy while also ensuring all residents and businesses have access to industry leading speeds.

DISCUSSION AND ANALYSIS

The City released a Request for Proposals to solicit proposals from qualified firms interested in providing construction management services for the City's Municipal Broadband Utility

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Project. The City received three (3) timely proposals. Two of the proposals were considered responsive. The proposal from GHD is for an amount not to exceed \$1,449,466.60. The proposal received from EN Engineering, LLC totaled \$2,172,365. Staff recommendation is to award GHD the Construction Management Contract.

FISCAL IMPACT/FUNDING SOURCE

The City of Fort Bragg received \$10.3 million of Federal Funding Account Program grant funds, and Congressman Huffman approved \$1 million of Community Project Funding to construct this project. Council has directed staff to utilize debt financing and unidentified grant program awards to finance the remaining funds needed for this capital improvement project originally estimated at \$14.7 million. **UPDATE: Project costs have increased 17%, for a total estimated cost of \$17.2 million.**

Staff is currently working on due diligence activities to acquire Mendocino Community Network, as well as potential debt financing strategies to close the funding gap. In addition, staff is currently preparing to apply for California Broadband Equity, Access, and Deployment (BEAD) program grant funds. The grant application window opens in March 25 and ends April 23, 2025. Nationally, the BEAD Program will provide \$42.25 billion. California has been allocated approximately \$1.86 billion, which is based on California's share of unserved locations.

In addition, California was awarded a \$70.2 million Digital Equity Capacity Grant by the National Telecommunications and Information Administration (NTIA) to support the California Digital Equity Plan. Staff is tracking digital literacy grant programs in order to implement digital inclusion activities, training programs, and to make equipment available to community members.

ENVIRONMENTAL ANALYSIS:

The City determined the Municipal Broadband Utility Project is exempt under the following California Environmental Quality Act (CEQA) Section(s):

Class 1: CEQA Section 15301 provides examples of existing facilities including (b) existing facilities of both investor and publicly-owned utilities to provide electric power, natural gas, sewerage, or other public utility services". The proposed project is a public utility service – one of three public utilities provided by the City of Fort Bragg (water, wastewater, broadband).

Class 2: Should replacement or reconstruction of water and/or wastewater utilities be necessary, CEQA Guidelines Section 15302(c) allows for the such work so long as work involves negligible or no expansion of capacity.

Class 4: The primary construction method involves Horizontal Directional Drilling with little impact to street, alley and sidewalk surfaces. Any damaged surfaces will be restored to condition existing prior to the undergrounding. Should minor trenching and backfill be

necessary, Section 15304 exempts minor alterations to land including subsection (f) "minor trenching and backfilling where the surface is restored".

CEQA Section 15300.2 contains exceptions to Categorical Exemptions, none of which apply to this project because:

- a) the project location is within a previously disturbed area (existing street/alley/sidewalk), NOT within a particularly sensitive environment;
- b) the project has a single scope and contains design considerations to accommodate future unknown needs that will avoid cumulative impacts to street infrastructure and traffic;
- c) the project involves minor alterations to existing streets, alleys, and sidewalks within existing right-of-way, and within existing disturbed areas;
- d) the project is not occurring within an officially designated state scenic highway;
- e) the project will not be deployed on a hazardous waste site. Should the project expand to the former Mill Site, appropriate steps will be taken to ensure authorization and compliance with Department of Toxic Substance Control and Coastal Act requirements.
- f) the proposed project will be underground and not cause substantial adverse change in the significance of historical resources. The City coordinates with Sherwood Valley Band of Pomo Indians to ensure tribal monitoring during ground disturbing activities.

STRATEGIC PLAN/COUNCIL PRIORITIES/GENERAL PLAN CONSISTENCY

GOAL 1: Invigorate Economic Opportunity and Community Vibrancy

1D. Develop and maintain affordable and reliable high-speed fiber-optics infrastructure to support and attract diverse businesses, online education, and remote employment that will connect Fort Bragg to the world.

- Construct, manage, and maintain a municipal broadband utility that provides citywide access to underground networks with industry-leading speeds to provide secondary communications during emergencies and support businesses.

COMMUNITY OUTREACH

Action will be taken to ensure the community is aware of construction activities. This will be accomplished with press releases, social media, utility bill inserts, door hangers, announcements at public meetings, posters, and signage.

ATTACHMENTS:

1. Resolution XXXX-2025
2. Agreement

NOTIFICATION:

1. "Notify Me" subscriber lists: Economic Development Planning; Fort Bragg Downtown Businesses; and Blue Economy
2. Tim Dillenburg, GHD Construction Manager