Review of Models – SWOT Analysis

SWOT Analysis	City Run ISP Model
Basic Model	This would be a City financed and City run FTTP Network. The City would own and operate the system.
Strengths	- The City would be in full control of the use of the system and assets. - The City could leverage the infrastructure to lease assets and generate additional revenue from a variety of entities and for a variety of purposes (5G, fiber providers, companies, etc) - The infrastructure would enable the City to meet all city and community telecommunications needs for the next 30-40 years and enable the City to deploy additional assets and technology as needed (such as smart city applications).
Weaknesses	- The City would bear the full financial risk of the estimated $120 million dollar network. - The estimated cost of the network would almost max out the City's bonding capacity. - The City would need to hire personnel and establish expertise to handle everything from customer service to engineering, billing, installations, etc. - The business plan does not show profitability in the next ten years with charging a rate of $70 per gigabit with a take rate of 32%; although adding phone and video and adjusting other variables could improve profitability. At $100 per gigabit (32% take rate), the business plan shows break-even at ten years. - While the estimated take rate is 32%, many variables could impact that. If take rate is higher, capital costs would increase. If take rate is lower, revenue generation would decrease.
Opportunities	- The Network could provide additional opportunities for revenue in addition to leasing network assets such as building a carrier hotel. - Establishing a network could compete with neighboring cities that have municipal networks by attracting more businesses, retaining businesses, increasing property values and increasing economic development although that this hard to quantitatively define. - The City could leverage the network to launch pilot projects for adoption, utilization, education, etc.
Threats	The biggest threat is financial stability and sustainability and risk to the City. However, existing competitors could also undercut pricing and offer long term packages effectively preventing subscribers from signing on to new service.
Additional Notes	

SWOT Analysis	PPP with Allo Model
Basic Model	The City could work with Allo to build a FTTP network. Allo would operate the system. At this time, it is unknown what Allo will ask for in terms of a financial contribution. It is unlikely that a financial contribution would exceed $5 million. However, these are the potential options with the first two being the most likely: • City provides resources and in-kind assistance; Allo finances and invests in 100% of network. • City builds out backbone/middle-mile and owns that for approx. $5million. Allo invests in the rest. • City builds out backbone/middle-mile plus all roads for approximately $50-$75 million; Allo invests in drops to premise. • Allo builds out network and City buys back over 20-year period for approximately $120 million. (least likely and unclear whether Allo would agree to this scenario).
Strengths	• The City would bring in a new provider at a much lower financial risk than a City-run network. • Allo has the experience owning and operating networks and could deploy the network more cost effectively and quicker. • Allo is keeping up to date on new innovations and will update technology as needed. • Allo wants to work with the City and is flexible on the exact terms and model. • This could bring down pricing and increase competition.
Weaknesses	• Allo is aggressively pursuing the Colorado market and could be spreading themselves too thin. • This could be a long-term marriage with one company. If something happens with Allo, may be difficult to get out of PPP. Of course, this depends on the terms of the agreement. • The terms of the deal are unknown right now.
Opportunities	• The City-owned portion of the network could provide additional opportunities for revenue in addition to leasing network assets such as building a carrier hotel. • Establishing a network could compete with neighboring cities that have municipal networks by attracting more businesses, retaining businesses, increasing property values and increasing economic development although that this hard to quantitatively define. • The City could leverage the network to launch pilot projects for adoption, utilization, education, etc.
Threats	The biggest threat is long term sustainability of Allo.
Additional Notes	

SWOT Analysis	Work with Current Providers Model
Basic Model	The City would work with current providers (Century Link and Comcast) to better improve access and services.
Strengths	• There is very low financial risk in terms of expenditures. • The current providers collectively claim to cover 100% of the City so this option does not overbuild existing networks. • An effective co-marketing campaign that Greeley is a "Gig-City" could start immediately.
Weaknesses	• Existing providers do not have a good track record of working with communities to improve access and services. • The existing providers are not well-liked and so the community may not consider this to be a solution. • It is unknown what providers would be willing to do to change current behaviors.
Opportunities	• If the providers do follow through, there could be more opportunities to continue working together.
Threats	The biggest threats are: • Citizens could feel that this is not a sufficient solution given the low favorability ratings of current providers. • If the providers do not follow through.
Additional Notes	

SWOT Analysis	Establish a Grant Program Model
Basic Model	The City could set-aside money to establish one or more grant programs to help close the digital divide. The purpose of a grant program would be to help close the broadband gaps in the city by focusing resources on businesses that can't afford a high-speed connection due to the cost of building the connection to their facility
Strengths	• The City could start by establishing a low-cost pilot program to assist with providing subsidies to businesses who could not afford to purchase a connection to providers. • This type of program could directly address the gaps in the most cost-effective manner.
Weaknesses	• The City may need to conduct additional market research in the business community to determine if a grant program would meet needs of businesses who cannot currently obtain a high-speed connection. • Current providers would need to agree to participate (provide timely quotes for service) in order to get businesses connected.
Opportunities	• If the pilot program works, it could be expanded. • A grant program could also include funding for establishing educational and or other adoption programs to help with utilization and adoption. • This could also be done in conjunction with any of the other model options under consideration.
Threats	The biggest threat is whether by itself this would be sufficient to address the needs in the City. Also, it is unclear whether a grant program would be utilized by businesses.
Additional Notes	

SWOT Analysis	Maintain Status Quo Model
Basic Model	The City would not implement any new programs.
Strengths	• There is no financial risk in terms of expenditures.
Weaknesses	• Providers would not likely be motivated to improve current service pricing or availability on their own
Opportunities	• Greeley would potentially have funds to pursue other needed projects.
Threats	The biggest threat is that citizens could feel that this is not a sufficient solution given the low favorability ratings of current providers and Greeley is unable to communicate its ability to compete with other neighboring Gigabit Cities.
Additional Notes	