

Appendices

KEY DEFINITIONS

E-Commerce: Engaging in commercial or retail transactions predominantly over the Internet or a computer network, utilizing the Internet as a platform for transacting business or facilitating the use of the Internet by other persons for business transactions. [Oregon Revised Statutes]

E-Government: E-Government refers to the use by government agencies of information technologies (such as Wide Area Networks, the Internet, and mobile computing) that have the ability to transform relations with citizens, businesses, and other arms of government. These technologies can serve a variety of different ends: better delivery of government services to citizens, improved interactions with business and industry, citizen empowerment through access to information, or more efficient government management. The resulting benefits can be less corruption, increased transparency, greater convenience, revenue growth, and/or cost reductions. [The World Bank Group web site definition]

New Economy: The new economy is that strategic combination of organizational changes, policy settings and capacity building based on the innovation and creativity promoted by expanded international trade and global, networked information technologies, which achieves sustainable economic growth and social wellbeing. [Prepared for the Asia-Pacific Economic Corporation—APEC Economic Committee Project by Catherine L. Mann and Daniel H. Rosen, Institute for International Economics]

Telehealth: The practice of healthcare delivery using telecommunications technology, including but not limited to diagnosis, consultation, treatment, transfer of medical data, education, dissemination of public health alerts and/or emergency updates. [Benefits of Telemedicine, Telemedicine Association of Oregon—Web sites: <http://www.leg.state.or.us/03reg/measures/hjr1.dir/hjr0004.a.html> and <http://www.ortcc.org/PDF/BenefitsofTelemedicine.pdf>, January 16, 2004]

Telemedicine: The use of telecommunications technology to deliver clinical diagnosis, services and patient consultation. [Benefits of Telemedicine, Telemedicine Association of Oregon—Web site: <http://www.ortcc.org/PDF/BenefitsofTelemedicine.pdf>, January 16, 2004]

Note: Listed below are some web sites that provide glossary telecommunications and internet terms:

<http://www.fcc.gov/glossary.html>
<http://www.telecomterms.com/>
<http://www.geocities.com/techtelcom/glossary.htm>
<http://www.puc.state.or.us/PUC/telecom/define.shtml#def>

June 24, 2005

It is our hope that you will find interest in responding to the attached *Request for Information* (RFI). Your choice to do so will help us make decisions that will lead to a request for proposals to assist the City of Florence (Florence) in assuring an optimum array of broadband communication service to Florence and the surrounding community. Florence is also cooperating with the Oregon Coastal Zone Management Association (OCZMA) to establish a format within which all communities along the Oregon Coast can address their own telecommunications priorities. We believe that this information will be transferable in large part and be useful to all coastal communities.

The Mayor and Council of Florence established a Telecommunications Task Force to study pertinent issues and to establish a statement of needs achieve a competitive telecommunications capability within the local area. The Task Force established a *Goal Statement* which says "*It is our goal to assure maximum economic development opportunity by assuring hard-connect broadband telecommunications at the City's Pacific View Business Park (industrial park) and to assure the general availability of high speed telecommunications services throughout the community.*" Florence's motivation in sending this RFI is to reach that goal.

OCZMA has perceived the developmental needs of its constituent communities and has applied for and been awarded a significant grant to address telecommunications needs on the coast. The grant was obtained with the cooperation of the Port of Siuslaw, one of several such economic development agencies on the coast. It is the intention of OCZMA to share the lessons learned from the Florence project with all coastal communities in Oregon. By sharing information in this way, the communities and the responders will receive maximum benefit from the effort.

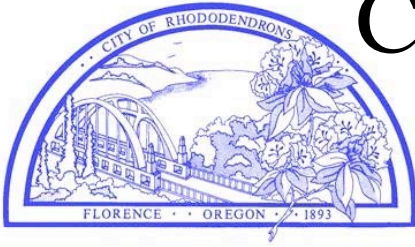
The RFI is enclosed. We trust that it is self explanatory. It is important to state that neither Florence nor OCZMA have any provider, technology or approach in mind. The information contained in your response will help establish the direction to be taken. Please do not hesitate to ask questions. We will answer them if we know the answers. We will respond in every case. Please also take notice that a Responders Meeting has been scheduled for 9:00 AM on Friday, July 22 at Florence City Hall. You are most cordially invited to attend.

Thank you in advance for your response. We look forward to it.

Sincerely yours,

Rodger L. Bennett
City Manager

Copies: Mayor and Council
Telecommunications Task Force
Onno Husing, OCZMA
Tom Kartrude, Port of Siuslaw



City of Florence

250 Highway 101
Florence, OR 97439-7628

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City of Florence, Oregon

Issues the Following

Request for Information

For

Broadband Provisioning and Services

Date of Issuance:	June, 24, 2005
Responders Meeting:	July 22, 2005
Proposals Due:	August 5, 2005
Issuing Organization:	City Of Florence
ATTN:	Rodger L. Bennett, City Manager

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1.0 SUBJECT

This is a Request for Information (RFI) regarding the provisioning of broadband services in the city of Florence, Oregon. Responses to this RFI are due by August 5, 2005 at 5:00 PM (Pacific Time). See section 7.0 "Contact/Submission Information."

2.0 PURPOSE

Our goal is to provide access to broadband communication to businesses, state & local government agencies, the education community, and homes in Florence, Oregon and surrounding area.

The City of Florence is interested in receiving from industry, creative conceptual models/proof of concepts for provisioning broadband transport and both intra- and inter-community based services for the city.

- Specifically the RFI seeks the following information:
- Interest in provisioning broadband services to 90% of the businesses, agencies, and homes within the city limits and the City's Urban Growth Boundary.
 - Technologies to be deployed to serve the community.
 - Levels of bandwidth available to business and residential customers and the anticipated pricing schedule for each level of service to each type of customer.
 - Non-recurring investment costs.
 - Expectations for the community (take-rate, anchor tenant requirement, tax incentives, etc.)
 - Administrative services (network operations and maintenance, marketing, orders and installation, billing, etc.) and who would provide them.
 - Public/private partnership examples relating to financing and provisioning of broadband to rural communities.

Both public sector and commercial customers would utilize the services. The City of Florence is open to exploring a public-private partnership if needed to make the project financially viable.

The City of Florence believes a Fiber backbone is necessary to realize the best possible services to the community. Please address the following questions.

- Would the backbone (if proposed in technology assessment) provided be proprietary or open access?
- Estimate the costs for the ring on a per mile basis.
- Describe the partnerships you would engage in to provide the fiber backbone.
- Describe the technology proposed (ATM, Ethernet, etc) and the bandwidth provided (symmetrical or asymmetrical --- megabit's up and down) to the customer with an estimate of retail cost.
- Describe the ability of the proposed technology to interconnect with other providers and/or technology.

THIS RFI IS NOT A PROCUREMENT DOCUMENT. It does not constitute an offer from the issuing organization or the counties for any commercial engagement. Responses are voluntary and shall not bind the responder to the City of Florence in any contractual, fiscal or other manner. Responders bear responsibility for all costs and expenses related to their development and submission of a response to this RFI. See Section 5.0 "Disclaimer."

3.0 REQUIREMENTS

- The following is a list of high-level requirements for purposes of responding to the RFI:
 - Any proposed solution/proof of concept shall be cost competitive.
 - Any proposed solution/proof of concept shall consider interoperability opportunities.
 - Any proposed solution/proof of concept shall provide opportunities for local and regional economic development.
 - Any proposed solution/proof of concept shall provide consideration for expanding the customer base of the service.

4.0 SAMPLE RESPONSE OUTLINE

The following is a suggested outline for response to this RFI. This outline is intended to minimize the effort of the respondent and structure the responses for ease of analysis to the City of Florence. Nevertheless, respondents are free to develop their response as they see fit.

For each transport service, please include the following:

Section 1 – Conceptual Alternatives (for broadband and internet services)

Section 2 – Feasibility Assessment (for each alternative)

Section 3 – Cost and Schedule Estimates (for each alternative)

Section 4 - Corporate Expertise

Section 5 – Partnership examples relating to provision of services

Section 6 – Additional Materials (provide any other materials, suggestions, and discussion you deem appropriate)

Additional guidance.... for each recommended typology, responders are requested to address:

1. Type of technology recommended.
2. Generic network layout.
3. Is/are there a single or multiple manufacturer(s) of the technology?
4. Network Support Center
 - a. Network monitoring procedures.
 - b. Network or equipment fault isolation procedures and recovery methods.
 - c. What are the network management capabilities are included?
5. Does the technology use regulated or unregulated spectrum?
6. What degree of redundancy is “built in”?
7. Has the technology been up and operational in a public setting for at least six months?
8. What is the estimated cost to construct?
9. What is the estimated cost to add customers on a per customer basis?
10. What are the marketing options with the technology? (potential products, pricing strategies, distribution strategies)
11. What are the “back office” requirements to support the technology?
12. What are the capacity ceilings before additions are required?

5.0 DISCLAIMER

This RFI is issued solely for information and planning purposes and does not constitute a solicitation or the intent to solicit. The issuing organization will help protect from disclosure information that responders regard as “proprietary”, but only within the statutory framework of Oregon Revised Statutes, Chapter 192 (public and Private Records; Public Reports and Meetings), PROVIDED such submitted information is clearly marked as trade secrets and/or confidential matters. Responses to the RFI will not be returned. Responses to this RFI are not an offer and cannot be accepted by the City of Florence to form a binding contract. Responders

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are solely responsible for all expenses associated with responding to this RFI. Any proposal submitted requiring any payment by, or costs, will not be accepted.

REPLY: Responses to this RFI must be received by August 5, 2004 at 5:00 PM (**Pacific Time**). See Section 8.0 “Contact/Submission Information.”

RESPONDER MEETING: The City of Florence has tentatively scheduled an opportunity for prospective responders to meet with representatives from the Community on Friday, July 22, 2005 at 9:00 AM to ask questions and further discuss the RFI. This meeting will be held in person. Prospective responders will be invited to tour the city. This meeting is not mandatory, and travel, lodging, and other costs and expenses for attendance/participation shall be paid by responders. Prospective responders interested in attending the meeting shall contact the Florence City Manager to RSVP no later than July 22, 2005. Prospective responders may RSVP via telephone call or email transmission.

FOR ADDITIONAL INFORMATION OR QUESTIONS please See Section 8.0 “Contact/Submission Information.”

6.0 OVERVIEW

- **COMMITMENT:**
- The City of Florence on the Oregon coast has recognized that advanced telecommunications offers a tangible way to improve the quality of life in their community. In March of 2002 the Florence City Council passed a resolution establishing the Florence Telecommunications Task Force to work these issues.
- On February 26, 2003, the Florence Telecommunications Task Force submitted a document to the Florence City Council entitled: *Florence Network Engineering Options*. The Telecom Task Force’s plan called for the establishment of two fiber rings—a downtown ring and a North ring. The two rings would connect a number of major potential local users of bandwidth (e.g., City Hall, Local Businesses, the Port of Siuslaw, Florence Industrial Park, School District {K-12 & Community College}, Chamber of Commerce, Library, Justice Center, Hospital, and the Florence Events Center).
 - A wireless deployment in Florence may be/could be coupled with a fiber build. The fiber build will seek to: (1) provide direct fiber connectivity to a majority of high bandwidth users, and (2) establish key fiber laterals throughout the community to maximize wireless and other wire line last mile connections. The immediate objective is to make the Florence area a setting where affordable state-of-the-art broadband is nearly ubiquitous—over glass, wires and through the air.
- The summer of 2004, Onno Husing, the Director of the Oregon Coastal Zone Management Association (OCZMA), contacted the City of Florence. OCZMA had received funding from the Economic Development Administration (EDA) and the Oregon Economic & Community Development Department (OECDD) to carry out a coast-wide project to stimulate the deployment and usage of advanced telecommunications on the Oregon coast.
- The Florence Telecommunication Task Force and its partners have established a full range of applications broadband—education, health, safety, distance learning,
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telemedicine, e-commerce, entertainment, the arts, e-government, homeland security, and enhanced retirement living.

- **INVESTMENT:**

- Once a plan identifying infrastructure gaps and how to fill them is established, the City of Florence will approach the USDA's RUS and/or the State of Oregon (the Oregon Economic & Community Development Department, OECDD) for grants and/or loans. The City of Florence is open minded about seeking investments and financing from the private sector to make these infrastructure investments. At this early formative stage, the Florence Telecommunications Task Force does not need money. Instead, the Task Force needs the best legal and technical advice available as it develops a plan in the next several months.

- The City of Florence and other local leaders are prepared to commit a substantial amount of staff time and political capital to the effort. After a strategic telecom plan is developed and implemented, the City of Florence and adjacent portions of Western Lane County will market itself to the world as a cutting edge community for telecommunications.
- To that end, the City of Florence is poised to make substantial investments to fill infrastructure gaps and to engage the public in outreach and education on telecommunications. If a practical, economically sustainable, compelling telecom plan is developed—which is likely to happen—the City of Florence is quite prepared to commit resources in partnership with others.
- OCZMA is providing additional staff support and technical advice from the OCZMA Technical Committee. OCZMA is being funded by EDA and OECDD (\$75,000 and \$25,000 respectively) to facilitate OCZMA's involvement in the project. Resources are already in place to develop a plan.

- **INVOLVEMENT:**

- The details of what is required for starting up the broadband network in Florence and who should be involved will be central features of the Florence Telecommunications Task Force's plan. The City of Florence and Lane County will be approached to ensure necessary right of ways become available.

- **OPPORTUNITIES:**

- There are a broad range of community opportunities, encompassing government, business, education, and local residents. The opportunities are as varied as the applications of telecommunications.

- **NEED:**

- The players and resources are in place to make Florence an ideal pilot project. The Florence effort, integrated with the larger OCZMA Coast wide Telecommunications Project, will enable leaders in many communities to understand how they can maximize the deployment and usage of telecommunications in their community.
- Telecommunication services presently available in the City of Florence are as follows:
 - Charter Communications, 3 MB cable modem broadband coverage for the entire City of Florence.

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- QWEST has 90% coverage of the City of Florence with 1.5 MB DSL. QWEST also offers T-1 in both point to point and frame relay options. Some fiber in town, including direct fiber to the local hospital. Additionally, they offer ISP service bundles with DLS lines.
- ISP service availability
 - OregonFAST.net, 3.5 MB to 15 MB service of Fixed Wireless Broadband.
 - Preferred Communications (PreSys), dial-up and some wireless capacity.
 - Blue Mountain Internet, dial up service.

7.0 CONTACT/SUBMISSION INFORMATION

- Following is the Single Point of Contact for this RFI:
 - Rodger Bennett, Florence City Manager
 - PH: (541) 997-8237
 - FAX: (541) 997-4109
- Mailing Address for Submission of RFI:
 - City of Florence
 - Attn: City Manager
 - 250 Highway 101 North
 - Florence, Oregon 97439-7628
- RFI's may also be submitted to the email address above:
 - rodger.bennett@ci.florence.or.us

8.0 COMMUNITY INFORMATION:

Economic Conditions

Florence began in the latter part of the nineteenth century as a port community, exporting the natural resource products that abounded in the local area.

The nineteen-nineties began to see Florence grow rapidly. A successful campaign to attract retirees began with the of "Old Town" city center caused sharp rise in tourism. Florence's population grew by more than 40% in the decade between 1990 and 2000. Residential development occurred at an even faster rate and commercial development kept pace. The growth continues, assessed valuation has increased at a rate greater than 5% per year as well as increases in the number of City Water and Wastewater customers, which have grown at 4_% in the past year.

Retirement today accounts for the majority of Florence's economy. With 43% of the population being 62 and over, with a median age of 55.8, pensions, investments and other transfers provide a healthy economic base. Several national publications have ranked Florence as a top place to retire. One such publication, Retirement Places Rated, written by David Savageau, ranked Florence as the Number One ranked place in the United States to retire. USA Today reported the ranking in the early fall, creating an even greater interest in Florence by retirement age

people. Safe streets, a mild climate, the convenient location of health care facilities, cultural activities and affordable housing all add up to high scores on the cards of people who rank such communities.

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While retirement is the mainstay of Florence's economy, tourism, manufacturing, health care, government offices, construction services, finance, insurance and real estate add diversity.

Florence tourist attractions bring visitors all year long. The Pacific Ocean beaches, the Oregon Dunes National Recreation Area and the scenic Siuslaw River estuary provide a compelling natural backdrop. Historic Old Town brings people to walk the streets. The tourist season peaks in the summer and early autumn but weekends remain busy year around.

Florence's manufacturing sector, while small, gives the economy a healthy boost. There are plastics molders, precision machinists, furniture builders and wood specialty products.

Florence's largest employers are the health care and home building industries. Both are driven by retirement and community growth. Local projections indicate that employment will double, within, the next five years, in both sectors.

Major Initiatives

A marketing campaign continues to seek expanded use of the Pacific View Business Park. A program to install fiber optic telecommunications to the Business Park is highly desired.

Florence is in the first years of a long term "Downtown Plan", a strategy to increase visibility to Old Town.

Two major improvement districts are in the early stages of formation. One will create an array of public transportation, drainage and utility infrastructure improvements in the north part of the City, thereby opening new land to serve the home building demand. The other will create parking facilities in Old Town, serving businesses and residences alike. An Urban Renewal District is also contemplated for a portion of the City designated as "Downtown." Urban Renewal is the Oregon term for a community re-development plan that provides many flexible tools for improvements – including tax increment financing

ECONOMIC FACTS

Estimated market area population: 18,000

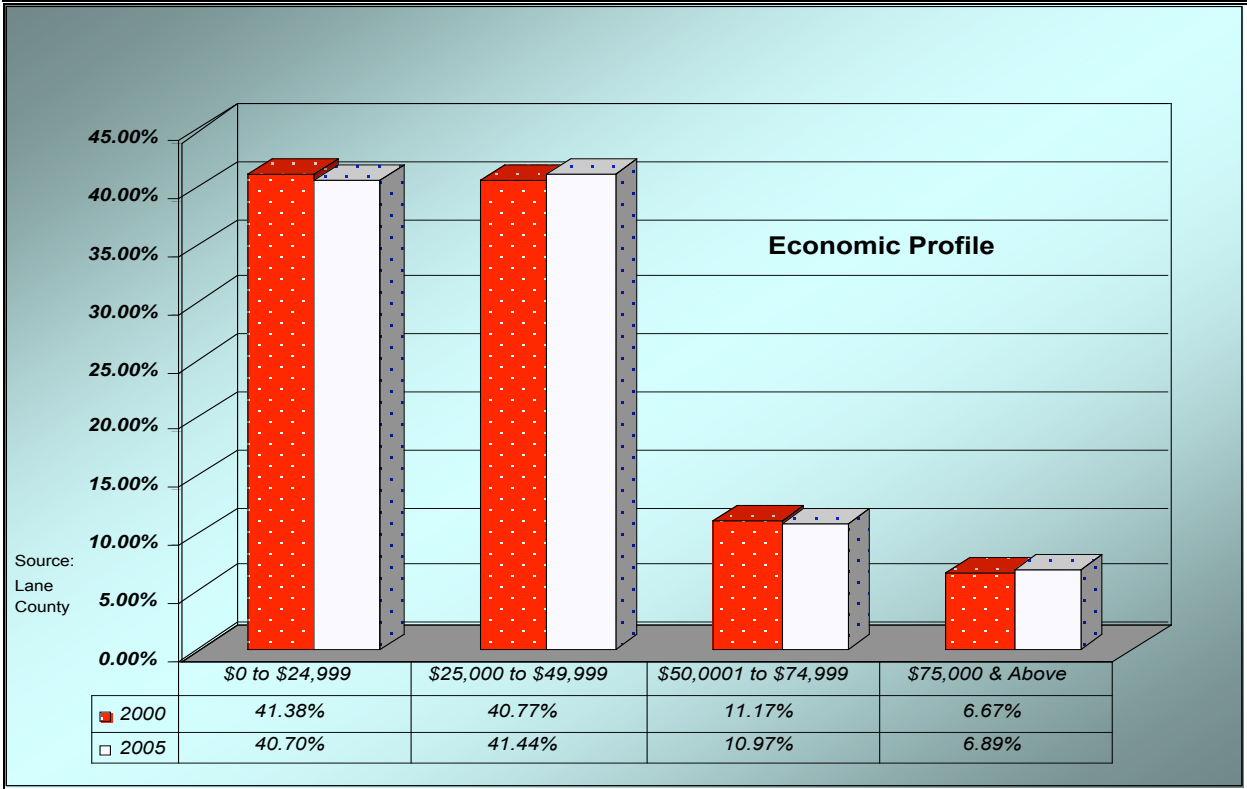
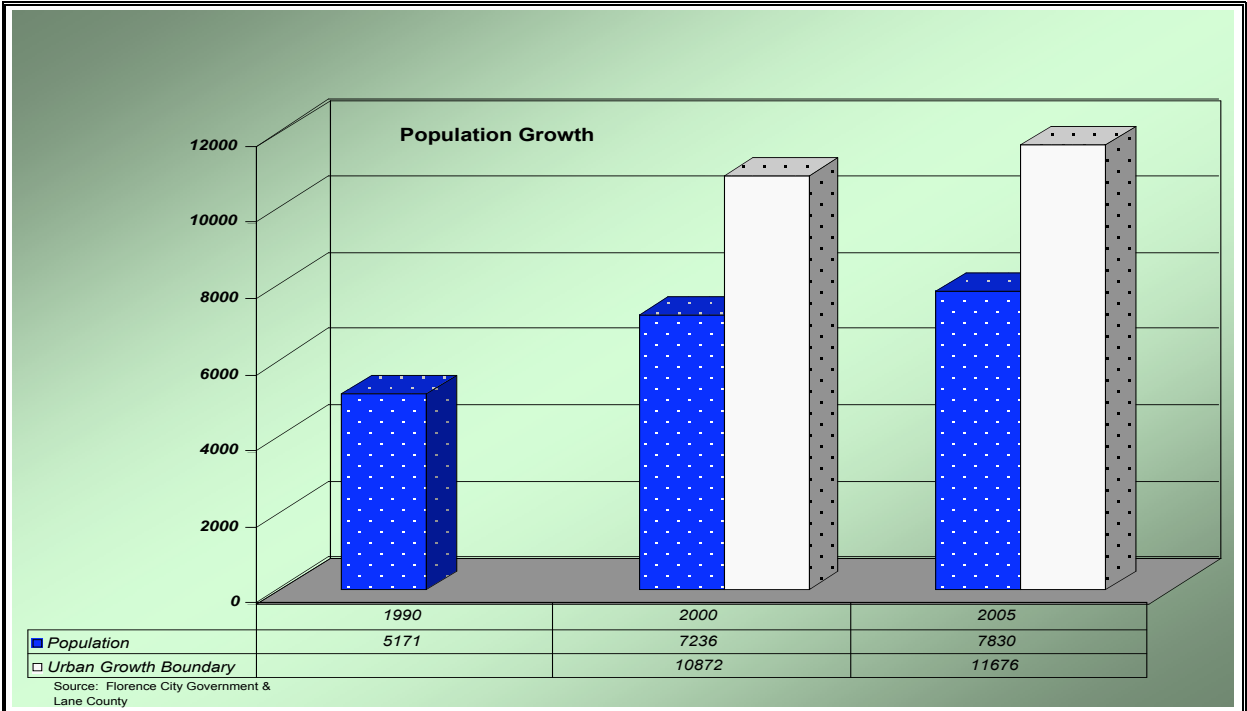
Distance to I-5 at Springfield 66 miles – one and a quarter hours driving time

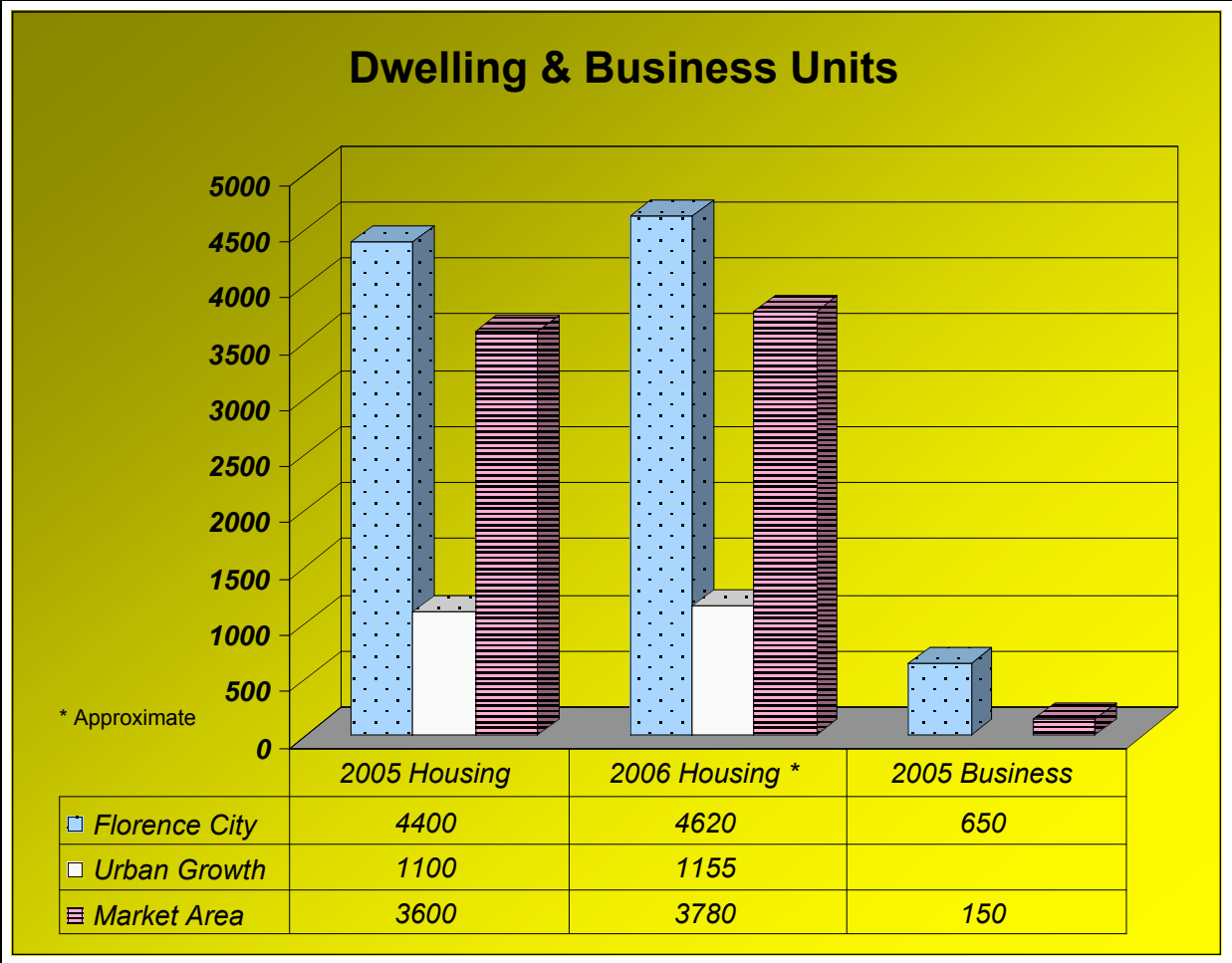
Distance to Eugene Airport 59 miles – one hour, ten minutes driving time

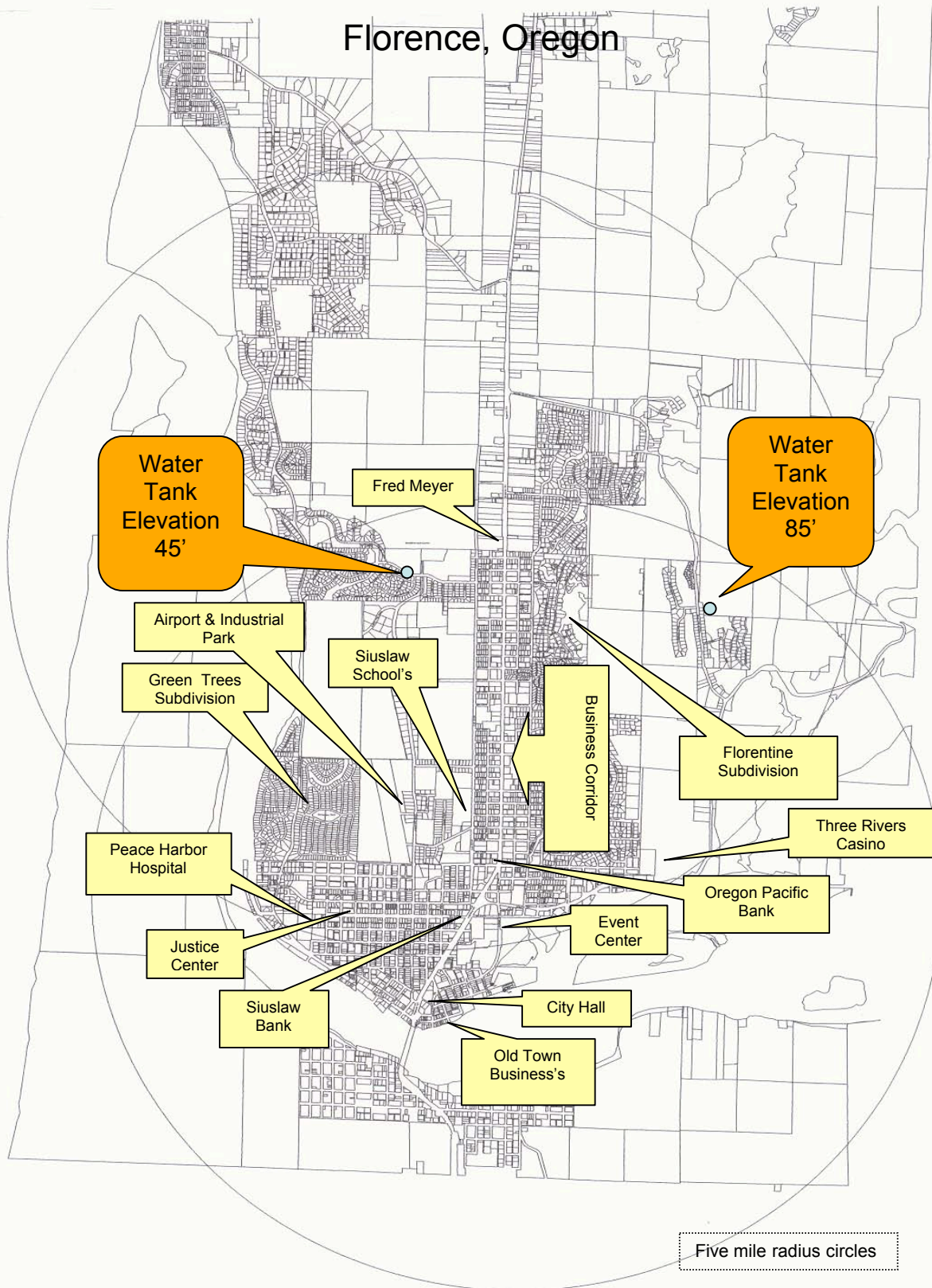
Largest employers:	Peace Harbor Hospital	380
	Three Rivers Casino	220
	Fred Meyer	200
	Siuslaw Schools	160
	Oregon Pacific Banking Co.	85

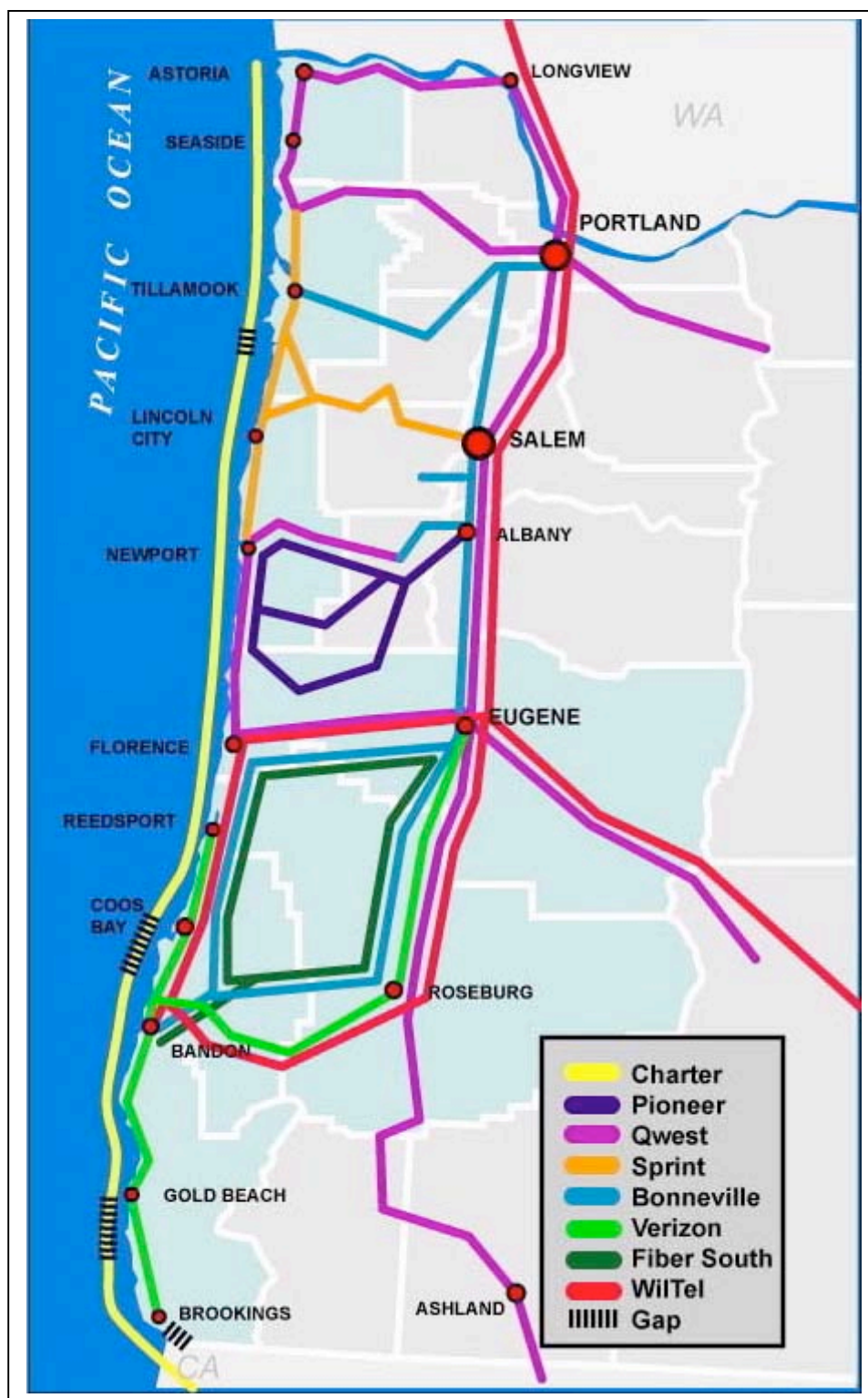
- Utilities:
- Central Lincoln Peoples Utility District (Electric Power)
 - City of Florence (Water/wastewater)
 - Charter Communications (CATV & Cable Connect Internet)
 - Qwest Communications (Telephone & DSL Internet)
 - Heceta Water District (unincorporated area) (Water)

Florence, Oregon Profile

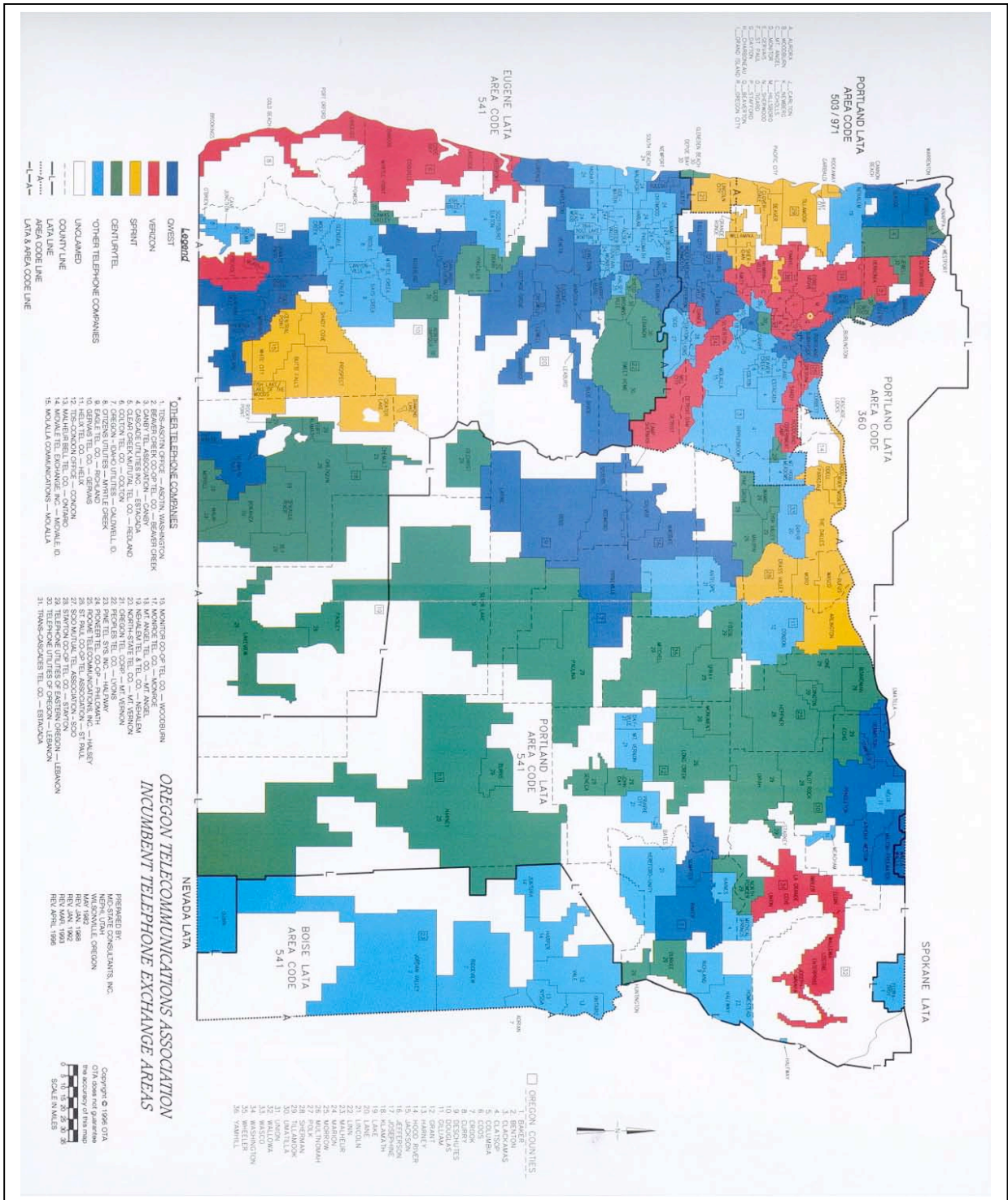




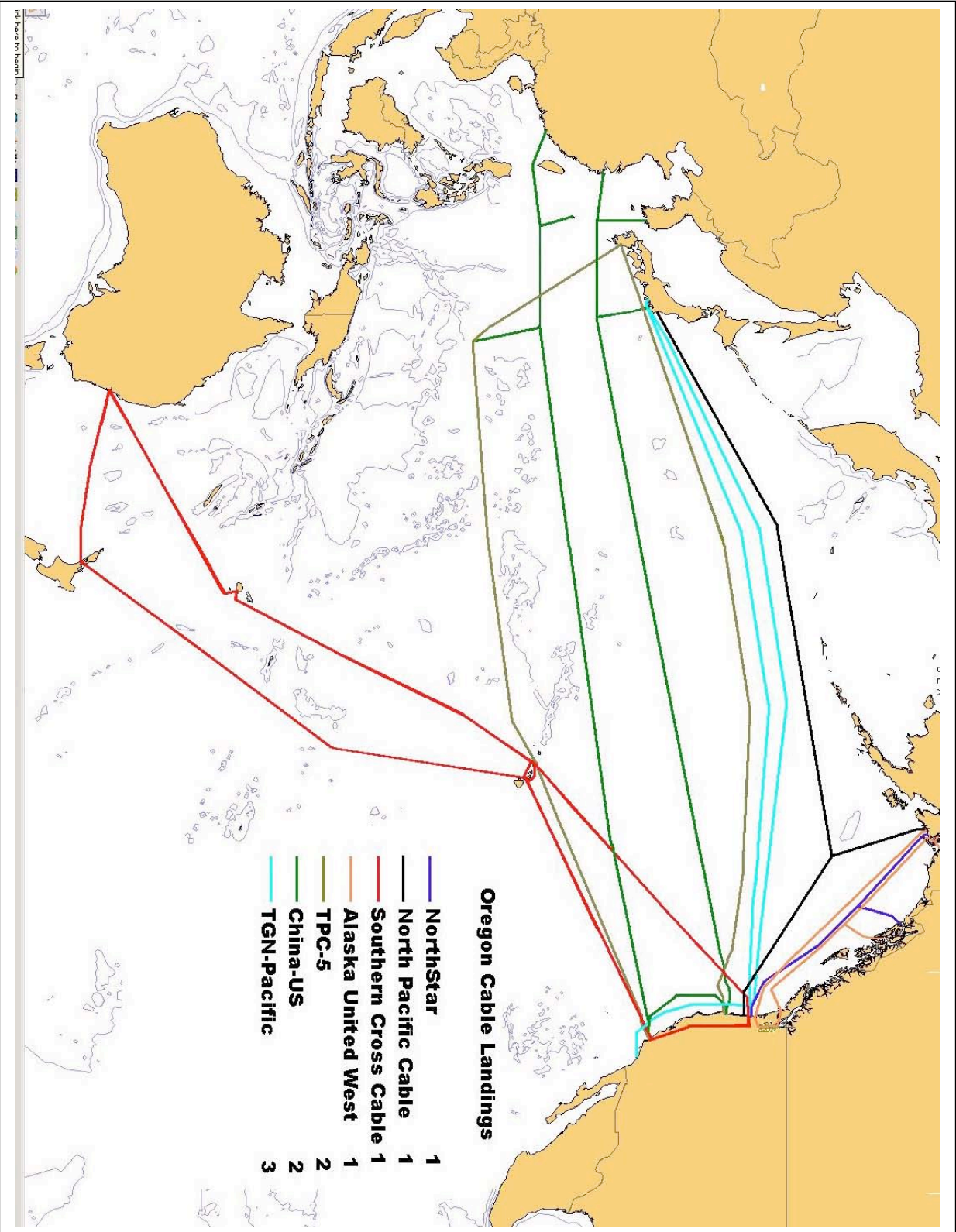




Oregon Coast Fiber Companies Area Representation Map

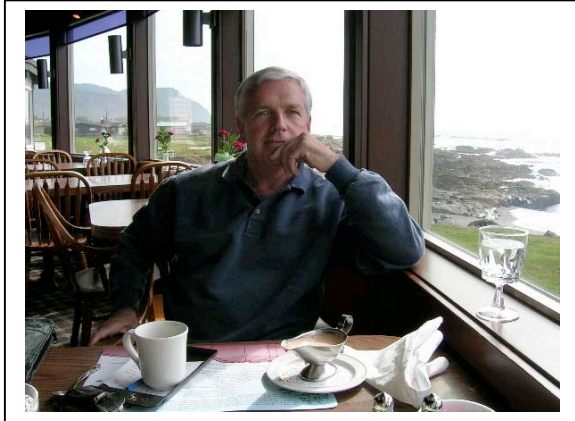


Oregon Incumbent Local Exchange Carriers Map



Oregon Coast Cable Landings

Interview with Frank Casazza: Big League Telecommunications Talent Retires to the Oregon Coast



The Oregon coast is fortunate because we attract really outstanding people. Frank Casazza of Florence is one of those individuals. Over his 30-year career, Frank held key executive positions with telecommunication companies like Pacific Bell, Contel, Mobex Communications and WinFirst. Frank helped build and manage a range of communication networks, from conventional phone networks to advanced wireless and Fiber-to-the-Home builds. He even worked for Boeing for a few years, building Boeing's large internal phone network.

Florence City Councilor Nan Osbon introduced me to Frank Casazza. Frank, Nan and I had a wonderful lunch together at the Adobe Restaurant in Yachats, Oregon on Thursday, March 31, 2005. We talked about Frank's career and his thoughts about the coastal telecom project.

Finding Florence

Frank recalled the first day he saw Florence two years ago. He was driving up the West Coast looking for a place to retire. Before arriving in Florence, Frank visited most of the communities from Trinidad, California to Florence. Frank said, "I drove over the bridge, saw Old Town and the river to my right and said to myself, 'This looks like a great place to retire.'" Frank continued, "That night I called my wife in Denver and said, 'Honey, I think I found the place.'"

Frank was born and raised in San Francisco. He talked about growing up on the streets of San Francisco. Frank said, "I did not come from the best side of the tracks. I got a high draft number when I turned 18. So, the next day I enlisted in the Air Force. I did that because I cared about electronics and I did not want to be in the infantry." Frank then experienced Viet Nam.

A Journey to the Top

Frank recalled, "During my Air Force years, I saw how other people lived. You know, people with jobs and homes, the nice things in life. I grew hungry for that. The military gave me discipline when I really needed it. I'm a big fan of reinstating the draft. I know it would help a lot of inner city kids."

After leaving the Air Force, Frank completed four years of college in two years. Frank then took an entry-level technical position. The rest is history. He moved quickly through the ranks. Frank has great corporate war stories. Frank mentioned flying to New York to participate in high level meetings to raise millions for telecommunication builds from venture capitalists (VCs) on Wall Street.

I asked Frank, "What were those meetings like?" Frank said, "I was flabbergasted how bright some of those people were. Their questions could be so penetrating. And, they deal with so many types of industries." Frank shared that it takes several meetings to get to the people who make the decisions—the partners. Frank explained that VCs seek a ten times return on their investment to compensate for the times they lose everything.

Pioneering Fiber to the Home

At the end of his career (in 2001), Frank joined WinFirst which began deploying a Fiber to the Home (FTTH—an “overbuild”) for the entire City of Sacramento. Frank said, “We proved we could do it and have it pay for itself. Now they have a great broadband network. When people got access to fiber, they bought servers and set up telecommunication businesses in their garages! We were ready to do the same thing in Los Angeles. To make that happen, we put together the largest franchise agreement in the history of the telecommunications business. Then the telecommunications bust happened. In sixty days capital markets crashed. The money dried up and the project did not go forward. But, it was ready to go.”

A Rough Ride at the End

In March 2002, WinFirst, filed for Chapter 11. I asked Frank, “What was that like? Especially after such a successful career?” Frank replied, “It was horrible. The *Wall Street Journal* was writing stories about us.” Frank said the other executives left him in charge. Frank shared, “I tried to save the company. We struggled to find new investors. I wrote many business plans trying to scale back and find new investors. We sold WinFirst to Sure West Communications for \$25 million. Sure West got a good deal. But, a lot of people kept their jobs and that is the way it was going at the time. Remember, the telecommunications industry was going through a depression at the time, not a recession.”

Frank decided to retire. He said, “I have been going full steam for thirty years without a vacation. It was time to slow down.”

Feedback on the Oregon Coast Telecommunications Economic Development Strategy

I was anxious to get Frank Casazza’s feedback about the coastwide telecommunications strategy. Frank liked what we were doing. Frank commented, “You are on the right track. We can improve the telecommunications infrastructure on the Oregon coast. And, the Oregon coast needs to market itself. We can attract knowledge-based businesses. But here is what I see. These coastal towns do not have the staff or resources to take full advantage of their assets. We need to create a vision, and share it with local leaders. Then, later on, local officials need to travel to visit these companies to sell them on our communities.”

Speaking from experience, Frank said, “Look, our company announced we were moving our headquarters. The word got out. Soon, there were delegations from cities coming to see us—the mayor, the director of the chamber of commerce. They gave presentations about their communities. That is what coastal communities are competing with.”

I pressed Frank for details about marketing. Frank said, “I used to tell my management teams, first, we need to develop a vision of where we want the company to go. Then, like an onion, peel the layers back one-by-one. The second layer is tactics. The third layer is a capital budget plan. We would determine what skilled people we needed to make a strategy happen. We calculated the compensation packages needed to attract those people.” Frank concluded, “What you are proposing to do with coastal communities is the same thing. Start with a vision. Then, peel the layers back one-by-one.”

Postscript: Frank Casazza quickly became an important member of the Florence Telecommunications Task Force and he has contributed regularly to OCZMA’s Oregon Coast Telecommunications Economic Development Strategy project.

