

# Documenters

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## Utilities Committee

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Agency: [Cleveland City Council](#)

Date: June 1, 2023

[See more about this meeting at Documenters.org](#)

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## Summary

- The committee reviewed, asked questions about, and paused a proposed citywide broadband initiative by DigitalC and Mayor Justin Bibb.
- DigitalC is both a small and new nonprofit organization, and that seemed to be the source of concern for Cleveland City Council members.
- The CEO, Joshua Edmonds, expressed his gratitude towards the end of the very long meeting. The focus of this entire meeting was DigitalC and its history, current customers, client base, whether it has what it takes to expand, and would it be able to do that with \$20 million from Cleveland.

## Follow-Up Questions

- So many concerns were expressed today by council members about [DigitalC](#). How has this company gotten this far with so many “community” supporters?
- Does Cleveland truly have an internet access issue?

## Notes

### Calendar Notice:

<https://cityofcleveland.legistar.com/View.ashx?M=F&ID=12027277&GUID=EA1E3B6C-E3D E-4407-BED8-6A0744E3BBF3>

### Agenda:

<https://cityofcleveland.legistar.com/MeetingDetail.aspx?ID=1105733&GUID=590C6821-05 90-472E-9A12-0E6312AEE848&G=2EB18EF1-2C21-4D1D-85C9-B38100AB8FFD&Options =&Search=>

Emergency Ordinance No. [585-2023](#)

Who:


City Council members sat opposite of DigitalC representatives at a meeting table in a room with fewer than 10 people.

What:

A discussion about whether DigitalC should receive \$20 million dollars of American Rescue Plan Act (ARPA) funding to provide citywide broadband internet services to Cleveland residents at \$18 per month.

Where:

Cleveland City Hall

On YouTube:  Committee of the Whole and Development, Planning and Sustainability...

-On TV20: <http://www.tv20cleveland.com/watch-now/>

Why:

The Utilities Committee of Cleveland City Council considers legislation relating to the city-owned Water Department, Cleveland Public Power and Water Pollution Control, which is responsible for managing the sanitary sewage and storm water drainage collection systems in Cleveland. The committee is tasked with ensuring that all utility services are being provided at a reasonable cost and with examining any increase in service fees and rates when necessary, as well as with exploring how physical infrastructure and distribution methods can improve information technology, digitalization and smart technology to enhance internal and external city operations.

**Thursday, June 1, 2023 | 1:00 p.m.**

**Utilities Committee**

**Chair:** Brian Kazy **Vice Chair:** Jenny Spencer

**Members:** Kevin L. Bishop; Deborah A. Gray; Kris Harsh; Danny Kelly; Michael D. Polensek

Ord. No. 585-2023

By Council Members Kazy, Hairston and Griffin (by departmental request)

An emergency ordinance authorizing the Directors of Finance and Economic Development to enter into one or more agreements with DigitalC for the deployment of a citywide broadband network and to provide related equipment and services to Cleveland residents; authorizing other agreements; and authorizing the appropriate director to apply for and accept any gifts, grants or services from any public or private entity.

Estimated Cost: \$20,000,000

Remarks by Director of Finance Department: See Legislation.

**(END)**

**The committee placed the legislation on hold.**

This legislation would provide the authority to enter into an agreement with DigitalC. The fundamental terms of the agreement are in the attached [term sheet](#), which is binding.

This initiative to use ARPA for broadband internet was originally passed by City Council in 2021, and the request for proposals was released in 2022. DigitalC was the high scorer in the [RFP process](#), according to Austin Davis, a senior policy advisor with the Bibb administration.

As a result of the agreement, DigitalC would work to ensure that all Cleveland households have access to internet service for \$18 a month at speeds of at least 100 mbps download and 100 mbps upload (100/100 mbps). These speeds are above the federal standard definition of "broadband" (25/3 mbps) and meet the standard imposed by ARPA (100/100 mbps), Davis said.

According to Edmonds and Davis, DigitalC would also provide digital adoption and

training services through a consortium of community partners; a "navigator" program that provides direct assistance (training and devices); and an "ambassador" program that canvases door to door.

Council members had questions and concerns on the pace of infrastructure deployment, how DigitalC would boost new household subscribers who did not subscribe to the internet before, and the number of residents reached through the digital adoption and training services, as well as the quality of the internet service.

**DigitalC as of today, according to Edmonds:**

- Receives about eight service calls a week currently
- Has 13 technicians
- Approximately 2,000 current customers with about a four-month retention rate

**Additional context and resources**

The Jack, Joseph and Morton Mandel Supporting Foundation and David and Inez Myers Foundation have agreed to provide [a \\$20 million dollar grant](#) to DigitalC. Council Member Brian Kazy expressed concern that receiving it is based on receiving ARPA funding first.

DigitalC is based in Cleveland at <https://www.midtowntechhive.com>.

City of Cleveland [press release](#) on Mayor Justin Bibb's proposal for the city to also provide \$20 million.

Here is a selection of slides from [DigitalC's presentation](#).

# ABOUT

## OUR EVOLUTION

DRIVEN TO CONNECT



### DIGITAL DIVIDE

Nonprofit focused on Cleveland's Digital Divide.



### INDOOR WIFI

Indoor Wi-Fi provider committed to connecting the unconnected.



### EXPANDING COVERAGE

Wireless Internet Service Provider (WISP) focused on expanding coverage.



### WISP SOCIAL ENTERPRISE

A WISP social enterprise committed to expanding coverage, subscriber growth and increasing internet performance.

2015-2017

2017-2019

2019-2021

2021-PRESENT

# VISION

DRIVEN TO CONNECT

## RESULTS

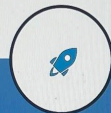
### SERVICE PLAN DEPLOYMENT



18 MONTHS

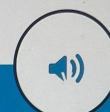
All **170,000+** households in Cleveland.

### ADOPTION TRAINING & OUTREACH



PER YEAR

**12,500** residents reached through outreach activities, and at least **50,000** residents overall.



42 MONTHS

**23,500** new internet-using households (about **50,000** people).



# PROJECT BUDGET

	2023	2024	2025	2026
<b>Projected Budget Spend (2023 to 2026)</b>				
DigitalC funds & Other Grants			\$1,000,000	\$1,000,000
Mandel/Myers	\$8,000,000	\$9,000,000		
City of Cleveland	\$10,000,000	\$10,000,000		
Federal Earmark			\$3,000,000	
<b>Total</b>	<b>\$18,000,000</b>	<b>\$19,000,000</b>	<b>\$4,000,000</b>	<b>\$1,000,000</b>
<b>Uses</b>				
Adoption (Skills, Training)	\$250,000	\$750,000	\$500,000	\$500,000
Devices (11,500 units)		\$500,000	\$500,000	
Network Redundancy	\$825,000			
Infrastructure and Middle Mile Expansion	\$11,500,000	\$11,500,000		
Household Installations (Equipment and Labor)	\$1,300,184	\$5,716,839	\$3,906,974	\$2,873,015
<b>Total</b>	<b>\$13,875,184</b>	<b>\$18,466,839</b>	<b>\$4,906,974</b>	<b>\$3,373,015</b>

# Two Proposals

## DigitalC

\$18/mo  
100/100 mbps

Comprehensive training,  
education, and adoption  
program

Available to every  
Cleveland household

## SiFi Networks

Universal fiber optic  
infrastructure

\$400+ million private  
investment

Available to every  
Cleveland household

## DigitalC's **Digital Adoption** Model

### **Ambassadors**

Grassroots door-to-door outreach to help residents sign up and make additional referrals as needed

### **Navigators**

Individual & group coaching sessions, digital literacy training events, and connect residents to other assistance programs and resources

### **Consortium**

Two dozen community partners that will host on-site navigators, identify referrals, and hold additional seminars

Closing the **Digital Divide**

## Community **Partners**

- Ashbury Senior Community Computer Center (ASC3)
- AustinGIS
- Benjamin Rose Institute/ESOP
- Case Western Reserve University
- Cleveland Clinic
- Cleveland Housing Network
- Cleveland Metropolitan School District
- Cleveland Neighborhood Progress
- Cleveland Public Library
- Cleveland State University
- Crown Castle
- Cuyahoga Metropolitan Housing Authority
- Cuyahoga Valley Career Center
- GPD Group
- IoT Collaborative
- MAC Installations
- MCPc
- MetroHealth System
- Nokia
- RET3
- Siklu
- Towards Employment
- United Way Greater Cleveland
- Urban League of Cleveland
- Winncom Technologies
- Youth Opportunity Unlimited

Some additional details from Documenter Dan McLaughlin's [live-tweet thread](#):



**Danny Mc** @dmcbillion · 1d

Jenny Spencer also asked about timelines for build out & enrollment (assuming an August 2023 start):

18 months to build out the network citywide,

But it's 4 years to expand from 2,000 to 23,000 households (and achieve sustainable revenue)

Cleveland has 170,000 total households

**Danny Mc** @dmcbillion · 23h

a motion passed to amend the legislation to require Digital C to make quarterly updates to Council re: installation progress

also will need to make its quarterly service optimization records public