

Mobility and Infrastructure Committee Memorandum

TO: MOBILITY & INFRASTRUCTURE COMMITTEE DATE: AUGUST 14, 2025

FROM: INNOVATION & TECHNOLOGY DEPARTMENT WARDS: ALL

SUBJECT: RIVERSIDE FIBERCITY PROJECT UPDATE BY SIFI

ISSUE:

City of Riverside partnering with SiFi Networks Riverside, LLC to implement a citywide fiber optic network at no cost to the City.

RECOMMENDATIONS:

That the Mobility & Infrastructure Committee:

- 1. Provide input and direction to staff; and
- 2. Receive and file the SiFi FiberCity project status update.

BACKGROUND:

In late 2021, staff was approached by SiFi Networks Riverside, LLC (SiFi), regarding an offer and opportunity to build a citywide fiber optic network at no cost to the City. SiFi's proposal would allow them to invest more than \$300 million to privately fund, design, construct, and maintain a citywide open-access network. The citywide open access network would allow all internet service providers (ISP) to provide up to 10 gigabit broadband connectivity to residential customers and up to 100 gigabit connectivity to businesses. The open access network will be built with the option to connect all City facilities, residences, businesses, and institutions within Riverside. This proposed project will bring gigabit level internet and data transfer speeds to every doorstep within the City of Riverside without using any municipal taxpayer subsidy towards construction of the network.

On April 14, 2022, the Mobility and Infrastructure Committee reviewed and provided feedback on the proposed Development Agreement and recommended that the Innovation and Technology Department (IT) take the proposed Agreement to the City Council for further review and approval.

On May 17, 2022, City Council approved a development agreement with SiFi allowing a nine million linear feet (1, 690 miles) Citywide Fiber Optic System to be delivered to all residences and businesses within the City's estimated 106,000 parcels. The Development Agreement grants SiFi non- exclusive right-of-way access and authorizes SiFi to install fiber optics and electronics in the City's public right-of-way to provide fast and reliable internet-service throughout the City. SiFi is an infrastructure developer and does not provide retail service to the public. Their sustainable

business model is wholesaling network access to multiple service providers who utilize the open access network to provide one or many services to residents and businesses connected to the network. SiFi will own the network infrastructure. Maintenance and repair of the network is wholly the responsibility of SiFi.

Residents and businesses will have the option to continue with their existing ISPs or seek subscriptions with providers, who SiFi has wholesaled network access to, and receive a fiber service drop directly into their homes or businesses. In addition, this agreement does not prevent any other service providers from installing their own citywide fiber optic networks or expanding their existing fiber infrastructure and providing a similar service. From an economic development perspective, a 100% privately funded and managed citywide open access network is a significant opportunity for strengthening Riverside's competitive advantage for retaining and attracting businesses, jobs, and private investment into our community.

City staff are currently negotiating a Smart City Managed Services Agreement with SiFi to establish the terms and conditions for municipal access to a closed loop within the fiber network that can connect any municipal facility, including the municipality's existing approximate 300 standalone traffic signals. The Smart City Managed Services Agreement will be brought to City Council at a future date.

DISCUSSION:

In order to maintain and manage the inground fiber optic network, strategically placed datacenters need to be in place to aggregate the inground fiber optic network, provide failover services if one datacenter experiences an outage and to interconnect the fiber optic network to retail internet service providers. The following three locations are ideal based on the current system design:

- 1. 6911 Palm Court (Library rear corner of staff parking lot)
- 2. 2010 Martin Luther King Blvd (Parks & Recreation Southwest vacant corner on Kansas and Rancho)
- 3. 6951 Flight Road (Airport existing telecommunication shelter)

Due to the permanent nature of SiFi's \$300 million investment of assets in the city, staff recommend a long-term approach to these agreements that conform to existing civil codes related to term maximums (California Civil Code, Section 718). Square footage costs were calculated internally by Real Property Services staff.

While the airport has an existing structure that can be utilized, both the Library and Parks and Recreation locations will require construction of shelters. At the time of agenda publication, the legal descriptions of each property and premise were being developed by the City Surveyor. Should they not be ready by the time the meeting is held, they will be attached as an amendment to the original agreement. Attachment 2 – Map of Datacenter Huts provides maps of each location for reference.

Please note, the attached agreement serves as a template for each location with the specific locations and amounts being updated in accordance to the recommendations provided in this report.

FISCAL IMPACT:

There is no fiscal impact associated with this action as all costs are borne by the developer.

Prepared by: Stephanie Gallegos, Administrative Services Manager

Approved by: George Khalil, Chief Innovation Officer

Certified as to

availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer

Approved by: Edward Enriquez, Assistant City Manager/Chief Financial

Officer/Treasurer)

Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachment: Presentation