

1ST AMENDMENT TO SIFI RIVERSIDE, LLC DEVELOPMENT AGREEMENT

Innovation & Technology Department

City Council
November 5, 2024

RiversideCA.gov

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BACKGROUND

1. Late 2021 - staff was approached by SiFi Networks Riverside, LLC (SiFi), regarding an offer and opportunity to build a \$300,000,000 citywide Fiber Optic Network at no cost to the City.
2. On April 14, 2022, the Mobility and Infrastructure Committee recommended that the City Council review and approve the Development Agreement.

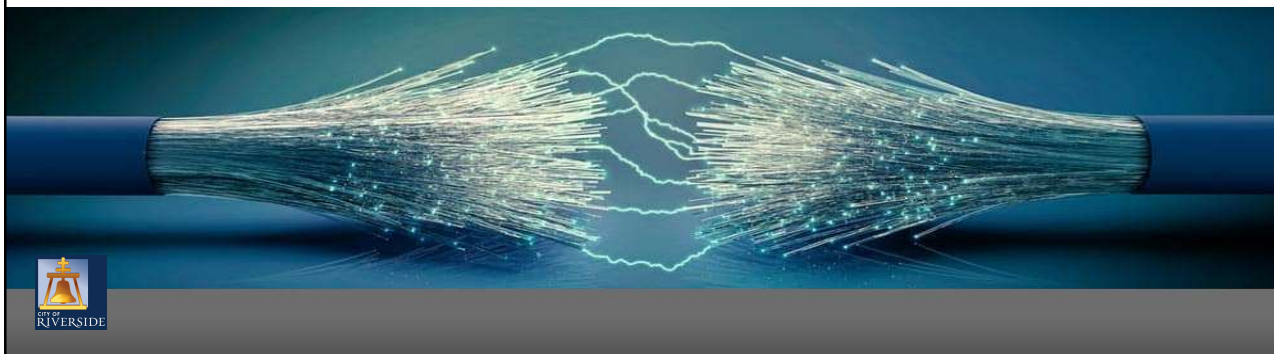


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BACKGROUND

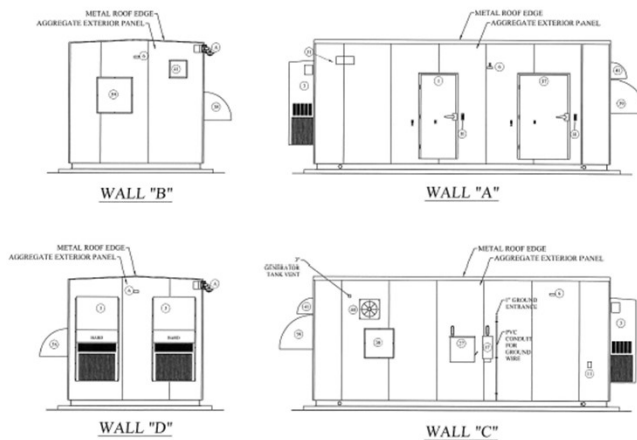
- On May 17, 2022, City Council approved a development agreement that would result in a 9 million linear feet (1,690 miles) Citywide Fiber Optic System delivered to all residences and businesses within the City's estimated 106,000 parcels.



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BACKGROUND

- On February 27, 2024, City Council approved 3 ground lease agreements between the City and SiFi for the installation and operation of 3 Shelters that will serve as datacenters needed 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.



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DISCUSSION



The original 2022 Development Agreement included the use of micro-trenches that would be placed parallel to the gutter where it meets the pavement.

This design would negate the need to cut across streets (through the concrete or pavement).

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DISCUSSION

Inflation and interest rate increase over the past two years have resulted in SiFi experiencing significant increases to both construction costs and funding sources.

Adjusting the placement of the micro-trenches will allow the project to continue.

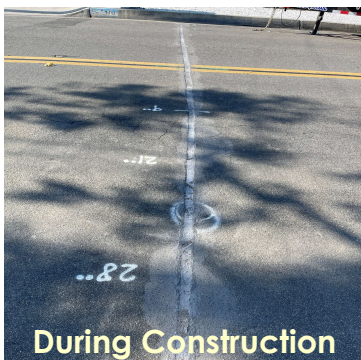


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DISCUSSION

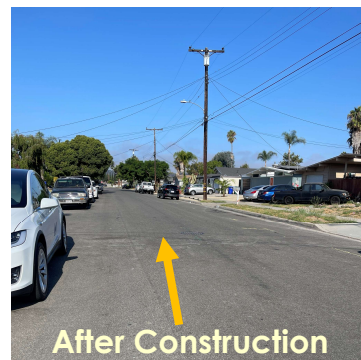
City staff worked closely with SiFi to come up with an alternative solution (i.e. crossings) that is not only minimally invasive visually, but also has the least impact on the pavement.



During Construction



After Construction



After Construction



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DISCUSSION

Additional pertinent deal points in the First Amendment of the Development Agreement include:

1. Under the terms of the amendment, SiFi will warranty their work for 10 years (or until the road is repaved), making any necessary pavement repairs adjacent to their cuts.
2. No work on streets protected by the 5-year moratorium.



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STRATEGIC PLAN ALIGNMENTS

Strategic Priority 3, Economic Opportunity

- Goal 3.3. Cultivate a business climate that welcomes innovation, entrepreneurship, and investment.

Cross-Cutting Threads

 Community Trust  Fiscal Responsibility  Sustainability & Resiliency

 Equity  Innovation



STRATEGIC PLAN ALIGNMENTS

Strategic Priority 6, Infrastructure, Mobility & Connectivity

- Goal 6.2. Maintain, protect and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

Cross-Cutting Threads

 Community Trust  Fiscal Responsibility  Sustainability & Resiliency

 Equity  Innovation



RECOMMENDATIONS

That the City Council:

1. Approve the proposed First Amendment to the Development Agreement between the City of Riverside and SiFi Networks Riverside, LLC for a Citywide Fiber Optic Network as recommended by the Mobility and Infrastructure Committee, and
2. Authorize the City Manager, or designee, to execute the Agreement and any additional documentation to effectuate this agreement and to make minor non -substantial changes.



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