

**Before you go down the financing road, you will need to have a plan that is not only credible, but well-received.**

**Here are some thoughts to consider:**

In general you must be able to demonstrate that 1) you have a well conceived plan and 2) people in your community support your efforts. Your path from concept to deployed fiber project will probably take longer than you expect and look something like this:

**Do you have a champion?**

Is there one person or a team of people who are willing to step up and devote the considerable amount of time needed to undertake the necessary steps?

**What is the competitive landscape?**

Do the incumbents do a good job? Are they well liked? Have you talked to the incumbents about upgrading their network? Is there an opportunity to partner with the incumbent?

**What are the specific benefits to the people/businesses in your community from the network you want to build?**

Beyond just better streaming on Netflix or Hulu, will the network improve the delivery of health care in your community? Will it provide new educational opportunities or improve the quality of life for senior citizens? Will the presence of a fiber network improve the ability of local businesses to compete in the marketplaces? Are your businesses and institutions ready to step up and make use of new network capabilities?

**What kind of support do you have in the community for the project?**

How do local businesses feel about the city becoming involved? Are your schools on board? Have you talked with the health care providers? You will need to be able to demonstrate support, meaning customers, before you can attract financing.

**Who's going to help you?**

Have you selected a consultant to draft a business plan? You also might need an engineering firm to provide an estimate of network costs to verify the numbers suggested by your initial consultant.

You are going to want to find a financial advisor who is appropriate to your planned form of financing. Get their opinion early to make sure that what you have in mind is feasible and legal. Be prepared to be flexible on many aspects of the business, because the realities of getting funded may make you do things differently than what you had planned.

You also need a plan to bring the public on board. Educating residents about the benefits of a fiber network is key to gaining their support. If they see the benefits they will be more inclined to support your efforts. This is going to require efforts like surveys, mailers and newsletters, websites and lots of public meetings.

You will need a team of local volunteers to handle the early work that needs to be done. Somebody has to take charge of working with the consultants and working with the public.

### **Who's going to pay for the development costs?**

Expect that before you go for final financing that you are going to have to pay for feasibility reports, engineering, legal advice, advertising and public awareness, etc. This cost can be considerable and generally is proportional to the size of your project. Make sure you know up front how you are going to raise the needed money. These upfront costs can often be repaid from final financing, but somebody is going to have to write the checks to get the project to the point of being financeable and shovel ready.

### **How will you be organized?**

You need to know the business structure you are planning to use to own and operate the business. This means determining things like structure (municipal, cooperative, non-profit or for-profit corporation).

If it's going to be a municipal business this means getting the local politicians involved, holding public hearings and asking them to vote to support and fund the project. If more than one municipality is involved then you will probably have to create some sort of Joint Powers Board as a way for the communities to act together to get this done. Expect in every community that there will be naysayers for using public funds to pay for fiber.

If it's going to be some sort of corporation or cooperative, then you need to create the operating entity, choose the people to lead the effort, create and implement governance rules.

### **How is this going to operate?**

How will you operate – by hiring employees or bringing in an outside firm? In either case you will need a detailed plan of how this will work before you get funded.

### **Will you have any partners?**

If the project is going to involve multiple entities, those agreements must be reached early.

If this is to be a public private partnership, then all parties must be on board early in the process with a clear understanding of roles, risk assignment and limitations and governance.

**In the end you are going to ask someone to lend you a substantial amount of money, either from a private or public source or a combination of sources. More sources equals more complexity.**

**Cities need to understand that borrowing money for fiber projects is never easy and that the final step of getting financed is the hardest step in the process.**

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