

**RESOLUTION APPROVING MATERIAL TERMS OF DEVELOPMENT
COMMITMENT OF BLUE SUEDE NETWORKS, LLC TO DESIGN, BUILD,
OPERATE AND MAINTAIN A CITYWIDE FIBER-TO THE -PREMISES
NETWORK IN THE CITY OF MEMPHIS PURSUANT TO SUBSTITUTE
ORDINANCE NO. 5887**

WHEREAS, the City Council adopted Substitute Ordinance No. 5887 effective December 7, 2023 relative to Smart City Fiber Access Systems, establishing criteria for qualification as a Smart City Fiber Access System, defining Smart City Fiber Access Systems and minimum requirements therefor and authorizing the construction, maintenance, of such systems in the streets, alleys, thoroughfares and rights-of-way of the city;

WHEREAS, Blue Suede Networks, LLC made and filed a Designation Application with the City on December 12, 2023 to qualify design, build, operate and maintain a citywide fiber-to the -premises network in the City of Memphis pursuant to Substitute Ordinance No. 5887 (the “Application”).

WHEREAS, the Chief Operating Officer of the City has reviewed the application and all commitments made by the applicant and determined that the Applicant has met or exceeded the minimum qualification requirements imposed by Substitute Ordinance No. 5887 (“Material Terms”) and all other requirements that said Chief Operating Officer deemed necessary and proper for parties contracting with the City;

WHEREAS, the Chief Operating Officer of the City desires to execute and deliver an Initial Qualification Notice and ultimately a formal contract with the Applicant, subject to the City Council’s approval of the Material Terms of the Development Commitment specified in Sections 4. A and B of Substitute Ordinance No. 5887;

WHEREAS, the City Council’s Attorney has reviewed the application and proposed Development Commitment and has represented to the City Council that the Application meets and/or exceeds the minimum qualification requirements imposed by Substitute Ordinance No. 5887, including but not limited to (i) construction of a citywide high speed fiber to the premises network that is projected to pass at least 85% of Low Income Premises, (ii) improving opportunities for broadband access by low-income residents and (iii) committing to the City’s goals for MWBE participation in all major levels of development of the project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMPHIS CITY COUNCIL that the Material Terms in the Designation Application and proposed Development Commitment of Blue Suede Networks, LLC are hereby approved.

SPONSOR: City Administration

JB SMILEY, JR.
CHAIRMAN

**APPLICATION TO QUALIFY AS A SMART CITY FIBER ACCESS SYSTEM
PURSUANT TO ORDINANCE NO. 5887**



DATE: 12/12/23

APPLICANT (ENTITY) NAME: BLUE SUEDE NETWORKS, LLC

CONTACT PERSON: CHARLES ELLIOTT

TITLE: CHIEF EXECUTIVE OFFICER

ADDRESS: 1700 Pennsylvania Avenue NW, 6th Floor, Washington, DC 20006

PHONE NUMBER: (901) 230-7218

EMAIL: c.elliott@bluesuedenetworks.com

SUMMARY DESCRIPTION OF PROJECT:

Blue Suede Networks, LLC (“Blue Suede” or “BSN”) intends to design, build, operate and maintain a citywide fiber-to-the-premises (“FTTP”) network in the City of Memphis (the “City”), including at least 85% of available premises throughout the City, and passing 85% of low-income premises.

Instructions: For each qualification requirement set forth in Ordinance No. 5887, describe your development commitment and how that commitment complies with the Ordinance requirements.

REQUIREMENTS (REFERENCES ARE TO SECTIONS OF ORDINANCE No. 5887)	DESCRIPTION OF APPLICANT'S DEVELOPMENT COMMITMENT
1. Smart City Fiber Access System is a fiber optics system (Ordinance Sections 3, 4)	BSN will construct a fiber optics network system capable of providing up to ten (10) gigabit per second (Gbps) symmetrical service connections to available businesses and residents throughout the City.

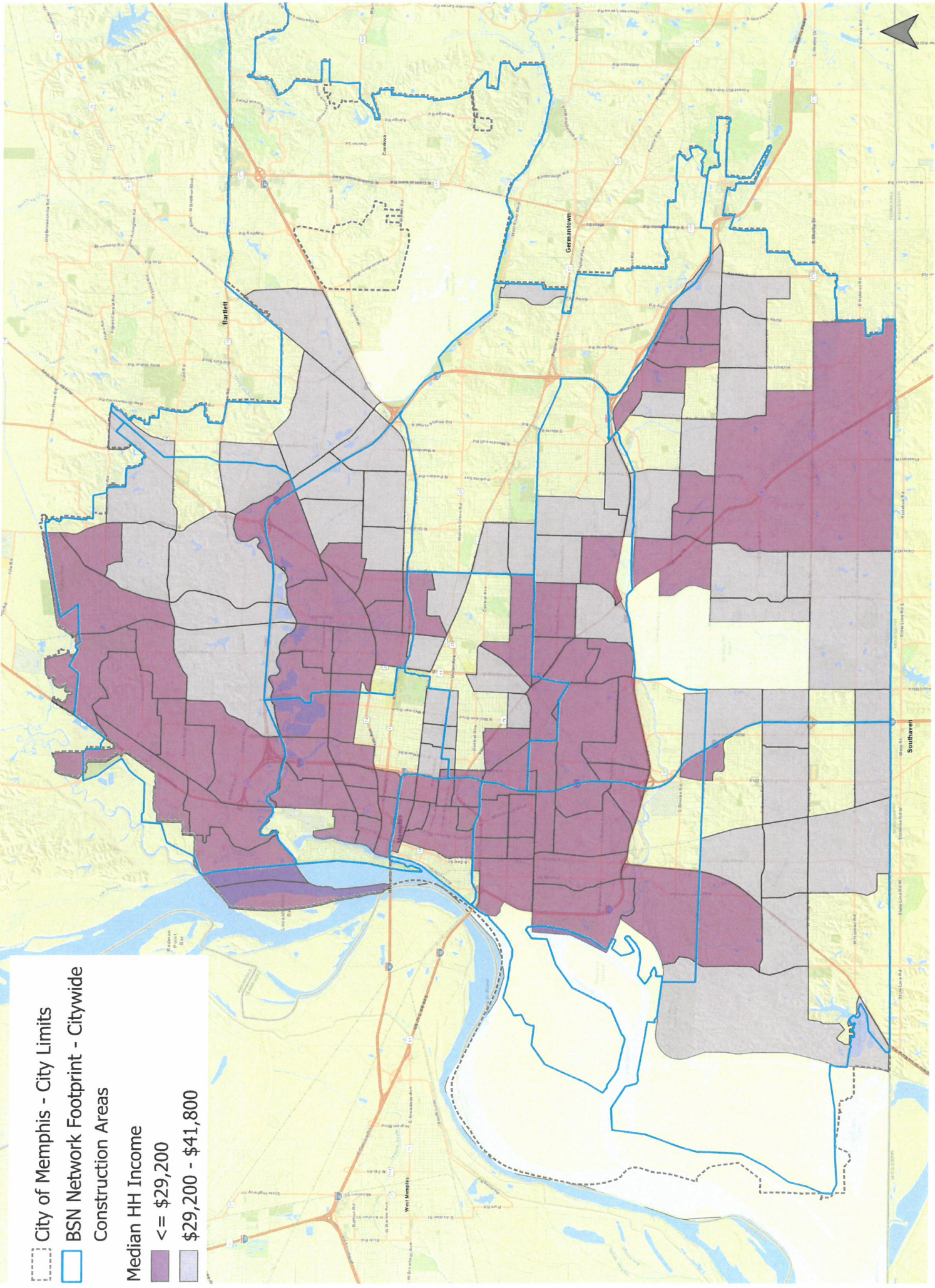
Return application to: Chief Operating Officer, City of Memphis, 125 North Main Street, Suite 308, Memphis, TN 38103.





2. High level design showing network footprint. (Ordinance Section 4.A.1.(a))	See Appendix 1 – As shown in the high-level design network footprint, the BSN fiber optics system will provide fiber optic connections throughout the City.
3. High level design showing number and location of all Premises to be passed by the fiber optic system (Ordinance Section 4.A.1(b))	See Appendix 1 – As shown in the high-level design network footprint, the BSN fiber optics system will pass at least 85% of available premises throughout the City.
4. High level design showing number and location of low-income Premises passed by the fiber optic system (Ordinance Section 4.A.1(c))	See Appendix 1 – As shown in the high-level design network footprint, the BSN fiber optics system will pass at least 85% of available low-income premises throughout the City.
5. Construction schedule showing commencement date and date of completion (Ordinance Section 4.A.2)	Construction of the BSN fiber optic system will commence after BSN’s receipt from the City or MLGW of the first approved permit to begin construction of the system and will be completed within seven (7) years
6. Commitment to support Minimum Service speeds to all residents served and Revised Minimum Service Standard (Ordinance Section 4.B.1)	BSN’s fiber optic system will support service with a minimum symmetrical speed of one (1) Gbps (“Minimum Service” according to Ordinance 5887). BSN’s fiber optic system will be capable of providing up to ten (10) Gbps symmetrical speed and will grow to support Revised Minimum Service as defined in Ordinance 5887.
7. Must serve at least 60% of residential and business Premises within the City (Ordinance Section 4.B.2(a)); must be available to at least 60% of low-income Premises as defined by the ordinance (Ordinance Section 4.B.2(b))	BSN’s fiber optic system will pass at least 85% of available residential and business premises throughout the City, including at least 85% of the available low-income premises.

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<p>8. Must include commitment to improve opportunities for broadband access by low-income residents (Ordinance Section 4.B.3)</p>	<p>BSN is committed to develop with the City a Digital Equity and Inclusion Plan which will include strategies to address affordability, internet adoption, device access and use, and digital literacy, and will also include:</p> <ul style="list-style-type: none"> - Simplified income confirmation procedure to qualify for low income service - Digital equity service with a minimum symmetrical speed of 1 Gbps - Support from the City of \$350 per service drop on low-income premises (up to City’s cap of available funds) - BSN payment of any costs above the \$350 per service drop supported by the City on low-income premises
<p>9. Must provide at least 6,000 Physical Connection Points, at least one third located within census tracts accompanying low-income Premises (Ordinance Section 4.B.4)</p>	<p>BSN will install ten thousand (10,000) physical connection points at various locations throughout the City, including one third located in low-income areas within the City</p>
<p>10. Fiber optic system must provide internet access to at least 100 locations (Ordinance Section 4.B.5)</p>	<p>BSN will provide fiber-based internet access at 100 locations within the City. BSN will work with the city to identify these locations. .</p>
<p>11. MWBE involvement commitment</p>	<p>BSN will use commercially reasonable efforts to assist, develop and expand locally owned minority and women owned businesses and enterprises (MWBEs) opportunities in connection with BSN's deployment of the fiber optic system, and will use commercially reasonable efforts to achieve more than twenty percent (20%) of the project spend with MWBEs. BSN will engage a local organization to provide transparency into BSN’s MWBE activities.</p>

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-  City of Memphis - City Limits
-  BSN Network Footprint - Citywide Construction Areas
- Median HH Income**
-  <= \$29,200
-  \$29,200 - \$41,800

**SUMMARY OF MATERIAL TERMS OF
DEVELOPMENT COMMITMENT OF
BLUE SUEDE NETWORKS, LLC**

On April 27, 2022, the City issued RFP #71611 for the deployment of a City-wide fiber optics system that would include dedication to the City of communications resources and capabilities to support the City's delivery of services to all neighborhoods of the City.

BSN demonstrated the capacity to design and build the Memphis Smart City Fiber Access System, to finance it, to provide a digital equity program to encourage broad use of the fiber optics network, and to provide state of the art technology to power the network.

Following its designation as the lowest and best proposer, BSN agreed to a Development Commitment for the Memphis fiber optics system that meets or exceeds the requirements for a qualified Smart City Fiber Access System set forth in Substitute Ordinance No. 5887. The material terms of the BSN Development Commitment are as follows:

REQUIREMENTS FOR SMART CITY FIBER ACCESS SYSTEM SET FORTH IN SUBSTITUTE ORDINANCE NO. 5887 (REFERENCES ARE TO ORDINANCE SECTIONS)	BSN NETWORKS DEVELOPMENT COMMITMENT
1. Smart City Fiber Access System is a fiber optics system (Ordinance Sections 3, 4)	MEETS REQUIREMENT - BSN will construct a fiber optics network capable of providing up to 10 Gbps symmetrical service to businesses and residents in the City
2. High level design showing network footprint. (Ordinance Section 4.A.1.(a))	MEETS REQUIREMENT - The BSN fiber optics network will provide fiber optics service throughout the City
3. High level design showing number and location of all Premises to be passed by the fiber optic system (Ordinance Section 4.A.1(b))	MEETS REQUIREMENT - The BSN fiber optics network will be a Citywide fiber-to-the-premises network that will be available to at least 85% of the available Premises throughout the City.
4. High level design showing number and location of low-income Premises passed by the fiber optic system (Ordinance Section 4.A.1(c))	MEETS REQUIREMENT - The BSN Citywide fiber-to-the-premises will pass at least 85% of Low Income Premises.

<p>5. Construction schedule showing commencement date and date of completion (Ordinance Section 4.A.2)</p>	<p>MEETS REQUIREMENT – Physical construction of the BSN fiber optics network will commence following the City's issuance of the Initial Qualification Notice and BSN receipt of the City's first permit to begin construction and will be complete within seven (7) years.</p>
<p>6. Requirement for periodic status reports (Ordinance Section 3, Definition of "Development Completion")</p>	<p>EXCEEDS REQUIREMENT – BSN will provide weekly project schedule updates and weekly project status reports. BSN will also provide turnover reports for each segment of the fiber system as completed, an updated turnover status map, as-built maps, updated electronic project tracking map, and final notice of completion.</p>
<p>7. Commitment to support Minimum Service speeds to all residents served and Revised Minimum Service Standard (Ordinance Section 4.B.1)</p>	<p>MEETS REQUIREMENT - The BSN fiber optics network will guarantee a minimum of 1 Gbps symmetrical broadband service and will be capable of providing up to 10 Gbps symmetrical service to meet the requirements of a later-adopted Revised Minimum Service standard.</p>
<p>8. Must serve at least 60% of residential and business Premises within the City (Ordinance Section 4.B.2(a)); must be available to at least 60% of low-income Premises as defined by the ordinance (Ordinance Section 4.B.2(b))</p>	<p>EXCEEDS REQUIREMENT - The BSN fiber optics network will be a Citywide fiber-to-the-premises network that will pass at least 85% of the available Premises throughout the City and at least 85% of the Low Income Premises.</p>

<p>9. Must include commitment to improve opportunities for broadband access by low-income residents (Ordinance Section 4.B.3)</p>	<p>MEETS REQUIREMENT - BSN is committed to a Digital Equity and Inclusion Plan that will include: i) simplified income confirmation procedure to qualify for low-cost service; ii) availability of 1 Gbps symmetrical broadband service to at least 85% of Low Income Premises; iii) payment by City of \$350 per service drop to Low Income Premises up to cap of available funds; iv) Payment by BSN of any costs of service drops to Low Income Premises above the \$350 per service drop payment supported by City funding; v) Payment by BSN of all service drop costs after City funding for service drops has been exhausted; vi) strategies to promote Internet access adoption; vii) strategies to provide device access and promote use; and (viii) strategies to increase digital literacy.</p>
<p>10. Must provide at least 6,000 Physical Connection Points, at least one third located within census tracts accompanying low-income Premises (Ordinance Section 4.B.4)</p>	<p>EXCEEDS REQUIREMENT - BSN has committed to install at least 10,000 Physical Connection Points, at least one-third (1/3) of which shall be located in low-income areas.</p>
<p>11. Fiber optic system must provide internet access to at least 100 locations (Ordinance Section 4.B.5)</p>	<p>MEETS REQUIREMENT - BSN has committed to provide Internet access to at least 100 locations identified by the City.</p>
<p>12. MWBE involvement commitment</p>	<p>MEETS REQUIREMENT - BSN has committed to an MWBE goal of greater than twenty percent (20%) of the project cost. BSN will engage a local organization to document BSN's MWBE activities.</p>