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January 22, 2019

Hiep Nguyen
Smart City Director and CIO
City of Winter Haven
Winter Haven, Florida

Re: Readiness Assessment and Next Steps

Dear Hiep;

Thanks for the opportunity to work with the City of Winter Haven. On behalf of the iNeighborhoods team, we thoroughly enjoyed having dinner with the Mayor and meeting the core team members. We also enjoyed meeting with city personnel and other participating local organizations at the Readiness Assessment event. The tour of Winter Haven was also fabulous!

I clearly remember during the Readiness Assessment event, when the Assistant City Manager said: "How do we adjust future land use planning to take into account the digitization of the human experience," I knew we were in the right place with the right people in the room to go through the assessment process.

Please find attached the results from our Readiness Assessment of Winter Haven. The Readiness Assessment is meant to be a high-level executive summary of essential factors that contribute to success of a Smart City initiative.

We have also included a series of next steps that we believe are essential to maintain momentum and take Winter Haven to the next level of local and regional attraction, community and economic development. If thoughtfully executed, we believe that the resulting cost savings, revenue potential and economic impact would be greater than the business modes outlined in the Winter Haven broadband plan commissioned in 2012.

Again, thanks for your thoughtful consideration and we look forward to hearing from you.

David Sandel
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Situation

On July 12, 2018 iNeighborhoods announced that the City of Winter Haven had won iNeighborhoods Readiness Assessment promotional award. The Readiness Assessment was part of a promotional offering by iNeighborhoods that was presented at the Gigabit City Summit in Kansas City the summer of 2018. Winter Haven was selected from ten other participating cities because the Winter Haven team exhibited the "right stuff", the right kind of inclusive intentional focus and had been working consistently on a community revitalization and fiber infrastructure plan for fifteen years.

iNeighborhoods is pleased to let the City of Winter Haven know that the perceptions we had of your team and its accomplishments, were more than realized when the iNeighborhoods team visited the City of Winter Haven. Congratulations!

Then on Tuesday November 6th, 2018 a Readiness Assessment meeting was called to order and began with introductions (seventeen attendees, including three from iNeighborhoods Team). Along with participating City organizations, local organizations represented included Polk State College; Citizens Bank & Trust; City of Winter Haven; Main Street Winter Haven; ProPak; and Winter Haven Economic Development Council.

High Level Observations

Innovation in the 21st Century requires relationships and collaboration that come with a strong ecosystem. The stakes have been raised: More States are vying for the mantle of innovation leader than ever before. The Smart City ecosystem environment is central to the success of any innovation or cluster initiative. Smart Cities are eager to create new efficiencies, generate new revenue streams, capture new business opportunities and improve the quality of life for all citizens. These same communities are also interested to attract inclusive high value jobs, educational opportunity, new private and public-sector opportunity for the digital world.

The City of Winter Haven stands at a moment of opportunity that is a confluence of several factors that are related to local, regional and national economic conditions as well as the timing of the Smart City, 5G and IoT movements.

The first factor is that the City of Winter Haven has successfully put an effective community revitalization plan into effect. This has included not only civic services,

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land development and general economic development. Moreover, the City has also made a continuing investment in fiber optic connectivity and technology over the last fifteen years. As a result, City leaders and community champions are comfortable with the growing fiber network and the economic potential that it could bring.

The second factor is the downtown area. Since hitting bottom in the mid 60's, the downtown area has benefited from one incredible occurrence. As with many other communities during the same period, downtown areas tended to decay. In Winter Haven's case, this has not happened. Instead, the downtown area today has a unique architectural charm and walkability that would be attractive to new businesses and residents. With a high-speed wireless network and other Smart amenities in place, this could also be attractive to students, families as well as the younger professionals.

The third factor is related to global warming and land elevation. Since Winter Haven is at a much higher elevation (167') than say Miami (6.5'), this will encourage market demand for real-estate in the center region of Florida.

The fourth factor is that Winter Haven is essentially half way between Orlando and Tampa and could become an interesting business and residential alternative to those in Tampa or Orlando. In addition, both Tampa and Orlando have many universities, colleges and technical schools. There may be the possibility of Winter Haven becoming a coding or product development site for Smart City and IoT researchers, students or developers since the downtown area is a smaller *and potentially a more manageable and flexible infrastructure environment.*

Local Economic Observations

- a. Winter Haven is much farther along in their overall community revitalization strategy and digital value proposition than many other small communities the team has encountered.
- b. Winter Haven has real economic growth potential in several areas across the City and most align with the newly designated Opportunity Zones.
- c. One area with great potential for economic growth and Dark Fiber use is the land and water areas near LEGOLAND (Cypress Gardens) and extending through Lake Eloise and Lake LuLu to the City's sports complex along Hwy 17.
- d. The 7th Street Project west of the downtown combined with high-speed internet access has the potential to attract upwardly mobile residents, high-end professional services, creative arts, and technical/high skilled workforce.
- e. Winter Haven should consider the use of targeted inducements to attract investment and workforce to the community. These inducements may include,

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- but not limited to, a rebate to Dark Fiber end users; overlay districts that encourage Dark Fiber connections and use; reductions in building permit cost; development agreements to share city's portion of property tax; and financial assistance from a community foundation.
- f. Winter Haven has a major challenge in attracting talent to fuel its economic growth and compete against other communities in Polk County and the surrounding MSAs. This could be improved using a community integrated "Heterogeneous" Muni Fiber, Carrier Small Cell, Muni LTE and public Wi-Fi network to offer new amenities, raise property values and support other Smart City technologies and foster new revenue generation. Community engagement, entrepreneurship and education will be some of the key factors to the success of the overall infrastructure strategy.
 - g. Winter Haven's Dark Fiber network is significant and strategically located, but small in comparison to nearby systems in Lakeland and Bartow. Redundant Wireless and Fiber routes between the adjacent towns would make Winter Haven more sustainable and resilient. This is also attractive to data-oriented businesses.
 - h. Extension of Winter Haven's Dark Fiber network augmented with Licensed Millimeter Wave Radios would add capacity, redundancy and increase footprint of serviceable area. This would also aide in Winter Haven's ability to capture Private Sector revenue.
 - i. Winter Haven has significant Dark Fiber capacity and needs a concentrated and sustained effort to attract data-oriented companies to leverage it.
 - j. Control of the municipal airport and surrounding land is a major economic advantage and should be fully explored and incorporated.
 - k. The extensive network of walking/bike trails provide great opportunity to attract talent seeking outdoor experience and "connect" neighborhoods and employment centers.
 - l. Locally owned and operated Backhaul Transport, LTE and Wi-Fi access around the city's 50+ lakes and interconnecting canals and trails could be used to communicate public messages, fishing/boating data, safety information and targeted promotions to water users.

High Level SWOT

Strengths

- Highly engaged, cross-sector community leadership.
- Private sector developer with real estate interest and expertise bought in and willing to invest and support; strong community commitment and orientation.

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- Engaged City staff and political leadership, especially at the City Manager and IT Director level; rest of community seems to trust the operational vision and expertise of these leaders.
- Significant investment in downtown corridor/footprint (e.g., Central Park/Magnolia Avenue, Derry Down), with real physical infrastructure investments following (e.g., 7th street project, marina).
- Longstanding investment in Dark Fiber and existing effort to operationalize the value through Dark Fiber Enterprises.
- Logistical crossroads in middle of the State, applicable to both freight and information traffic; proximity to Tampa and Orlando.
- “Chain of Lakes” is a unique geographic asset and may have tech value.
- Nascent technical university (Florida Poly) in a State with a recent track record for rapidly growing public university capacity (e.g., UCF, South Florida).
- Evidence of regional planning and cross-jurisdictional sharing (i.e. Polk Vision Smart Communities).

Weaknesses

- Modest tech business and entrepreneurship sector/activity.
- Uncertain balance of cooperation / competition among jurisdictions within the county when the rubber meets the road—how feasible are joint projects with Lakeland, Bartow, etc. and where will there be competition for assets and ownership.
- Need a better definition of Winter Haven's leadership position within the regional environment.
- Lack of clarity on the substantive involvement or level of cooperation from K-12 schools, libraries, health care system or other anchor institution-type partners.

Opportunities

- Downtown seems like prime opportunity for an iNeighborhood installation.
- Florence Villa and Downtown are both designated CRAs leading to some viable investment opportunities.
- Expand stakeholder group beyond those present at our initial session; realize that's not the extent of engaged stakeholders but feel like there is an opportunity to get anchor institutions and residents more involved in the process.

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- Engage directly with Airpacket, LLC to catalog City assets into a usable, and carrier complaint format for both Tier 1 Cellular “5G portfolio” membership and Primary Candidate Matchmaking. Usable format also lends itself to independent design of P3 or Municipal owned Hybrid Fiber/ Wireless extensions, Public/ Private LTE, Wi-Fi network designs and is key to attracting / capturing available Private sector investments and new revenue generation for the City. This is a very low-risk opportunity that pre-qualifies assets and aligns the assets owners with carrier spending and works to subvert the damaging effects of the FCC’s Third Report and Order and Declaratory Ruling for “Accelerating Wireline and Wireless Broadband Deployment” set forth under WC Docket No. 17-84, WT Docket No. 17-79.
- A continued Engagement with Airpacket, LLC for an Engineering Study and Design of new above ground hybrid fiber and wireless infrastructure plan for added coverage, reach, capacity and redundancy for Service delivery to Carrier selected locations and to enhance value to any coastal FL businesses concerned with rising sea level / climate change.

Threats

- Inertia—it is difficult to do things differently than they have been done.
- Possible capture of assets or exploitation of other advantages/opportunities by local communities besides Winter Haven; Lakeland is significantly larger in population and e.g., landed the Polytechnic University.
- Underperforming public schools. Winter Haven will need to make a significant effort to better understand and prepare the K-12 role within the context of the Smart City project and future job entry creation.
- State regulation that could stand in the way of municipal/county agenda.
- Possibility of losing singular, visionary leadership; retaining key personnel will be important.
- Need to gauge carrier interest in qualified real-estate for the wireless network.
- Large vendors in the telco or other space may exert force to prevent action if they feel threatened.
- Political or community pressure may build in reaction depending on what sort of plan is developed and how it is presented.

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Next Steps

To accelerate the development of Winter Haven as a Smart Community, there would be three Phases. Each Phase ¹would be covered under a separate proposal and contract(s). Since the Phase II and III contracts are dependent upon the results of Phase I, they are each referred to as “Phase II, II Deliverables Visibility” since they would not be part of the actual Phase I contract.

Therefore, the first four components of Phase I are essential to realizing and understanding the greatest economic impact of Smart City fiber-wireless infrastructure and identifying wireless network compliant real-estate, related economics, business model and contract requirements.

Phase I Deliverables (iNeighborhoods engagement letter for each Phase)

- a) iNeighborhoods would analyze and develop economic impact model(s) which recognize and incorporate current development efforts within specific high activity areas. The economic impact would take into consideration existing commercial, office and/or industrial real estate options; workforce availability and wages; ongoing economic activity; and planned capital investment. The model(s) would provide a foundation for decision-making on future public revenues and economic development programs tied directly to Winter Haven's Dark Fiber network and a community integrated wireless network. The Phase I impact models would be focused on the downtown area, 7th Street Project and the area surrounding the airport.
- b) Airpacket, LLC will at no cost, digitally provide “Asset Intake Form” and request the “Right to Represent.” then offer free remote compliance coaching as needed to achieve data compliance if form is returned within 90 days. Outside of the first 90 days Airpacket, LLC will engage for hire, with City of Winter Haven planners as needed. Once the real-estate data entered by Winter Haven has been gathered and is confirmed compliant by Airpacket, Airpacket will disclose commercial terms offerings to serve as benchmark economic valuation potential. Then proceed with live portfolio submission and search ring matchmaking to confirm Carrier(s) and or 3rd party operator interest and formal valuation number over pending contract term length.

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- c) After one or more Carriers or 3rd party operator has indicated matches or interest, Airpacket, Winter Haven and iNeighborhoods may elect to extend relationship to include additional Scope of Work, Infrastructure Dimensioning, RF and Cable planning, Network design, Onsite Surveys, RF benchmarking / reporting Along with the furnish and installation support as needed or desirable in order to help maximize City revenue potential from coordinated Carrier and or 3rd party operator project alimnt and enhanced City service offerings.
- d) After documented success in Airpacket, LLC achieving Commercial terms offerings and defined locations on behalf of the City of Winter Haven. The City, iNeighborhoods and Airpacket can review best deal structure and business model to move forward.

Phase II Deliverables Visibility

- a) iNeighborhoods would develop a sustainable community engagement strategy along with potential community champion identification and potential resources that supports Winter Haven's community and early stage entrepreneurial ecosystem. The community engagement plan will include an approach for qualitative and quantitative feedback from the community at large, a tactical approach to ongoing, open engagement of key community stakeholders, and a suggested governance/organizational model for managing the work and timeline going forward.
- b) Innovation and modernization of the digital educational landscape is foundational to the long-term growth and prosperity of a city. It is within these pieces that opportunities and conversations can collide with a traditional system. Schools can collide with traditional educational organizations, but within most learning systems there are catalysts for change, and once these are discovered they can be networked to support the adult and student learning within the greater community. Neighborhoods would develop a Smart Community education strategy framework (Pre-K to Higher Education) that reviews the learning ecosystem in Winter Haven (FL). This framework would support recommendations around best partnership opportunities between schools and the Smart Community wireless and public Wi-Fi network and future job creation.

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- c) Airpacket, LLC, iNeighborhoods and partners could meet with the current public Wi-Fi team at Florida Polytechnic University, to review direction, progress to date on their program, as well as provide a workshop on current small cell, 5G and public Wi-Fi market developments, strategies and best practices by provide coaching and conducting a strategic dual simulation overlay & alignment of interests exercise to best assure cohesion of goals and capabilities between all stakeholders, local interests and student real world work experience.
- d) Stakeholders would work with the iNeighborhoods team to develop and build the Smart Community Workshop and Playbook. The Workshop and Playbook would script the Winter Haven Smart Community story, long-term strategies, short term tactics, Plays and quick wins. iNeighborhoods would also make a recommendation for stewardship of the Playbook.
- e) Develop a business, operations, funding and KPI plan for all aspects of Phase II contract visibility.

Phase III Deliverables Visibility

- a) Business, operations and funding plans in effect.
- b) Community engagement and community champion process in effect.
- c) Smart City economic development strategies and tactics integrated into community planning and activities.
- d) Smart Community K-12 educational steering committee operational.
- e) Community and fiber-wireless KPI measurement process in effect.
- f) Wireless and public Wi-Fi network under construction.
- g) iNeighborhoods Phase III continuing support agreement in place.



Integrated Community Development Process

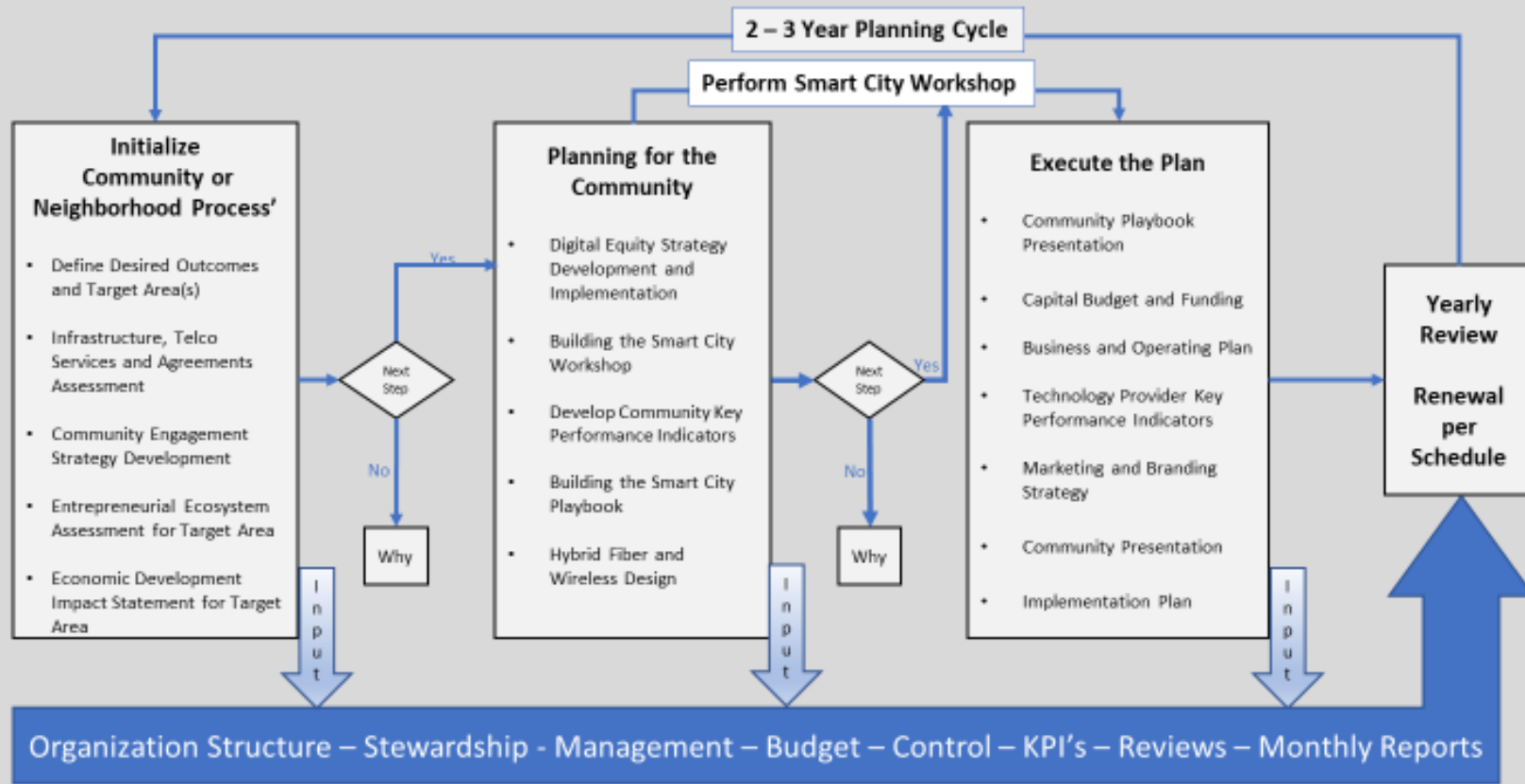


Figure 1 Integrated Community Development Process – iNeighborhoods All Rights Reserved 2018