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Leaders wrestle with UTOPIA

Brigham City forms task force to look at city's involvement with fiber optic network

By **TIM GURRISTER**

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BRIGHAM CITY — Officials here are empaneling a task force to look at the future of the city's involvement in UTOPIA, the highspeed Internet access provider.

And one of the options would be getting out — possibly selling the city's share of the UTOPIA fiber optic network and its accompanying 25 years or more in bond payments. Brigham and 10 other cities sold bonds to finance the network that is still not finished after more than 15 years.

Brigham pays \$435,000 a year on its bonds for UTOPIA — Utah Telecommunications Open Infrastructure Agency — while Layton city is in for \$2 million a year.

"I keep telling everyone we can't just pull out, we can't just switch it off," said Mayor Tyler Vincent after announcing to the city council Thursday night the formation of the 10-member Fiber Optics Task Force.

"We want them to look at options, what can we do to make it a viable thing in our city," he said. Which could include selling off the city's interest in the fiber optic infrastructure already in place. "That's something they're going to look into," the mayor said. "That's something we'd have to look at." "That's an option they can talk about," said Jason Roberts, city finance director and the city's representative on the UTOPIA governing boards. "In a best case scenario," Roberts said, "UTOPIA becomes profitable and the bonds are paid off with subscriber revenue instead of tax revenue."

The major focus, they said, is whatever can be done to reduce the debt, to pay off the bonds faster.

Roberts will be serving as staff to the fiber optics task force. Prospective members are being contacted now about joining the panel, and could be announced as soon as the middle of this week.

As far as how much of UTOPIA's fiber optic lines are in place, Brigham City is one of the better off among the municipal owners of UTOPIA, which include Perry and Tremonton, plus Orem and West Valley City. "We're about 94 percent built out," Vincent said.

The fiber optic lines are in place along all but a few of the city's streets, Roberts said, but for an area in the southeast area of town and a few remote spots elsewhere. Most every home in town could hook up to the fiber optics now, Roberts said. "I'm not sure they all know that."

Problems with advertising and sales outreach have been among the complaints about UTOPIA over its more than 15-year existence.

Roberts said people may not realize UTOPIA stopped requiring residents to allow liens to be placed on subscriber homes since 2010.

Buildout for the UTOPIA network has been delayed for years for a variety of reasons, including contractor problems and a federal grant program closing down that had assisted subscribers in paying hookup fees.

UTOPIA officials count an estimated 20,000 subscribers statewide, far short of the goal of 153,000.

An expected infusion of capital to complete the buildout, as much as \$300 million, was announced in December with UTOPIA'S signing of a pre-development agreement with Macquarie Capital Group, an Australian investment firm that specializes in running public-private partnerships.

Macquarie has been seeking fees from the 11 UTOPIA cities for an engineering feasibility study before it signs final papers to complete the buildout.

Brigham's share is an estimated \$13,000. "We have not agreed to do anything but the study with Macquarie," Vincent said. "Macquarie is another option for the task force to look at."

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