



Board of County Commissioners Agenda Request

3A
Agenda Item #

Requested Meeting Date: August 25, 2015

Title of Item: Broadband Development Fund

<input checked="" type="checkbox"/> REGULAR AGENDA	Action Requested:	<input type="checkbox"/> Direction Requested
<input type="checkbox"/> CONSENT AGENDA	<input checked="" type="checkbox"/> Approve/Deny Motion	<input type="checkbox"/> Discussion Item
<input type="checkbox"/> INFORMATION ONLY	<input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Hold Public Hearing* <i>*provide copy of hearing notice that was published</i>

Submitted by: Ross Wagner	Department: Economic Development & Forest Ind
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Presenter (Name and Title): Ross Wagner, Economic Development & Forest Industry Coordinator	Estimated Time Needed: 30 minutes
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Summary of Issue:
I am requesting Board approval to rename the Economic Development Fund to Broadband Development Fund, and to authorize \$50,000.00 for a pre-engineering study.

Please see the attached memo for further information.

Alternatives, Options, Effects on Others/Comments:

Recommended Action/Motion:
Approve renaming and dedicating Economic Development Funds to Broadband Development Fund, authorizing \$50,000.00 for a pre-engineering study.

Financial Impact:

Is there a cost associated with this request? Yes No

What is the total cost, with tax and shipping? \$ 50,000.00

Is this budgeted? Yes No *Please Explain:*

This would be a new fund

Aitkin County Economic Development & Forest Industry Coordinator

Aitkin County Courthouse

Ross Wagner

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TO: Aitkin County Board of Commissioners

FROM: Ross Wagner, Economic Development & Forest Industry Coordinator

DATE: August 18, 2015

SUBJECT: Broadband Development Fund

Summary

I am requesting that the Economic Development Fund be renamed the Broadband Development Fund, dedicating the \$525,297.61 balance to broadband development in Aitkin County. In addition to the new name and dedication, I am requesting \$50,000.00 from the fund be used towards a pre-engineering study for a broadband network in Aitkin County. The Economic Development Fund was created with excess PILT payments and revolving loan fund payments. After the revolving loan fund was abolished, the funds remained, to be used for future economic development infrastructure projects. A fiber to the home (FTTH) network, done in phases, would certainly qualify for that. A pre-engineering study to determine costs and scope of project would be the first step. Formally dedicating the fund to broadband development will allow the county to engage with potential partners and providers in developing a partnership to move the project forward, knowing we are a willing participant.

Why now

After numerous meetings, workshops, forums etc., two things became apparent to make a FTTH network a reality in Aitkin County, partnerships and available local funding. Interested partners in Consolidated Telephone Company (CTC) and the Iron Range Resources & Rehabilitation Board (IRRRB) have been engaged and are now working with us. This is great progress, CTC has extensive experience in building and operating FTTH networks in North Central Minnesota and the IRRRB brings a regional entity with resources and networking capabilities. Mille Lacs Energy Cooperative is also engaged as well as Sen. Nolan's Office, although it is not known how active they will be able to become. In case anybody has forgotten, Aitkin County is at the very bottom of counties with access to the State of Minnesota desired broadband speeds of 25 Mbps Download/3 Mbps Upload. A link to the MN DEED Office of Broadband Development, Broadband Service Inventory for the State of Minnesota is at, <http://mn.gov/deed/images/InfrastructureGrant.pdf> There is a reason we are at the bottom, we have a population of 16,000 or so, spread out over 1,000,000 acres, making straight out private sector expansions of broadband networks financially unfeasible. The

State of MN guidelines for speed is what is needed to keep up with present and future demand and applications. We need to keep up with the rest of Minnesota.

How will the fund be used

The first request for funds is the aforementioned pre-engineering study. At this point, in order to move forward, project costs, scope and size and potential customers all need to be accounted for. Also, it is highly anticipated that the project will have to be done in phases; the study will help determine just what the phases will be. It is the intention to leverage other funds to assist in the study, possibly the Blandin Foundation. Once a solid phase one plan is in place, we anticipate applying for State of MN Border to Border Broadband Grants, which at present matches local funds, thus doubling Aitkin County's contribution. It is doubtful that we will be able to make the September 15th deadline for those funds but we anticipate they will be available next year. An engineering study is required for those grant funds. We would submit an Expression of Interest, however, which is due October 1, 2015. Whether Aitkin County funds, funds from our partners and the State Border to Border grant would cover all or some of phase one, or beyond, is unknown at this point. We will continue to look for new partnerships and further engage Sen. Nolan's office to help identify Federal Programs that provides broadband funding that could be used to finish all phases.