



Board of County Commissioners Agenda Request

8A

Agenda Item #

Requested Meeting Date: August 13, 2019

Title of Item: Community Partner Broadband Grant

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input checked="" type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing* <small>*provide copy of hearing notice that was published</small>
Submitted by: Ross Wagner		Department: Economic Development Coordinator
Presenter (Name and Title): Ross Wagner, Economic Development & Forest Industry Coordinator		Estimated Time Needed: 10 Minutes
Summary of Issue: <p>The State on Minnesota is offering \$20M in Border to Border Broadband Grants in 2019. We have 3 local Broadband providers (MLEC, SCI, ECTC) who may be applying for these Border to Border Grants for parts of Aitkin County. A Community Partner that provides a financial commitment can enhance an application as extra scoring points are awarded to those application with a Community Partner. Aitkin County would be considered a Community Partner.</p> <p>My proposal is that we take up to \$15,000.00 from the remaining \$150,000.00 in the Aitkin County Broadband Grant program and offer up to three \$5,000.00 challenge grants to our local providers that are applying for a State Border to Border Grant. My reasoning is simple, applications to the Border to Border fund score additional points if they can show a commitment from Community Partners who contribute to their matching funds. Additionally, applications can score additional points if their match exceeds the minimum 50/50 match. Therefore, by providing a Community Partner contribution, our local providers applying to the State Border to Border grant can garner additional points and make their proposal even more competitive. A more competitive application will increase the applicant's odds of being awarded and thus a better chance for more broadband that meets or exceeds the State of MN speed guidelines in Aitkin County. I feel that a small investment in our local provider's plans for Broadband is well worth it.</p> <p>Please see the attached Memo and State on MN Border to Border Selection Process and Application for further information.</p>		
Alternatives, Options, Effects on Others/Comments: 		
Recommended Action/Motion: Approve Community Partner Grant of \$5,000.00 for Mille Lacs Energy Cooperative, SCI Broadband, Emily Cooperative Telephone Company.		
Financial Impact: Is there a cost associated with this request? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No What is the total cost, with tax and shipping? \$ 15,000.00 Is this budgeted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Please Explain:</i> The \$15,000.00 would come out of the previously approved \$150,000.00 Aitkin County Broadband Grant program.		

Legally binding agreements must have County Attorney approval prior to submission.

Aitkin County Economic Development & Forest Industry Coordinator

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TO: Aitkin County Board of Commissioners

FROM: Ross Wagner, Economic Development & Forest Industry Coordinator

DATE: August 7, 2019

SUBJECT: Community Partner Grants for MN Border to Border Grant fund.

As mentioned in the Agenda Request, the State of MN has once again activated the Border to Border Broadband Grant program. Approximately \$20M in 2019 and 2020. In the past, Mille Lacs Energy Cooperative and SCI Broadband, Inc. have been awarded grants for extending Fiber to the Premise (FTTP) broadband networks in Aitkin County. Though access to broadband in Aitkin has been improved and continues, we are still behind most counties and all of our neighbors. This upcoming Border to Border Broadband grants has great potential to increase our broadband access even more. Local broadband providers are planning on applying for Border to Border Broadband Grant funds and we have an opportunity to enhance their applications.

My proposal is that we take up to \$15,000.00 from the remaining \$150,000 and offer up to three \$5,000.00 challenge grants to our local providers that are applying for a State Border to Border Grant. My reasoning is simple, applications to the Border to Border fund score additional points if they can show a commitment from Community Partners who contribute to their matching funds. Additionally, applications can score additional points if their match exceeds the minimum 50/50 match. Therefore, by providing a Community Partner contribution, our local providers applying to the State Border to Border grant can garner additional points and make their proposal even more competitive. A more competitive application will increase the applicant's odds of being awarded and thus a better chance for more broadband that meets or exceeds the State of MN speed guidelines. I feel that a small investment in our local provider's plans for Broadband is well worth it. Below is a direct quote from the State Broadband application instructions.

"Documentation to validate the availability of matching funds is required as part of the application. Some examples of appropriate documentation include: a letter of credit, letter confirming funds from a bank, board resolution committing funding, or loan documentation. If the application will have additional financial partners contributing to the matching funds, the application must also identify the financial partner(s) and documentation of the amount and availability of each partner's financial match. Priority consideration will be given to projects that have secured community partners who have contributed to the matching funds."

On a similar note, attached are the grant selection and award process. Arrows to selected segments show;

- Points are awarded on the applicant's ability to serve unserved vs underserved, so it is in the applicant's best interest to serve more unserved households; 0-20 points.
- Up to 10 additional points for providing a match greater than 50%.
- Up to 15 points with a verified financial commitment from a Community Partner.
- Also attached is the application as an FYI.

Other;

- As indicated, the grant would come out of next year's grant so conceivably, we would have \$135,000 to award vs. \$150,000 in 2020 but we can work with the State grant again next year to leverage our funds. We didn't bring the Aitkin County Broadband Grant program to the County Board in 2019 to allow projects awarded in 2018 to finish and see how the Border to Border program works before a new round of grants were awarded. The Economic Development Committee is working to identify ways to use the remaining Aitkin County Broadband Grant Funds to leverage additional grants and
- Local providers would be Mille Lacs Energy Cooperative, SCI Broadband and Emily Cooperative Telephone Co (ECTC), (Esquagamah, Round, Waukenabo areas). They are proposing FTTP broadband in the Farm Island area, Glen area and Esquagamah and Round Lake areas respectively.

2019 BROADBAND GRANT APPLICATION SELECTION AND AWARD PROCESS

Introduction to Scoring and Award Process

DEED will award grants to projects that provide the highest return in public benefits for the public costs incurred and that meet all of the statutory requirements. To evaluate the applications for public benefits with respect to the costs incurred, the law specifies certain priorities that DEED must consider.

To fulfill this requirement of reviewing applications in an objective and fair manner, applications will be reviewed and evaluated by a team composed by DEED. This team will use the following criteria and associated point values to assist in systematically scoring and awarding grants. These criteria reflect information provided in response to this grant application's questions. To ensure that your application receives the best possible, please be sure to provide complete and comprehensive responses to all information requested in the application.

**2019 Selection Criteria and Grant Scoring Categories
120 points possible**

Anticipated Broadband Improvements: 0 to 20 points possible

Unserved or underserved total passings potentially served by project:

- Anticipated improvements in broadband speed offerings from pre-existing broadband service levels to proposed service levels – project must reach or exceed state speed goals (speed now vs. speed after)
- Number of total passings potentially served (# of passings)
- Total passings include households, businesses, farms, and community anchor institutions
- Highest scores are awarded for largest broadband speed improvements
- If project includes both unserved and underserved passings, each will be scored separately, and the resultant scores averaged

Anticipated Broadband Improvements Scoring Table

# of Passings	Speed Now:	0/0	≤10/1	0/0	≤10/1	25/3	0/0	≤25/3	<100/20
	Speed After Build:	25/3	25/3	100/20	100/20	100/20	1G/1G	1G/1G	1G/1G
0-50	Points Awarded:	14	10	16	14	12	18	15	13
51-499		15	11	17	15	13	19	16	14
500+		16	12	18	16	14	20	17	15

Grant Funding Request Amount: 0 to 10 points possible

Percent of state grant request compared to total eligible project costs:

- Applicant matching funds of 55% or more will result in a higher application score for this category
- Any funding partner contributions are included in Applicant matching funds for points

Grant Funding Request Amount Scoring Table

Percent of eligible project costs requested	Points
30% or less	10
31 to 35%	8
36 to 40%	5
41 to 45%	3
46 to 50%	0

→ **Community Participation:** *0 to 15 points possible*

Additional scoring points will be awarded for the following:

- Verified financial commitment to the project from any qualified community partner(s)
[Community partner may be any public, private, non-profit, or philanthropic entity – this would include a business, county, township, city, tribal entity, or community coalition]
- Projects that propose to serve or partially serve federally recognized tribal lands, and the associated tribal entity has provided application documentation of project support
- Project applications that provide substantive evidence of community support for the project

Project Readiness: *0 to 25 points possible*

Applicant has concretely demonstrated a comprehensive knowledge of – and detailed preparation for – the proposed project. Applicant has provided evidence of being fully prepared to build, implement and operate the project:

- All budget material is provided in detailed, yet clearly understandable manner, sources and uses of funds is realistic, all grant eligible elements are included, all funding partners are secured
- Other broadband infrastructure requirements are included – certified engineering design and diagrams, documentation of scalable equipment, and all preconstruction requirements are identified and included in the project schedule
- Project implementation requirements are provided – proposed speed tiers and service pricing, 5 year service commitment, and proposed marketing strategies
- Complete project schedule and financial requirements are provided

Project Sustainability: *0 to 25 points possible*

Applicant has demonstrated strong internal capacity to effectively support and sustain its broadband infrastructure proposal:

- Demonstration of technical expertise – specific prior experience in providing broadband services
- Organizational support evidence provided – extent of organization and how organizational strength will sustain broadband service delivery and maintenance
- Financial statements provided – most current year's audited financial statements, and supporting documentation where applicable, to demonstrate overall financial viability

Economic Development & Community Impact Review: *0 to 15 points possible*

Applicant has demonstrated the economic development and community enhancement potential of the proposed project:

- Applicant has identified businesses, farms and agricultural use customers, community anchor institutions, and educational facilities in the proposed project area
- For businesses, farms and agricultural use customers, Applicant has identified how improved broadband speeds and coverage will enable the project area to become and/or remain competitively viable
- For community anchor institutions, Applicant has identified how improved broadband deployment will be incorporated into specific community programs
- For educational locations, Applicant has identified the proposed impact on e-learning
- For health and public safety locations, Applicant has identified the proposed impact on telemedicine

- If project area in an economically distressed area, Application has demonstrated that the proposed project area has unemployment, poverty or population loss levels significantly greater than statewide average (Application may reference median household income or percent of students eligible for free or reduced school lunches for proposed project area)

Broadband Adoption Assistance: *0 to 10 points possible*

Additional scoring points will be awarded for the following:

- Are broadband adoption activities planned for project?
- Will technical support or training on broadband be offered?
- Is there – or will there be – a low-income broadband assistance program offering?

Grant Application Cover Sheet Template

- Project Name:**
- Applicant Organization Name:**
- Applicant Organization's Mailing Address:**
- Applicant's Primary Contact:**
-Name, Title, Telephone Number, Email Address
- Project Location:** *[brief paragraph narrative of project geographical coverage]*
- List County/Township Served by Project:** *[indicate whether full county or partial county coverage]*
- List Community/Communities Served by Project:**
- Grant Request Amount:**
\$ _____ *[round to nearest dollar]*
____% of total request
- Matching Funds Provided by Applicant:**
\$ _____ *[round to nearest dollar]*
____% of total request
- Total Application Cost:**
\$ _____ *[round to nearest dollar]*
- If Application Proposes a Public/Private Partnership, List Names of All Partner Companies/Entities:**
- Funding Commitment provided by Each Partner:**

Grant Application Cover Sheet Template (Cont'd)

Total Number of Passings:

PASSINGS COUNTS	Households	Businesses	Farms	Community Institutions
Currently UNSERVED Number of passings expected to improve speeds to at least 25/3 as a result of the project.				
Currently UNDERSERVED Number of passings expected to improve speeds from between 25/3 & 100/20 to 100/20 and above as a result of the project.				

Application Includes:

[choose one]

- Last Mile Components Only**
- Middle Mile Components Only**
- Both Last Mile and Middle Mile Components**

Type of Proposed Broadband Construction:

[FTTH, Cable, DSL, Fixed Wireless, Combination, etc.]

Application Demonstrates Completed Outreach to Existing Providers:

- Yes**
- No**

Names of All Other Wire-line Broadband Service Providers Serving this Application Area:

State of Minnesota Vendor Number: _____

Grant Application Main Body Template

Executive Summary: [2 page maximum]

Part I – Key Project Data

1.1 Project Name:

1.2 Applicant Organization Name:

1.3 Applicant Organization’s Mailing Address:

1.4 Key Contacts:

- **Primary Contact:** *(name, title, telephone number, email address)*
- **Project Manager:** *(name, title, telephone number, email address)*
- **Application Author:** *(name, title, telephone number, email address)*

1.5 Map and Description of Project Area:

1.6 Applicant Eligibility:

1.7 County or Township Coverage: *(also specify communities covered)*

1.8 Minnesota Legislative District Coverage:

1.9 Single Paragraph Summary Description of Project: *(for use on departmental website)*

Part II – Broadband Improvements: Unserved/Underserved Documentation

2.1 Anticipated Broadband Improvements:

Using the “Anticipated Improvements” table (see below), please provide the number of households, businesses, farms, and community anchor institutions that will be able to receive improved broadband services as a result of the proposed project.

Anticipated Improvements in Broadband Service

Based on this Application Project

# of Passings	Speed Now:	0/0	≤10/1	0/0	≤10/1	25/3	0/0	≤25/3	<100/20
	Speed After Build:	25/3	25/3	100/20	100/20	100/20	1G/1G	1G/1G	1G/1G
Households									
Businesses									
Farms									
Anchors									
TOTAL									

2.2 Unserved and Underserved Documentation:

Provide evidence in the application to demonstrate that the proposed project is for an unserved or underserved area. [if separately attached, label as Appendix 2.2]

Part III – Project Funding Request and Community Participation

3.1 How much grant money from the State of Minnesota/DEED is being requested for this application? What percent of total eligible project cost does the grant request represent?

3.2 How much in total matching funds from the Applicant – including any funding partners, if applicable – is being proposed? What percentage of the total eligible project cost does the Applicant’s matching funds represent?

3.3 Please list in detail all confirmed matching fund commitments by each project funding partner.

Matching Funds Sources:	Funding \$ Commitment	Proof of Match Attached
<i>Applicant Name:</i>		
<i>Funding Partner(s):</i>		
Total Matching Funds	\$	

3.4 Provide complete contact information for each application funding partner identified in Item 3.3 above.

3.5 Provide evidence of community support for the project. [If separately attached, label as Appendix 3.5]

Part IV – Project Readiness

Project Budget – Sources and Uses of Grant Funds

4.1 What are the total eligible project costs? \$ _____

4.1 Please provide a list or schedule of all grant eligible elements to be purchased or utilized for the proposed project [if separately attached, label as Appendix 4.2]

4.2 Utilizing total grant eligible expenses from 4.1, provide the following “Sources of Funding” summary detail for Applicant, and if applicable, for each additional funding partner:

Sources of Funding	\$ Amount	% of Total Funding
Total		100.00%

4.4 By each identified budget category, provide the following “Use of Funds” detail for both Applicant and proposed State of Minnesota/DEED grant funds:

<i>Use of Funds</i>	<i>\$ Amount</i>	<i>Source of Fund</i>	<i>Date Funds Committed</i>
Total			

4.5 Will additional costs related to this proposed project that are not eligible costs be incurred in order to deploy broadband to this area?

Project Broadband Infrastructure

4.6 Please provide all budgetary engineering designs, diagrams, and maps that demonstrate the viability of the proposed project. [if separately attached, label as Appendix 4.6]

4.7 Demonstrate that the installed broadband infrastructure is scalable to speeds of at least 100 Mbps download and 100 Mbps upload.

4.8 Identify the type of broadband construction for the proposed project.

4.9 This application is for last mile components only, middle mile components only, or a combination of last mile and middle mile components. [Choose one]

4.10 If the proposed project is a middle mile broadband facilities project, or includes a middle mile facilities component, please describe why the new construction is necessary.

Project Preconstruction Permits and Approvals

4.11 Have all required municipal/city/township/county/state approvals necessary for this project to begin construction from area planning commission/zoning authority/road authority/railroad crossing entity, etc. been identified and included in the project schedule?

4.12 Have all state environmental review requirements necessary for this project to begin construction been identified, if applicable?

4.13 Due to its location, will the proposed project potentially impact local/state/federal historic architectural or archeological resources?

Project Implementation

4.14 Will the Applicant offer the broadband services for a minimum five year period?

4.15 Provide the proposed pricing structure [by associated download and upload speeds] for all broadband services to be offered in association with this project.

4.16 Please also provide the proposed stand-alone pricing for unbundled internet-only service at 25 Mbps download and 3 Mbps upload, for 100 Mbps download and 20 Mbps upload [if applicable], and for 1 Gbps download and 1 Gbps upload [if applicable].

4.17 Will any additional equipment be required – or any separately chargeable service installation elements apply – to activation or turn-up of individual customer locations?

4.18 Describe what initiatives the Applicant will undertake to communicate its proposed marketing plan to its prospective broadband services customer base.

Project Schedule

4.19 Provide the proposed project schedule which must reflect all key planning, procurement, construction, installation, testing, and service activation milestones.

Sample – Project Schedule

Name of Applicant:		
Name of Project:		
Overall Timeline for Project:	Start Date: (month/year)	Complete: (month/year)
Individual Milestones for Project: Include all planning, procurement, construction, installation, testing and customer turn-up activities	Est. Start Date (month/year)	Est. Complete Date (month/year)

Project Financials

4.20 Provide a five year stand-alone financial plan for the proposed project, including a description of how the costs and anticipated revenue will result in the financial viability of the project over time.

4.21 Describe why the proposed project would not be feasible without the award of the requested broadband grant funds.

4.22 Is the Applicant leveraging all funding sources that may apply to the proposed project area?

Part V – Project Sustainability Instructions

5.1 Provide technical expertise statement

5.2 Provide organizational support evidence

5.3 Provide audited financial statements

Part VI – Payment Information

6.1 State of Minnesota Vendor Number:

- **Financial Contact:** (name, telephone number, email address)

6.2 Tax Identification Numbers

- **State of Minnesota Tax Identification Number**
- **Federal Employer Identification Number**

Part VII – Economic Development and Community Impact

- 7.1 Provide a listing of businesses in the proposed project area that will benefit from the broadband project.**
- 7.2 Provide a listing of farms and agricultural use customers in the proposed project area that will benefit from the broadband project.**
- 7.3 Provide a listing of community institutions that will benefit from the broadband project.**
- 7.4 Provide a listing of any educational locations that will benefit from the broadband project.**
- 7.5 Provide specific evidence of how health and public safety locations will benefit from the broadband project.**
- 7.6 Is the proposed project providing broadband improvements to an economically distressed area?**

Part VIII – Broadband Adoption Assistance

- 8.1 Broadband Adoption Activities Planned for Project**
- 8.2 Broadband Technical Support or Training Associated with Project**
- 8.3 Low-income Broadband Assistance Program**

Part IX – Applicant Affidavit

- 9.1 The primary Applicant must provide a signed, dated, and witnessed affidavit or resolution that shows official Applicant support for and approval of the application as well as a commitment to provide the Applicant’s matching funding.**

Part X – Pre-Application Outreach Requirement

- 10.1 The Applicant must provide copies of all emails sent out and all emails received in response to this required outreach as part of the grant application.**
- 10.2 The Applicant must summarize all the responses to its email distribution for this item, the information in the application must include that identified in the following example:**

<i>Provider Name</i>	<i>Will upgrade</i>	<i>No plans to upgrade</i>	<i>No response received</i>
<i>List all providers:</i>			