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MEMO

PKTS. 6-11-2021

To: Mayor and City Council Members
From: Brian Phillips, Assistant City Manager
Date: June 10, 2021
Subject: Broadband Infrastructure Grant Possibility – Dartmoor Road

At the June 8, 2021 City Council meeting, the Council requested a memo from City staff regarding the possibilities to obtain grant funding to improve the internet service to homes in the Dartmoor Road neighborhood. This request came in light of the announcement of \$288 million in available grant funding for broadband infrastructure grants through the Consolidated Appropriations Act, 2021.

The area along Dartmoor Road was excluded from Metronet's recent build-out and does not have reliable access to high speed internet. There are approximately 10 homes lacking service in this area. In February 2021, City staff engaged in a series of discussions with Metronet regarding why this area was excluded from its construction plans, after it appeared it would receive service when Metronet released its initial construction proposals months earlier.

City staff reported to the Council that Metronet had originally planned to use several Alliant electrical poles to place fiber overhead to build to the neighborhood, but Alliant removed the poles and undergrounded its infrastructure. The cost for Metronet to bore fiber to the neighborhood was estimated at \$38,000-\$40,000, which was not cost effective for Metronet.

On June 10, City staff attended a webinar outlining the process and criteria for the Broadband Infrastructure Program. **After learning more about this grant program, City staff believes it is unlikely that a grant application would be successful for the Dartmoor project.** The program requires a partnership between an applicant (the City) and a fixed service broadband provider to serve an underserved area. Applications are due by August 17 and awards are expected no later than November 15.

Awards are expected to range in size from \$5 million to \$30 million, which is significantly larger than the expected costs to serve this area. The review process consists of three stages:

- 1) An initial review to rank projects based upon the greatest number of impacted households
- 2) A merit review of the proposals, based on the level of impact/affordability (30 pts), project viability (40 pts.), and project budget/sustainability (30 pts). Projects must receive 70 points to be eligible.
- 3) A programmatic review to validate the “underservedness” against available FCC and other data.

Of the overall priorities identified for the grant program, the highest priority is to award a combination of projects that serve the greatest number of households. The second highest priority is to award projects that are not wholly contained in a city or county containing 50,000 or more people. **Although it is possible to obtain approval without meeting these priorities, City staff believes these factors in combination with the size of the project would not make for a competitive application.**

If an award was nevertheless received, the project would be subject to historic preservation review and National Environmental Policy Act (NEPA) analysis. Preference would be given to projects that include commitments to Buy American, prevailing wages, and a 10%+ local match. These components would be expected to add cost to the project (although most expenses would be eligible for grant reimbursement). The application materials are estimated by City staff to take approximately 30-40 hours to complete.