

**Grant County Digital Network Coalition
Board of Directors Meeting
Thursday, March 4, 2021
4:00 PM
Virtual Meeting**

As ordered by Governor Brown under Executive Order 20-05 and guidelines issued for workplaces, schools, care facilities, and other community-wide mitigation efforts to help prevent the spread of the COVID-19 virus, this public meeting will offered via teleconference only. Public participation is encouraged by phone or internet using the access information below.

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- 1. OPEN AND ROLL CALL**
- 2. APPROVAL OF PRIOR BOARD MINUTES**
- 3. APPEARANCE OF INTERESTED CITIZENS** – Chair Walker will welcome the public and ask if there is anything they would like to add to tonight’s agenda.

CONSENT AGENDA

- 4. NONE**
 - None

ACTION ITEMS

- 5. EDA GRANT UPDATE**

Attachments:

 - EDA Grant Process
 - EDA Carry Forward Letter
 - Detailed Project Costs
 - Cyber Mill Initiative Impact Presentation

OTHER BUSINESS & UPCOMING MEETINGS

- 6. OTHER BUSINESS & UPCOMING MEETINGS**

Attachments:

- Next Board Meeting – March 16, 6 P.M. Virtual Meeting

TO: Grant County Digital Network Coalition

FROM: Nicholas Green, Executive Director

DATE: March 04, 2021

SUBJECT: Consent Agenda Item #4: None
Attachment(s)
• None

BACKGROUND

No items on the consent agenda.

RECOMMENDED MOTION

N/A

Consent Agenda. None.

Recommendation: None.

TO: Grant County Digital Network Coalition

FROM: Nicholas Green, Executive Director

DATE: March 04, 2021

SUBJECT: Agenda Item #5: EDA Grant Update
Attachment(s)

- EDA Grant Process
- EDA Carry Forward Letter
- Detailed Project Costs
- Cyber Mill Initiative Impact Presentation

BACKGROUND

The EDA Regional Director reviewed the recommendations made by the Investment Review Committee (IRC) and sent us a “carry forward” letter, which will require us to make adjustments to the application and resubmit no later than March 22nd.

The total project cost in the application is \$2,160,838.67; in our revised application we requested \$1,944,754.80 in grant funding from EDA (90 percent) and committed \$188,028.04 from Grant County Digital/John Day (up from \$175,208 previously committed) and \$28,055.83 from GCECA (totaling 10 percent in the revised application).

DISCUSSION

During the application process, the IRC asked us to make several changes to the application, including removing the Ironwood Estates housing development (4 jobs) and requiring OTC to competitively bid the application (3 jobs, \$270,000 in private investment). The net result was to remove the “private” side of our proposed public private partnership, which eliminated just over 10 percent of our required 20 percent match and removed the private sector job creation commitments we had secured through our proposal.

I resubmitted the application on January 7 and received the carry forward letter attached, which requires us to make some tactical and strategic decisions with regard to this grant for each application task.

Task 1 – Community Broadband

- EDA is requiring OTC to competitively bid for this work. We can draft a solicitation and compete it but this will remove their \$270,000 match;
- I increased our match in the application I resubmitted on Jan 07 to get us to 10 percent, which EDA will accept if we can document we have exhausted our borrowing capacity. I believe I can get a letter from our Bond Counsel to that effect. Otherwise, we will need to increase our match by an additional 10 percent, which is \$216,083. The IT Fund has \$1.5M remaining, of which \$1M is obligated to ReConnect. Providing a match of \$400,000 to secure this grant would effectively exhaust our fund balance;
- Under this model, OTC would pay an annual fee to the board for use of the dark fiber network, but the amount of that fee would be subject to negotiation following their bid (i.e. we would calculate the number of potential customers to be served over the life of the lease agreement of apx. 20 years and determine an equitable annual lease cost for OTC to use the network vs. having to build their own).

Task 2 – GCECA Emergency Communications Equipment Upgrades

- EDA requested we consult with FirstNet (<https://firstnet.gov/>) and coordinate all project components; Valerie Maynard and I have completed this and will have a letter from FirstNet to that effect;
- EDA requested we provide additional information on how all 9-1-1 emergency usages are compliant with Federal Communications Commission (FCC) communications requirements; we have FCC licenses for our radios and can submit that they are compliant and this request will not affect our licenses.

Task 3 – GC Coworks Co-working Space

- EDA noted we will need to have title to the property in John Day or a 15-year lease agreement;
- EDA asked for a stronger nexus to COVID – the Cyber Mill impact survey should suffice.

DECISIONS NEEDED

Lease Agreement v. Purchase. The building owner is willing to sell the building for \$80,000 – as proposed in our application. This would require us to enter into a purchase and sale agreement prior to re-submitting. Alternatively, we could lease the building (est. \$850 / mo. = \$10,200 / yr. = \$153,000 / 15 yrs) but even with fixed rates and no increases we would pay almost twice as much to rent vs. own.

Making the building improvements would likely double the building's value, as we are proposing to acquire for \$80,000 and invest over \$115,000 into tenant improvements. It is a better overall value to purchase the building but this would require a recommendation from the board to the city council as the City of John Day would have to hold the asset on their books. I can present the board's recommendation of rent. vs. buy at the March 9 city council meeting.

Matching Funds. I believe we can secure an appropriate letter from our bond counsel for this project, however, we should discuss whether the board would consider increasing the match, if needed.

TO: Grant County Digital Network Coalition

FROM: Nicholas Green, Executive Director

DATE: March 04, 2021

SUBJECT: Agenda Item #6: Other Business and Upcoming Meetings
Attachment(s)

- None

OTHER BUSINESS

- None

UPCOMING MEETINGS

- Next Board Meeting – March 16, 6 P.M. Virtual Meeting