

A decorative graphic on the left side of the slide consists of a network of light blue lines and small circles, resembling a circuit board or a stylized tree structure, set against a dark blue gradient background.

SPECIAL TOWN MEETING: BROADBAND COMMITTEE RECOMMENDATION FOR PRESQUE ISLE

FEBRUARY 24, 2022

WHY ARE WE HAVING THIS MEETING?

- The Broadband Committee will present its recommendation for a broadband improvement project for the Town
- The public will have a chance to ask questions
- We may ask for an advisory vote from the attendees

A LITTLE BACKGROUND

- As chartered by the Town Board in 2018, an ad hoc Broadband Working Group starting looking at options to improve internet access in the Town Presque Isle.
- Since July 2021, the Workgroup (now a Committee) has made multiple presentations on progress to the Town Board, to other Town committees and local organizations, and to the general public.
- Our current goal is to work with an ISP partner to apply for a grant from the Wisconsin Public Service Commission (PSC) to help fund the recommended project
- The grant application is due by March 17, 2022

SOME PRESENTATION LOGISTICS

- There are attendees both in the room and on Zoom; please make sure that everyone can hear
- Please hold your questions until the end; hopefully, we will answer them during the presentation
- The presentation material will be made available on the Town of Presque Isle website

WHY BETTER BROADBAND FOR PRESQUE ISLE?

- The Presque Isle Economic Development Committee (EDC) and Town Board believe that improved broadband internet access creates a positive economic impact for the entire Town
 - Allows Presque Isle to better compete for businesses and residential property buyers
 - Allows remote work options for full time residents, seasonal residents, and visitors
 - Gives visitors a reason to stay longer in the area and bring more monies into the local economy
 - Provides access to tele-health services from both local and national providers
 - Provides better options for remote learning for students of all ages

EXECUTIVE SUMMARY

- After consideration of multiple technologies, the Broadband Committee recommends that the Town of Presque Isle undertake a project to install fiber optic cable throughout Presque Isle Township to replace our dependence upon an obsolete copper-based infrastructure for internet access and other future telecommunications services.
- With a few exceptions (noted later in this presentation) fiber would be brought to the primary dwelling on all improved properties within the Town of Presque Isle; i.e., fiber to the premise, or FTTP.
- The Broadband Committee further recommends that the Town Board approve a financial commitment resolution for this project in support of grant applications to the Wisconsin Public Service Commission (PSC), with the Town acting as a partner with Charter Communications (Spectrum)

TECHNOLOGY CHOICES EVALUATED

Technology	Pros	Cons
Fiber to the Premise	<ul style="list-style-type: none"> • Best “bang for the buck” in terms of available speeds and services • Provides backbone for future services • Eligible for PSC grants • RDOF covers some living units at no cost to the Town • Substantially financed through grants and ISP contribution 	<ul style="list-style-type: none"> • Requires installation of fiber throughout the Town • Multi-year project
Fixed Wireless	<ul style="list-style-type: none"> • Can service multiple dwellings from a single antenna • Eligible for PSC grants 	<ul style="list-style-type: none"> • Requires line of sight signal; impacted by obstructions • Available speeds lower than fiber to the premise
Starlink	<ul style="list-style-type: none"> • Designed to be “plug and play” for the property owner • No dependence upon other technologies 	<ul style="list-style-type: none"> • Requires line of sight signal; impacted by obstructions • Available speeds lower than fiber to the premise • Speeds degrade with increase of simultaneous users • Not eligible for PSC grants
Mobile Services	<ul style="list-style-type: none"> • Can service multiple dwellings from a single antenna 	<ul style="list-style-type: none"> • Requires line of sight signal; impacted by obstructions • Limited signal range • Not eligible for PSC grants

EVALUATION RESULTS

Technology	Reasoning
Fixed Wireless	Eliminated from consideration due to technology and provider limitations
Starlink	Eliminated from consideration due to technology limitations as a town-wide solution; not PSC grant eligible
Mobile Services	Eliminated from consideration due to technology limitations as a town-wide solution; not PSC grant eligible
Fiber to the Premise	Recommended solution

CANDIDATE FTTP PROVIDERS

- LUMEN (CenturyLink)
 - Current ISP for the Town
- Charter Communications (Spectrum)
 - Won RDOF auction in December 2020 for portions of the Town of Presque Isle

PROJECT COST COMPARISON

	Charter	LUMEN
Estimated Project Cost	\$8,750,600	\$10,500,000
ISP Contribution	\$(3,832,500)	\$(945,000)
PSC Grant	\$(3,418,100)	\$(4,777,500)
Cost to the Town	\$1,500,000	\$4,777,500
% of Total Project Cost	17%	45%

- Charter figures are based upon a PSC grant application due March 2022
- LUMEN figures are based upon 2021 proposal to the Town

LUMEN ELIMINATED

- Cost of LUMEN project to the Town is more than 3x Charter
- Risk associated with sale of LUMEN Wisconsin assets and staff to Apollo Management in August 2021; sale to finalize in Summer, 2022
 - New company will honor 2022 grant award, but priorities beyond that are unknown
- LUMEN would build over RDOF areas, which the PSC would view poorly
- LUMEN's plan based upon a phased approach requiring multiple grant awards

RECOMMENDATION: CHARTER

- This choice is the lowest cost to the Town and avoids the uncertainty of LUMEN's future under Apollo Management
- We can take advantage of Charter's RDOF commitment
- The requested grant amount is well within PSC guidelines
- A fiber-based infrastructure provides the widest opportunity for economic development in Presque Isle
- A fiber-based infrastructure will support other services beyond internet access; e.g., telephone service, television service, etc.
- A fiber-based infrastructure will improve the cost benefit for cell tower development in the Town

COMMUNITY SUPPORT

- To date, we have received more than 90 letters of support from lake associations and individuals
- We have received more than \$14,600 in pledges to support the project and related costs
- We are currently reaching out to businesses, organizations, and individuals to solicit additional support

PROJECT DURATION

- Charter has confirmed that both RDOF and non-RDOF areas will be built the same way at the same time
 - As non-RDOF areas are subject to PSC grant terms all work must be completed within 24 months of grant award
- Assuming a Summer, 2022 grant award and then contract negotiations, completion estimated at end of 2024

FINANCING

- The Broadband Committee recommends that the Town obtain a fixed rate loan from the Wisconsin Board of Commissioners of Public Lands (bcpl.wisconsin.gov)
 - “Since 1871, BCPL has invested in loans to municipalities and school districts for public purpose projects including economic development, local infrastructure, capital equipment and vehicles, building repairs and improvements, and refinancing existing liabilities to reduce future borrowing costs.”
- All interest earned from BCPL loans is distributed annually to fund public school library materials throughout Wisconsin
- Annual payments are due March 15; loan executed this year would not require payment until 2023.
- The loan would be repaid through property taxes for all property owners within the Town of Presque Isle.

PROPERTY OWNER TAX IMPACT

	Assessed value (000s)	2021 Property Tax	Additional Tax for 10-year Loan @ 3.5%	Additional Tax for 20-year Loan @ 4.0%
Annual Tax	100	\$719.48	\$29.92	\$18.34
	200	\$1,438.95	\$59.85	\$36.68
	400	\$2,877.90	\$119.70	\$73.35
Monthly Tax	100	\$59.96	\$2.49	\$1.53
	200	\$119.91	\$4.99	\$3.06
	400	\$239.82	\$9.97	\$6.11

- Mil rate from January 2022 tax bills was 0.00719476
- Mil rate to cover project cost 0.000299241

EXAMPLE IMPACT TO CONSUMER (10 YEAR LOAN)

	CenturyLink (LUMEN)			Charter (Spectrum)		
Internet	10Mbps – 15Mbps			200Mbps		
Home Phone	Unlimited			Unlimited		
Monthly Bill (bundled services)	\$92.77			\$89.98		
Sample Property Value	100K	200K	400K	100K	200K	400K
Monthly Property Tax Impact	\$2.49	\$4.99	\$9.97	\$2.49	\$4.99	\$9.97
Monthly Total	\$95.26	\$97.76	\$102.74	\$92.47	\$94.97	\$99.95

WHAT HAPPENS IF WE DO NOT WIN A PSC GRANT?

- RDOF build out by Charter begins; timing TBD
- With Town Board approval, we will try again at the next grant cycle (6 to 12 months)

NEXT STEPS AND REMAINING ISSUES

- Formal resolution from the Town Board
- Resolution of LTD Broadband RDOF areas within Presque Isle
- Occupied islands may require alternative access options
 - Will need to be handled on case-by-case basis
- Potential administrative costs to oversee the project (TBD)
- Need to determine if Town budget can accommodate project cost without increase
- Memorandum of Understanding (MOU) with Charter signed upon grant award; contract negotiations to follow
- Finalize when Town's share of project cost is required by Charter

The background is a blue gradient. In the corners, there are white line art designs resembling circuit boards or neural networks, with lines and small circles.

QUESTIONS?