

Yamhill County Grant Request

Project Name: Yamhill County Rural Broadband Expansion

Business Name: Online NW

Project Timeline: 12-18 Months

Business Background:

Online NW is the only commercial and residential internet service provider headquartered in Yamhill County (McMinnville). What started as a dialup internet service provider in 1997 has grown to a multi-county, multi-solution high speed internet service provider with 47 employees. When the State of Oregon launched the *Innovate Oregon* project, Online NW stepped up and made significant investments in both the Innovate Dayton and Innovate Willamina projects, extending 10GB broadband to some of the most remote areas of the county. With a corporate commitment to expanding internet access to all of Yamhill County, Online NW was recently awarded a spectrum bid with the FCC to cover the most rural reaches of Yamhill County.

What is spectrum?

Spectrum is an **important part of broadband Internet service**, especially for community networks—those built by and for the communities they serve. Sometimes called wireless spectrum, radio frequencies, or airwaves, spectrum allows us to transmit information (such as data or sound) via radio waves. All non-federal use of these spectrums are managed and regulated by the Federal Communications Commission (FCC). This includes state, local government, commercial, private internal business, and personal use.

The Problem We Face:

Access to broadband in our rural communities has been an ongoing problem, now exacerbated by the COVID-19 pandemic. With work-from-home mandates, distance learning requirements and telehealth as a main point of medical service access, our historically underserved community members are falling further behind. There is an estimated 10,000 households in rural Yamhill County, 8,000 of which do not currently have internet access for their homes or businesses. The impact is significant.

Online NW’s Proposed Solution:

In September 2020, Online NW won a spectrum bid with the FCC for service in Yamhill County. Along with that bid they also purchased licensing to secure airwave rights for future wireless service. The proposed Rural Broadband Expansion project will allow Online NW to accomplish the following goals:

- Provide a higher level of service to existing 1,857 rural customers
- Densify their network to provide last mile access to over 4,000 unserved households
- Expand their network reach to provide middle mile connectivity to serve the remaining ~4,000 households.

With County funding for this project, Online NW will invest in network upgrades to provide density and speeds within rural Yamhill County. They will be adding six to nine structural locations (a combination of construction and leasing) and equipment to connect their tower network (middle mile – transporting of internet around the network and to the towers).

To do this work, Online NW will also be adding 2-4 full time employment positions.

Budget:

Spectrum access and licensing - \$344,000

- Online NW has already made this financial investment

Middle-mile service extension for structural and equipment costs - \$1,056,000

- This is the most extensive area of work which will help to densify service as well as expand it in terms of reach. YC Cares Act grant funds are being requested to support this portion of the expense.

Last-mile extension of service to individual homes - \$600,000+

- Extends service directly to homes – additional funding will be sought through State and Federal programs, for this work.

Total Project Cost	Online NW Investment	YC Grant Request	**CDBG & EDA Grant Request	Balance
<u>\$2,000,000+</u>	(\$344,000)	(\$500,000)	(\$500,000)	\$656,000

**CDBG and EDA Grant applications have not yet been submitted. Online NW will be working with SEDCOR to submit those requests for funding. In the case that Online NW does not receiving funding from the State or Federal programs, they will continue to move forward with this project using funds assigned for regional expansion.

Funding Request:

Online NW has plans for several programmatic expansions in Yamhill and other counties. That said, they see the Yamhill County Rural Broadband Expansion Project as one of the most impactful projects for the underserved rural areas of the county. These types of projects typically do not “pencil out” for service providers due to the upfront infrastructure costs to serve each home, and low number of potential subscribers. With funding, Online NW can prioritize this project for 2020-2021 and provide more immediate, high quality internet service to the rural reaches of our county. For that reason, Online NW humbly requests grant funding in the amount of \$500,000 for this project.

SEDCOR supports Online NW’s Yamhill County Rural Broadband Expansion Project as a valuable COVID-19 related economic recovery project. It is our understanding that a grant of this nature qualifies for Cares Act reimbursement and is identified as one of the program’s funding priorities.

Reference:

As stated in the **Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments Updated September 2, 2020**

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:

- *Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.*
- *Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.*
- *Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.*
- *Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.*
- *COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.*
- *Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.*

Accepted by Yamhill County
Board of Commissioners on
10/29/2020 by Board Order
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