

Fiber To The Home Summary Sheet

June 2010

The Blandin Foundation has awarded the cities a \$40,000 matching grant to conduct a feasibility study for a Fiber To The Home (FTTH) network. The Sibley County Commissioners have provided a \$40,000 match for the communities in Sibley County.

The Fairfax EDA has committed the match for the city of Fairfax. We are asking if the Renville County Commissioners want to provide a match for the folks in the rural part of the Fairfax exchange. The estimated maximum cost for people in the rural Fairfax exchange would be \$1,190. (A separate sheet is provided with the calculations for that cost.)

The study will examine the feasibility of building a FTTH network within and between the communities of Arlington, Henderson, Gaylord, Gibbon, Green Isle, New Auburn, Winthrop and Fairfax and possibly to every farm in Sibley County and the rural exchange of Fairfax

Every home and business (including the elementary, middle and high schools) would be connected with a fiber optic line.

The network would provide very high speed internet, voice and video (cable) services over the network, as well as applications such as telemedicine, distance learning, home/farm/business security and other emerging applications.

The feasibility study is the necessary first step to determine whether a FTTH network would be viable in the eight communities and the rural areas of Sibley County and Renville County.

The feasibility study will include a market survey, engineering, business plan and options for operations. It will determine how much the network will cost to build and how many people will need to subscribe to be financially viable.

CCG Consulting has been hired to do the feasibility study and should have it completed by October/November of this year.

If the project moves forward, we anticipate forming a Telecommunications Cooperative to make decisions for the participating communities.

Feasibility Study Cost Estimates

Sibley County – 15,000 population

Fairfax – 1,300 population

Rural Fairfax Exchange – 450 population (estimate)

Dividing the \$40,000 city/county match by 16,750 means the per person match is \$2.38.

Fairfax's match would be \$3,094.

Renville County's share for the rural part of the Fairfax exchange it would be \$1,190.

Keep in mind this is the maximum amount . . . meaning that if the entire \$80,000 is spent on the feasibility study process that's the per person cost.

NOTE: Perhaps you've notice, but there is a little overrun on the grant because Sibley County put up \$40,000. If you add up all the possible matching funds it equals about \$44,300. If Renville County puts up a match that amount will be deducted from the Sibley County match and the Fairfax EDA match would also be deducted because the maximum grant match is \$40,000.