FY 2022/2023 Minnesota Broadband Grant Application

$95 million available
Maximum grant amount: $5 million
Application period opens: June 2, 2022
Submission deadline: August 4, 2022 4:00 p.m. Central Time

✓ Prepare your grant application starting now
  ▪ Read this entire application instruction document carefully
  ▪ Complete project analysis and gather all documentation
  ▪ Follow the format templates to complete the application packet
  ▪ Correctly label all application attachments

✓ Submit your grant application starting July 8, 2022

Applications MUST be UPLOADED to DEED via Secure File Transfer Protocol (SFTP) portal no later than **August 4, 2022** at 4:00 p.m. Central Time.

Late applications will not be accepted.

The application portal will open July 8, 2022 and the instructions to submit your application are located on the Office of Broadband Development (OBD) website under Application Process here: https://mn.gov/deed/programs-services/broadband/grant-program/index.jsp

✓ Any questions?
  Call or email our team at 651-259-7610 or deed.broadband@state.mn.us
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Applicant has concretely demonstrated a comprehensive knowledge of – and detailed preparation for – the proposed project. Applicant has provided evidence of being fully prepared to build, implement, and operate the project:

Project Sustainability: 0 to 25 points possible

Applicant has demonstrated strong internal capacity to effectively support and sustain its broadband infrastructure proposal:

Economic Development & Community Impact Review: 0 to 15 points possible

Applicant has demonstrated the economic development and community enhancement potential of the proposed project:

Broadband Adoption Assistance: 0 to 10 points possible

Additional scoring points will be awarded for the following:

GRANT PROGRAM: GENERAL INFORMATION AND 2022 SPECIFICS

Introduction

In order to continue to promote broadband infrastructure expansion for areas of Minnesota that remain unserved or underserved, public sector investment is necessary. The Border-to-Border Broadband Development Grant Program was initially established by the 2014 legislature to assist with costly deployment projects that might not occur without public financial assistance, Pursuant to Minnesota Statutes §§ 116J.394-116J.398, the Minnesota Department of Employment and Economic Development (DEED) has the authority to award grants to assist broadband providers with eligible infrastructure installation costs as defined in this document.

Funding Availability for 2022

For the 2022 Border-to-Border Broadband Grant application, the Legislature appropriated $25 million in state general revenue funding for FY23. Additionally, in the 2021 Special Session, the legislature appropriated $70 million in American Rescue Plan Act (ARPA) Capital Projects Funds for fiscal years 2022 and 2023. Combined, the amount of funding available for this grant round will be $95 million. Priority consideration will be given to projects that leverage greater amounts of funding for a project from other private and public sources. The maximum individual grant amount is $5 million. The maximum grant funding award cannot exceed 50% of the eligible total project costs. Awarded grant project work must be completed by June 30, 2025.

Eligible Applicants

Eligible applicants for this program are an incorporated business or partnership, a political subdivision, an Indian tribe, a Minnesota nonprofit organization organized under chapter 317A, a Minnesota cooperative association organized under chapter 308A or 308B, or a Minnesota limited liability corporation organized under chapter 322C for the purpose of expanding broadband access.
Eligible Project Areas

Broadband development projects located in unserved or underserved areas are eligible. An unserved area is an area of Minnesota in which households or businesses lack access to wire-line broadband service at speeds that meet the Federal Communications Commission’s (FCC) threshold of 25 megabits per second (Mbps) download and 3 megabits per second (Mbps) upload. An underserved area is an area of Minnesota in which households or businesses do receive service at or above the FCC threshold of 25 Mbps down and 3 Mbps up, but lack access to wire-line broadband service at speeds of 100 Mbps download and 20 Mbps upload.

Eligible Program Costs

The Broadband Development Grant Program can pay up to 50 percent of the eligible costs for a qualifying project. Eligible costs refer to the costs associated with the acquisition and installation of middle mile and/or last mile infrastructure that can support broadband service scalable to speeds of at least 100 Mbps download and 100 Mbps upload.

Last mile infrastructure is broadband infrastructure that serves as the final leg connecting the broadband service provider’s network to the end-user customer’s on-premise telecommunications equipment. Middle mile infrastructure is broadband infrastructure that links a broadband service provider’s core network infrastructure to last mile infrastructure.

Construction of broadband infrastructure may include the following: project planning; obtaining construction permits; construction of facilities – including construction of both middle mile and last mile infrastructure; equipment; and installation and testing of the broadband service.

Matching Funds Requirement

To obtain a broadband development grant, the applicant must provide for the funding not covered by the grant with matching funds. The match can come from any private and/or public sources available to the applicant. The state grant funding period begins after the grant application is received, evaluated, and officially approved by the DEED Commissioner with an award letter and executed contract. An application will receive additional points if the applicant and funding partner matching funds are 55% or more of the total eligible project costs.

Documentation to validate the availability of matching funds is required as part of the application. Some examples of appropriate documentation include: a letter of credit, letter confirming funds from a bank, board resolution committing funding, or loan documentation. If the application will have additional financial partners contributing to the matching funds, the application must also identify the financial partner(s) and documentation of the amount and availability of each partner’s financial match. Priority consideration will be given to projects that have secured community partners who have contributed to the matching funds.

Note: If matching funds are federally-sourced wholly or in-part from funding such as ARPA–Local Fiscal Recovery Funds, CARES Act, etc., applicant will need to identify the program name and specific amount of those funds.
Eligible project expenses are those that are incurred starting with the 2022 grant award contract execution date and ending at the conclusion of the grant project, or grant project contractual term of June 30, 2025, (whichever is earlier). The state grant funding period begins after the grant application is received, evaluated, and officially approved with an award letter and executed contract.

**Application Filing Window and Deadlines for FY 2022-2023**

The Minnesota Broadband Grant Program is a competitive grant program. The grant application window for 2022 will open on June 2, 2022.

*All applications must be uploaded to DEED on or before the application deadline of August 4, 2022 no later than 4:00 p.m. Central Time.*

Completed applications and all required supporting documentation will need to be submitted via the State of Minnesota’s Secure File Transfer Protocol (SFTP) [https://mn.gov/deed/assets/sftp-instructions-submitting-grant-application_tcm1045-529253.pdf](https://mn.gov/deed/assets/sftp-instructions-submitting-grant-application_tcm1045-529253.pdf) on or prior to 4:00 p.m. Central Time on August 4, 2022 to be deemed eligible for funding. Grant award decisions are anticipated by Fall 2022.
PREPARE A GRANT APPLICATION

In all application sections that follow, provide concise and complete responses to all information requested. Accurate and comprehensive responses are required to receive the best possible scoring. The final application must provide necessary information to fully describe and document the broadband application proposal. Questions should be addressed to deed.broadband@state.mn.us

Part 1 – Application Key Data Form

Complete the Application Key Data Form

https://mn.gov/deed/assets/part1-key-data_tcm1045-529247.pdf

Applicants should use Adobe Reader https://get.adobe.com/reader/ to complete this form in its entirety. As you tab through the form, tool tip directions will appear in each box. Please ensure that you provide accurate and concise data in each field.

Part 2 – Budget Sources and Uses Excel Worksheet

Complete the Budget Sources and Uses Worksheet

https://mn.gov/deed/assets/part2-budget-sources-uses_tcm1045-529248.xlsx

Applicants will use Excel to complete the Worksheet. The worksheet is protected to allow ease of navigation and is programmed to minimize inconsistencies and duplicative entries.

Upon completion, save the worksheet both as a PDF and in Excel. Submit both versions with your application submission.

Part 3 – Grant Application Word Narrative Form

Complete the Grant Application Word Narrative Form

https://mn.gov/deed/assets/part3-application-narrative_tcm1045-529249.docx

Applicants may choose to answer the questions directly within the word document or applicants may alter the form to suit their needs, ensuring that all questions are accurately and concisely answered for scoring.
Part 4 – Required Attachments

Separately attach the following items and label as indicated on page 12 of the checklist.

Anticipated Broadband Improvements

4.1 Attach Maps and Description of Project Area.

Applicant should include a map of the proposed project area and/or a complete list of addresses that will be served by the project. A map of a last mile project should include the service area boundaries and also include place names, boundaries, buildings, road/street names or other features that clearly identify the project coverage area. The application may also include a list of census blocks and road segments if a census block is over two square miles where the project will provide broadband. For middle mile projects, the map should indicate the location of the middle mile facilities that will be placed.

In addition to the PDF version of the map which must be provided in the application folder submittal, the map must additionally be provided in a .shp, .kmz, or .kml version in the application folder.

The maps provided in response to this requirement are used for grant applicant review and rating. Another purpose of the map/address list is for posting online for the grant application challenge process. For more information on the challenge process, see the Frequently Asked Questions (FAQs) portion on our website at: https://mn.gov/deed/programs-services/broadband/grant-program/index.jsp. The FAQ website may be updated during the application process window.

4.2 Attach evidence to demonstrate that the proposed project is for an unserved or underserved area.

The location of the proposed project should be the result of reviewing areas eligible for the grant and ensuring that the project is within geographic boundaries eligible for grant funding. Applicant should provide and attach evidence to demonstrate that the proposed project is in an unserved and/or underserved area.

Demonstrate this by overlaying your proposed project area onto the 2022 Border-to-Border Grant Eligibility Layer on the DEED website at http://map.connectmn.org/, in the upper left “Access” box scroll down and check the box titled 2022 Border-to-Border Grant Eligibility box.

Applicants may also submit clarifying supplemental data regarding the unserved and/or underserved nature of the proposed project location. Any supplemental data will be compared to the maps prepared by Minnesota’s designated mapping entity and any discrepancies that are identified will be resolved by the Office of Broadband Development (OBD) on a case-by-case basis. Applicants should not wait until the application deadline to work with OBD Staff to clarify details of the 2022 Border to Border Grant Eligibility Layer.

Existing broadband providers will, under Minnesota law, be able to challenge proposed service coverage areas being considered for state grant funding immediately following the close of the grant application window. Please see the website for more detailed information about the broadband grant challenge process.
4.3 Has the applicant submitted the same project, or any overlapping portion, to any other federal or state broadband funding program? If yes, attach a map identifying the areas and type of funding applied for.

Community Participation

4.4 Attach evidence of community support for the project.

Examples include petitions, surveys, letters endorsing the project and describing the need for broadband improvements from residents, businesses, legislators, congressional representatives, etc.

4.5 If the project proposes to serve or partially serve recognized tribal lands, attach documentation of tribal support.

Project Readiness

4.6 Attach all budgetary engineering designs, diagrams and maps that demonstrate the viability of the proposed project.

Design documents must clearly document the applicant’s comprehensive understanding of the project requirements and helps justify the project’s costs. This information must be certified by a registered Professional Engineer.

4.7 Attach documentation that the service is scalable to speeds of at least 100 Mbps download and 100 Mbps upload, if the project does not initially have service available at those speeds. (Note: if speeds of at least 100 Mbps download and 100 Mbps upload are not available at project completion, this application may not be considered for funding from the ARPA Capital Project Funds.)

Documentation must be certified by either the manufacturer of the equipment to be utilized, or by a registered Professional Engineer.

4.8 Attach documentation that applicant will offer the broadband service for a minimum of five years. (i.e. official letter, resolution)

Project Sustainability

4.9 Attach a five-year stand-alone financial plan for the proposed project, including a description of how the costs and anticipated revenue will result in the financial viability of the project over time.

Applicant should provide a spreadsheet summarizing its financial analysis for the proposed project, and may provide a brief narrative summarizing its findings. To assist the applicant, OBD has provided a Proforma Financial Spreadsheet Template https://mn.gov/deed/assets/proforma-financial-spreadsheet_tcm1045-529252.xlsx that the applicant may use to populate the proposed project’s pro forma financials. The pro forma financial spreadsheet must be a minimum of a five-year view, but applicant may extend the analysis for additional years if that will provide a more comprehensive financial justification.
4.10 Attach a technical expertise statement.
Provide a narrative statement detailing all the relevant technical expertise of the applicant; and the applicant’s specific prior experience in providing broadband services in Minnesota (and in other states, if applicable.)

4.11 Attach organizational support evidence.
Demonstrate the overall organization strength of the applicant to build, manage, and effectively operate the proposed broadband project, if approved. Documentation should identify key officers and management personnel with corresponding brief resumes. Organizational structure charts may also be submitted. It is important to provide a detailed description of how organizational strength pertains to level of broadband service delivery and service maintenance.

4.12 Attach audited financial statements.
Demonstrate the overall financial viability of the applicant by providing the most recent audited financial statements. (Audited by a certified public accountant.) The financial statements may be identified and filed as “Confidential Information” and must be appropriately marked as confidential when submitted. Any confidential information should be identified as a separate file in the application folder. If applicant does not have audited financial statements, results from an independent audit may also be provided as supplemental detail, as well as the applicant’s most recent year’s federal tax return. If provided these documents should also be submitted and marked as confidential.

Applicant Affidavit

4.13 Attach applicant affidavit/local government resolution.
The primary applicant must provide a signed, dated, and witnessed affidavit or resolution that shows official applicant support for and approval of the application as well as a commitment to provide the applicant’s matching funding.

If the application includes a funding partner or partners, a separate affidavit or resolution is required for each public or private partner that has committed to provide funding for the project and attach accordingly.

A sample affidavit/resolution template is provided on the OBD website https://mn.gov/deed/assets/applicant-affidavit-local-government-resolution_tcm1045-529246.docx for the applicant’s use. Please note that the applicant may choose to reformat the sample document but must ensure that all the statements appear in the signed, final version.

Pre-Application Outreach

4.14 Attach required pre-application outreach information.
Under current law, before the applicant submits any broadband grant application, the applicant must contact all existing wireline providers in the proposed project area. This must be completed no later than six weeks before the grant application deadline of August 4, 2022. Thus, if you file an application on the last day of the application period which is August 4, 2022 the last allowable date to contact all existing providers in the project area will be June 23, 2022.
The Office of Broadband Development (OBD) has provided an email template for the communication that the applicant is obligated to send to all wireline providers in the proposed application area. On the OBD website https://mn.gov/deed/assets/pre-application-outreach_tcm1045-529251.docx there is an email template entitled Pre-Application Outreach for the applicant to attach to its communication that provides the format for the provider’s email response.

The applicant email will ask for each broadband service provider’s plans to upgrade broadband service in the proposed grant project area to speeds that meet or exceed Minnesota’s specific broadband goals of 100Mbps download/20Mbps upload no later than June 30, 2025 (the anticipated end of the grant contract period).

The applicant must provide copies of all emails sent out and all emails received in response to this required outreach as part of the grant application.

The applicant must summarize all the responses to its email distribution in Part 1 Key Application Data Form https://mn.gov/deed/assets/part1-key-data_tcm1045-529247.pdf.
BORDER TO BORDER BROADBAND INFRASTRUCTURE GRANT APPLICATION INSTRUCTIONS

SUBMITTING A GRANT APPLICATION PACKET

Filing Deadline and Checklist

Completed application forms and all required supporting documentation must be uploaded via Secure File Transfer Protocol (SFTP) to DEED Office of Broadband Development SFTP portal prior to 4:00 p.m. Central Time on August 4, 2022 to be deemed eligible for funding. Instructions to upload are posted here: https://mn.gov/deed/assets/sftp-instructions-submitting-grant-application_tcm1045-529253.pdf

☐ Part 1 Applicant Key Data Form

☐ Part 2 Grant Budget and Sources Worksheet Form

☐ Part 3 Grant Application Word Narrative Form

☐ Part 4 Required attachments as labeled below:

☐ 4.1 Map Project Area-.pdf
☐ 4.1 Map Project Area-.shp, .kmz or .kml
☐ 4.2 Unserved and Underserved
☐ 4.3 Map Overlapping Funding (if applicable)
☐ 4.4 Community Support
☐ 4.5 Tribal Support (if applicable)
☐ 4.6 Engineering Designs
☐ 4.7 Scalability (if applicable)
☐ 4.8 5-year Broadband Service
☐ 4.9 Project Financials (may use Proforma Financial Spreadsheet Template)
☐ 4.10 Technical Expertise
☐ 4.11 Organization Support
☐ 4.12 Audited Financials
☐ 4.13 Affidavit and Resolution (as appropriate)
☐ 4.14 Pre-App Outreach
☐ Other - Please identify accordingly

Questions?

Call or email DEED’s Office of Broadband at 651-259-7610 or deed.broadband@state.mn.us
GRANT APPLICATION SELECTION AND AWARD PROCESS

Introduction to Scoring and Award Process

DEED will award grants to projects that provide the highest return in public benefits for the public costs incurred and that meet all of the statutory requirements. To evaluate the applications for public benefits with respect to the costs incurred, the law specifies certain priorities that DEED must consider.

To fulfill this requirement of reviewing applications in an objective and fair manner, applications will be reviewed and evaluated by a team composed by DEED. This team will use the following criteria and associated point values to assist in systematically scoring and awarding grants. These criteria reflect information provided in response to this grant application’s questions. To ensure that your application receives the best possible scoring, please be sure to provide complete and comprehensive responses to all information requested in the application.

2022 Selection Criteria and Grant Scoring Categories

120 points possible

Anticipated Broadband Improvements: 0 to 20 points possible

Unserved or underserved total passings potentially served by project:

- Anticipated improvements in broadband speed offerings from pre-existing broadband service levels to proposed service levels – project must reach or exceed 2026 state speed goals (speed now vs. speed after) and federal requirements.
- Number of total passings potentially served (# of passings).
- Total passings include households, businesses, farms, and community anchor institutions.
- If project includes both unserved and underserved passings, each will be scored separately, and the resultant scores averaged.

Anticipated Broadband Improvements Scoring Table

<table>
<thead>
<tr>
<th># of Passings</th>
<th>Speed Now: &lt;25/3</th>
<th>&lt;25/3</th>
<th>&lt;100/20</th>
<th>&lt;100/20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Speed After Build: 100/20</td>
<td>100/100 or greater</td>
<td>100/20</td>
<td>100/100 or greater</td>
</tr>
<tr>
<td>0-100 Points Awarded:</td>
<td>15</td>
<td>19</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>100+ Points Awarded:</td>
<td>16</td>
<td>20</td>
<td>10</td>
<td>14</td>
</tr>
</tbody>
</table>
Grant Funding Request Amount: 0 to 10 points possible

Percent of state grant request compared to total eligible project costs:

- Applicant matching funds of 55% or more will result in a higher application score for this category
- Any funding partner contributions are included in Applicant matching funds for points

Grant Funding Request Amount Scoring Table

<table>
<thead>
<tr>
<th>Percent of eligible project costs requested</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% or less</td>
<td>10</td>
</tr>
<tr>
<td>31 to 35%</td>
<td>8</td>
</tr>
<tr>
<td>36 to 40%</td>
<td>5</td>
</tr>
<tr>
<td>41 to 45%</td>
<td>3</td>
</tr>
<tr>
<td>46 to 50%</td>
<td>0</td>
</tr>
</tbody>
</table>

Critical Need/Community Participation: 0 to 15 points possible

Additional scoring points will be awarded for the following:

- Project applications must identify why there is a critical need for the proposed project as it relates to access, affordability, reliability and/or consistency (in addition to being a scoring factor, applicants that do not address the critical need for their project may be disqualified from consideration)
- Verified financial commitment to the project from any qualified community partner(s). [Community partner may be any public, private, non-profit, or philanthropic entity – this would include a business, county, township, city, tribal entity, or community coalition]
- Projects that propose to serve or partially serve federally recognized tribal lands, and the associated tribal entity has provided application documentation of project support
- Project applications that provide substantive evidence of community support for the project
Project Readiness: 0 to 25 points possible

Applicant has concretely demonstrated a comprehensive knowledge of – and detailed preparation for – the proposed project. Applicant has provided evidence of being fully prepared to build, implement, and operate the project:

- All budget material is provided in detailed, yet clearly understandable manner, sources and uses of funds is realistic, all grant eligible elements are included, all funding partners are secured
- Other broadband infrastructure requirements are included – certified engineering design and diagrams, documentation of scalable equipment, and all preconstruction requirements are identified and included in the project schedule
- Project implementation requirements are provided – proposed speed tiers and service pricing, 5-year service commitment, and proposed marketing strategies
- Complete project schedule and financial requirements are provided

Project Sustainability: 0 to 25 points possible

Applicant has demonstrated strong internal capacity to effectively support and sustain its broadband infrastructure proposal:

- Demonstration of technical expertise – specific prior experience in providing broadband services
- Organizational support evidence provided – extent of organization and how organizational strength will sustain broadband service delivery and maintenance
- Financial statements provided – most current year’s audited financial statements, and supporting documentation where applicable, to demonstrate overall financial viability

Economic Development & Community Impact Review: 0 to 15 points possible

Applicant has demonstrated the economic development and community enhancement potential of the proposed project:

- Applicant has identified businesses, farms and agricultural use customers, community anchor institutions, and educational facilities in the proposed project area
- For businesses, farms and agricultural use customers, applicant has identified how improved broadband speeds and coverage will enable the project area to become and/or remain competitively viable
- For community anchor institutions, applicant has identified how improved broadband deployment will be incorporated into specific community programs
- For educational locations, applicant has identified the proposed impact on e-learning
- For health and public safety locations, applicant has identified the proposed impact on telemedicine
- If project area is in an economically distressed area, application has demonstrated that the proposed project area has unemployment, poverty, or population loss levels significantly greater than statewide
average (Application may reference median household income or percent of students eligible for free or reduced school lunches for proposed project area)

**Broadband Adoption Assistance:** 0 to 10 points possible

**Additional scoring points will be awarded for the following:**

- Will technical support or training on broadband be offered?
- Are broadband adoption activities planned for the project?
- Describe how the broadband service that will be offered is affordable to the target markets in the proposed service area. Is there a low-income broadband assistance program offering? (At a minimum, grant recipients will be required to participate in the FCC’s Affordable Connectivity Program. Additional efforts by the applicant to address affordability will be awarded additional points.)
[END OF APPLICATION PACKAGE]