Broadband Initiative

Promoting Economic Development in East Central Minnesota
GPS 45::93 Presenters

• Doyle Jelsing –
  – Kanabec County EDA Chair
  – President, Neighborhood Bank

• Robert Musgrove –
  – Pine County Economic Development Coordinator
  – Former President Pine Technical and Community College

• Nancy Hoffman –
  – Executive Director, Chisago County HRA-EDA
GPS 45:93 Background

- Public-Private economic development partnerships
- Five Counties
  - Chisago
  - Isanti
  - Kanabec
  - Mille Lacs
  - Pine
Regional Commonalities

• There is more need in Region 7E than in the metro for broadband investment

• High rates of poverty in northern counties
  Minnesota – 10.2%
  Pine County – 13.9%
  Mille Lacs - 12.4%
  Kanabec – 11.7%

  – Workforce education is even more important
Regional Commonalities

• Large number of out-bound commuters
  – Region 7E is a net labor exporter: 59% commute out of the region
  – Telecommuting and job opportunities are needed

• Relatively low property tax base
  – Less capacity to provide match for fiber funding
Regional Commonalities

• High percentages of residents living outside of cable-served cities
  – Means a high percentage of population underserved

• The region is missing spillover development opportunities from MSP, Duluth and St. Cloud
  – Cannot participate without access for Health Care, Education, and Business
SHARED BROADBAND CHALLENGES
# Broadband Availability

Source MNDEED

<table>
<thead>
<tr>
<th>County Name</th>
<th>Households (2010)</th>
<th>Percent Broadband (1Gbps/1Gbps)</th>
<th>Percent Wireline Broadband (25Mbps/3Mbps)</th>
<th>Percent Wireline Broadband (100Mbps/20 Mbps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chisago</td>
<td>19,470</td>
<td>0.00</td>
<td>65.15</td>
<td>62.32</td>
</tr>
<tr>
<td>Isanti</td>
<td>13,972</td>
<td>0.02</td>
<td>54.33</td>
<td>49.28</td>
</tr>
<tr>
<td>Kanabec</td>
<td>6,413</td>
<td>0.00</td>
<td>34.48</td>
<td>26.59</td>
</tr>
<tr>
<td>Mille Lacs</td>
<td>10,166</td>
<td>0.00</td>
<td>47.57</td>
<td>47.07</td>
</tr>
<tr>
<td>Pine</td>
<td>11,373</td>
<td>0.00</td>
<td>39.70</td>
<td>36.95</td>
</tr>
<tr>
<td>Rural MN</td>
<td>14.24</td>
<td>73.06</td>
<td>52.46</td>
<td></td>
</tr>
<tr>
<td>Minnesota</td>
<td>16.93</td>
<td>87.94</td>
<td>69.86</td>
<td></td>
</tr>
</tbody>
</table>
Border to Border Eligible (red)
CAF2 Eligible
Our Shared Challenges

• Huge digital divide gap between our towns with cable and the countryside

• CAF2 Uncertainties
  – Old DSL technology on old copper
  – Unknown deployment schedule
  – Not 100% coverage
  – Still leaves region un- and underserved

• Few prospective competitive provider options
• Few prospective partnership options
• Region generally not well-suited for wireless
• Poor access to competitive wholesale fiber
DEED B2B Challenges

• Only one successful B2B grant in three years affecting ½ of one township – Sunrise Twp.
• Communities/counties can’t find provider partners
• Low density means 50% grant is not enough for very rural areas
• CAF2 uncertainty diminishes partner interest
• CAF2 locks the region into inferior service
Negative Impacts of Poor Broadband

• Survey data shows that lack of access prevents business startups.
  – download equals consumption, upload equals production
• Attraction and retention of growing companies
  – Sunrise and Braham manufacturer
• Telework opportunities are limited
  – Mora Tech Center
Negative Impacts of Poor Broadband

• Attraction of talented workforce
  – Cambridge hospital
• Access to higher education
  – Pine Tech
• Diminished K12 education
  – Gb at schools, nothing at home
We are getting left behind...

- Other even more rural regions have FTTH provider partners
- B2B, as structured, is not working for us

- Would state bonding with a regional Gb provider partner be a solution for our region and other poorly served regions?
GPS: 45: 93
YOUR POINT OF OPPORTUNITY.