



# Washington State Community Economic Revitalization Board (CERB)

## Rural Broadband Program





# Community Economic Revitalization Board



## Who Is CERB?

Investing in  
Washington's Economic Future





Community Economic Revitalization Board



Legislation

2018 Supplemental Capital Budget  
2018: Chapter 298:  
ESSB 6095, Section 1008






Community Economic Revitalization Board




Available Funding

\$10 Million  
through June 2019







## Community Economic Revitalization Board




### Objective

To finance the cost of building broadband infrastructure to provide high-speed, open-access broadband service for rural underserved communities, for the purpose of community economic development.







## Community Economic Revitalization Board




### Unserved & Underserved


- An **unserved area**: an area that ***lacks access*** to broadband service that meet the FCC threshold of **25 megabits per second download and 3 megabits per second upload**.
- An **underserved area**: is an area that has broadband service at the FCC threshold but ***lacks access*** to broadband service at speeds of **100 megabits per second download and 20 megabits per second upload**.







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## Rural

- **Rural Counties:** Those with a population density of fewer than 100 persons per square mile or a county smaller than 225 square miles, as determined by the Office of Financial Management ([RCW 43.160.020](#)).
- **Rural Communities:** Rural communities in urban counties as those that meet any one of the following standards:
  - Cities within an urban county that have a population of **19,999 or less**.
  - Federally recognized Indian Tribes.







# Community Economic Revitalization Board



## Purpose

**For projects that are located in a rural community as defined by the Board, or a rural county; that encourages, fosters, develops, and improves broadband within the state in order to:**

- Drive job creation, promote innovation, and expand markets for local businesses; or
- Serve the ongoing and growing needs of local education systems, health care system, public safety system, industries and businesses, governmental operations, and citizens; and
- Improve accessibility for underserved communities and populations.








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Eligible Jurisdictions


- Cities & Towns
- Counties
- Federally Recognized Tribes
- Municipal and Quasi-Municipal Corporations
- Port Districts
- Special Purpose Districts (e.g. PDAs, PUDs)








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Funding Limits

- \$1 million per project loan/grant award limit
- Grant: Up to 50% of total award, determined by the underwriting process and the Debt Service Coverage Ratio.
- Match: Up to 25% cash match (percent of total project cost), determined by the underwriting process and the Debt Service Coverage Ratio.


Example: \$1 million CERB + \$333,333 minimum match = \$1,333,333 Total Project Cost








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Loan/Grant Financing  
Criteria & Eligibility Model

	Rural County/ Community		Loan Years						
			1-10 Years		11-15 Years		16-20 Years		
	DSCR	Match	Grants	Distressed County***	Non- Distressed County	Distressed County***	Non- Distressed County	Distressed County***	Non- Distressed County
1.0-1.25	0%	50%**		1.00%	1.50%	1.25%	1.75%	1.50%	2.00%
1.26-1.49	12.5%*	25%**		1.50%	2.00%	1.75%	2.25%	2.00%	2.50%
1.50+	25%*	0%		2.00%	2.50%	2.25%	2.75%	2.50%	3.00%


\* Percentage of the **total** project cost.

\*\* Percentage is of the CERB request.

Criteria that staff uses to determine grant eligibility and interest rate:

- Debt Service Coverage Ratio (DSCR)
- Rural Counties/Communities
- Length of Loan Term
- Annual Capital Plan

\*\*\*Distressed counties are designated by the Washington State Employment Security Department. These counties are those where the three-year unemployment rate is at least 20 percent higher than the statewide average.





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How can a Community payback CERB for Broadband Construction?








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Project Prioritization

- The project’s value to the community, including evidence of support from affected local businesses and government;
- The project’s feasibility, using standard economic principles;
- Commitment of local matching resources and local participation;
- The project’s inclusion in a local plan; and
- The project’s readiness to proceed.





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Eligible Infrastructure  
& Minimum Speeds


“Dark Infrastructure” – Not technology to provide service

Including, but not limited to for the purpose of broadband infrastructure:


• Cable Modem	100Mbps/20Mbps
• Fiber	1Gbps/1Gbps
• Wireless (fixed wireless, wifi)	50Mbps/10Mbps
• 4G Mobile Wireless	25Mbps/5Mbps
• Broadband over Powerlines (BPL)	100Mbps/100Mbps
• Microwave	100Mbps/20Mbps







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Not Eligible

CERB may not finance projects which:


- Result in retail development
- Facilitate gambling
- Displace jobs from one part of the state to another
- **Are outside the applicant's jurisdiction**
- Are for equipment or facilities which would enable a public entity to provide retail telecommunications services or services that the entity is not authorized by statute to provide.
- Are for the deployment of publicly-owned telecommunication network infrastructure ("backbone") solely for the sake of creating competitive, publicly-owned telecommunication network infrastructure.

CERB does not contract with private business,  
only the local government applying for funds.






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Readiness Self Assessment

- Complete CERB's self-assessment to understand your municipality's readiness to undertake a broadband project.
- Readiness gaps can addressed with a clear action plan.
- The more ready you are the more successful your project will be.







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Broadband Provider  
Contact Letter

- To inquire if there are any plans to upgrade broadband service in the project area, the meet or exceed the programs broadband speed goals.
- To inquire if they would be interested in partnering with your project.





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Committed  
Internet Service Provider

To apply for constructions funds, an applicant must have a committed Internet Service Provider (ISP).

CERB requires a signed **Contingency Agreement(s)** between the applicant and **each** ISP named in the application.





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Project is Shovel Ready

This program is for projects that have been planning for future broadband construction.

That have:

- A committed ISP.
- Partnership agreements.
- A Technical Plan.
- A Business Plan.





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Prior to Applying to CERB

- Broadband Planning has been done.
- Evidence that a public meeting was held by governing body to approve the submittal of the application.
- Resolution authorizing the application.
- Contingency Agreement with ISP.
- Readiness Self-Assessment has been completed.
- Broadband Provider Contact Letters sent out.
- Revenue Plan for Broadband Service.
- Project Management Plan.
- Evidence of local support.





## Community Economic Revitalization Board



### How CERB works

- Staff provides Technical Assistance (TA) to communities for project development. 
- Applications are due 8 weeks prior to a meeting.
- Staff works with the client to vet the application and project.
- Board meets to review applications every two months.
- The applicant presents the proposal to the Board.
- The applicant will know at the meeting if their project is approved.





## Community Economic Revitalization Board



### Important DATES

<u>Rural Broadband Construction Projects Application Deadline</u>	<u>All CERB Planning Projects Application Deadline</u>	<u>Board Meeting</u> 
<b>July 16, 2018</b>	July 30, 2018	September 20, 2018
<b>September 17, 2018</b>	September 24, 2018	November 15, 2018
<b>November 12, 2018</b>	November 26, 2018	January 17, 2019
<b>January 14, 2019</b>	January 28, 2019	March 21, 2019
<b>March 18, 2019</b>	April 1, 2019	May 16, 2019





# Community Economic Revitalization Board






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## 2019 Session Requests


- \$20 Million for the Rural Broadband Program
- Proviso language to be codified in CERB’s statute 43.160






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How many  did you see?





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# THANK YOU!

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