

## Broadband USA Applications Database

**Applicant Name:** ZAYO BANDWIDTH, LLC

**Project Title:** Connect Anoka County Community Broadband Network

**Project Type:** Comprehensive Community Infrastructure

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### Executive Summary

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Introduction Zayo Bandwidth, LLC in partnership with Anoka County is pleased to submit this proposal to the U.S. Department of Commerce, NTIA for the Recovery Act Broadband Opportunity Program (BTOP), seeking funding to build Middle Mile broadband infrastructure and connect 145 Anchor Institutions with 286 miles of fiber. This network will make broadband services available to governments, businesses, other anchor institutions, carriers and Last Mile Providers in Anoka County as well as parts of Isanti and Ramsey Counties. Anoka County is the fourth largest county by population in Minnesota and is located in the northwestern metropolitan Twin Cities area. The County includes areas of high-density urban development as well as quaint communities and scattered farmsteads. There are twenty cities and one township in Anoka County, several school districts and two community colleges. Anoka County is the poorest and has the highest unemployment rate of the seven county metro area, and has the third highest rate of foreclosures of the 87 counties in Minnesota. This project also includes an economically distressed area in Isanti County. Connect Anoka County A project, called 'Connect Anoka County,' was formed about a year ago by the County to determine the need for connectivity improvements. The County completed a statistically valid telephone survey with results that included 80% respondents saying that they favored the County constructing a fiber network that would go to every household and business. A business survey was used to obtain feedback from local businesses and area chambers of commerce, with many businesses stating that current data speeds available cause constraints and they would like much faster speeds. Community meetings were held to directly gain input from residents, with many attendees citing concerns with affordability, speed, and access. Group and individual meetings were held to determine interest from governmental partners including cities, school districts, and colleges. These entities have become enthusiastic partners providing resolutions and letters of support as they look forward to this project providing at long last, affordable high speed connectivity. From this information gathering, the County concluded that government, businesses and residents shared a common connectivity problem. Most large institutions are limited to T1 service in the county, and due to the limited availability of higher speeds, there are many locations that receive bandwidth through DSL or cable modem service. There are even some areas in the north end of the County that do not even have access to cable or DSL service. The County has turned to the private sector to assist in finding a solution. The County issued an RFP, received 5 proposals and selected Zayo Bandwidth as the private partner for providing a broadband solution in the County. Institutions, Businesses and Households This project proposes to bring substantially upgraded broadband service to 145 Anchor Institutions through the deployment of a 286 mile broadband infrastructure. These Anchor Institutions include county buildings, all city and township halls, community buildings, libraries, license centers,

public works buildings, 56 public safety facilities, water towers, school buildings, and community colleges. These institutions are highly supportive of this project as a way to solve their bandwidth problems at an affordable price. The project also includes two connections outside of the Anoka County borders: one to the Cambridge College campus in Isanti County, and one in Ramsey County that would be used to connect to other metro counties. Included in the project are 56 public safety facilities that include such locations as police stations, the sheriff's office, the 911 dispatch center, public safety radio towers, correctional facilities, and fire stations. There are 141,252 households in the proposed funded service area, of which 70,324 are underserved. There are 11,558 businesses in the proposed funded service area, of which 6,356 are in the underserved area. Proposed Solution Zayo Bandwidth, LLC will build a fiber network with 3 core ring backbones containing between 96 and 144 strands of fiber, and distribution networks connected to the core rings with up to 96 strands of fiber. Zayo will provide Ethernet service, direct internet access (DIA), private line, wavelengths, and dark fiber. This 286 mile network will connect 145 Anchor Institutions and include the following: ' Broadband services will be provided by Zayo to the Anchor Institutions with speed of least 100Mb/s and up to 10 Gb/s, which is substantially greater service that these institutions operate with today. ' These services will be provided to the institutions at similar or lower cost than what the institutions currently pay for T1 or lower speed service. ' The network will pass through most of the key business districts in the county, allowing Zayo using its own capital, to extend the network to businesses directly or to provide fiber to carriers wanting to provide access to businesses. ' Zayo has a letter of intent from Omnicity for the provision of wireless Last Mile service in Anoka County and the surrounding counties, providing high speed wireless service to the unserved and underserved households. ' The County will work to encourage and assist other Last Mile providers in providing services throughout the county. Project Benefits This project meets all 7 BTOP Comprehensive Community Infrastructure priorities, meets the needs of key stakeholders within Anoka County, and provides the following benefits: ' Provide immediate connectivity relief to Anchor Institutions with cost-effective high speed transport services. ' Creates a public-private partnership for the delivery of a broadband solution. ' Provides economic enhancements to an area with lower incomes, high unemployment and high foreclosure rates, by attracting businesses, retaining existing businesses, and encouraging entrepreneurship with affordable broadband. ' Brings broadband to a community college (Cambridge campus) in an economically distressed area (Isanti County) that would otherwise be unable to afford to obtain services. ' Provides connectivity to Public Safety entities to allow for sharing of data, and implementation of technologies that could otherwise not occur. ' Provides the opportunity to deliver Last Mile services to business and residents of the area. Qualifications of the Applicant The network will be operated by Zayo Bandwidth LLC, which has a Certificate of Authority from the Minnesota Public Utilities Commission. Launched in 2006, Zayo Bandwidth, LLC is managed by a seasoned group of industry veterans. Zayo has grown both organically and by acquisition. Since May of 2007, Zayo has completed acquisitions of thirteen businesses. Zayo Bandwidth, LLC network statistics includes over 20,000 Fiber route miles, 2,200 On-Net buildings and serves 141 markets in 23 States. Zayo Bandwidth was recently awarded a Round 1 BTOP grant for a Middle Mile fiber build in Indiana. This includes building a 626 mile comprehensive community infrastructure network connecting 21 Ivy Tech community colleges as well as making broadband available to the intermediate communities, businesses and anchor institutions. Non-Discrimination and Interconnection The core competency of Zayo Bandwidth, LLC is the provision of bandwidth to other carriers, Last Mile providers, businesses and

anchor institutions. Zayo does not discriminate between potential customers, and will sell broadband services to any party wanting to interconnect to the Zayo network. Zayo's approach to the sale of broadband services is completely in line with the non-discrimination and interconnection requirements of the BTOP NOFA. Zayo already provides wholesale broadband services to other wireless and wireline Last Mile and Middle Mile providers, showing that they have experience negotiating interconnection rates, and welcomes interconnection by other parties.

**Infrastructure Costs** The overall cost of the 286 mile broadband network proposed by this project is \$19.1M. Zayo Bandwidth LLC will be providing a cash match of 20% and Anoka County will be providing a 10% cash match. Thus, the grant request is for 70% of the total project cost.

**Subscriber Projections** It is expected that introduction of Middle Mile fiber as proposed by this project will result in additional broadband connectivity to 12,713 households, 119 larger, medium sized business customers and 189 community anchor institutions over the eight year period. 145 anchor institutions will be connected directly from day 1.

**Jobs** It is expected that that the project will be complete within 24 months, and create a total of 105 direct jobs, 27 indirect jobs and 75 induced jobs.