Rural Broadband I.D. Trust Fund Program Cover Sheet

Applicant Name: City of Sherwood, AR

Applicant Address: 2199 E. Kiehl Avenue, Sherwood, AR 72120

Applicant Phone Number: 501-835-6620

Applicant Email Address: vyoung@cityofsherwood.net

Applicant Tax ID or EIN Number: 71-0408925

Key Contact Person: Mayor Virginia Young

Total Amount Requested: \$75,000.00

Project Description:

The city of Sherwood has a population of 31,436. There are 16,404 individual address locations in the city of Sherwood. 4,669 of those address locations are served by First Electric Cooperative. First Electric has 4,656 electric services inside the Sherwood city limits.

The city of Sherwood must partner with a company to bring reliable and affordable broadband service to all citizens and promote economic growth and stabilization. The COVID-19 Pandemic has accentuated the need for rural broadband. Schools, businesses, farmers, and medical facilities are suffering due to the lack quality broadband services. This is the reason the city of Sherwood approached First Electric and its subsidiary Connect 2 First Internet and asked them to consider deploying a fiber to the home broadband network in the city limits of Sherwood. The city of Sherwood will:

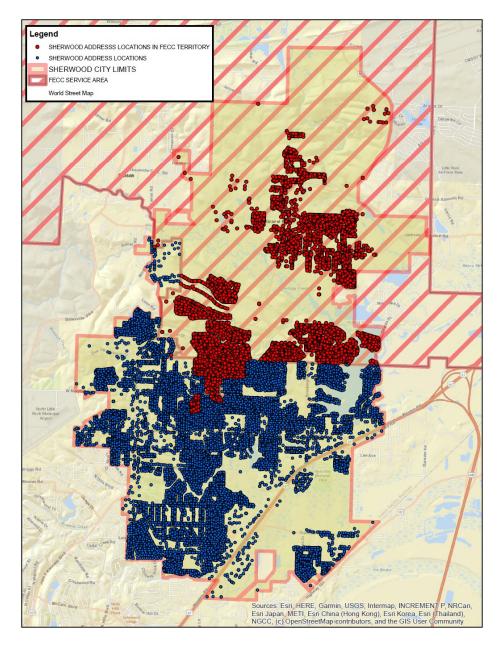
- Contract with FECC and C2FI to develop strategies for designing and deploying a fiber broadband network
- Work with FECC and C2FI to promote and broadband initiatives to local businesses and residents
- Continue to look for other funding and partnership opportunities relating to broadband development.

• Project Narrative

Introduction (up to 30 points)

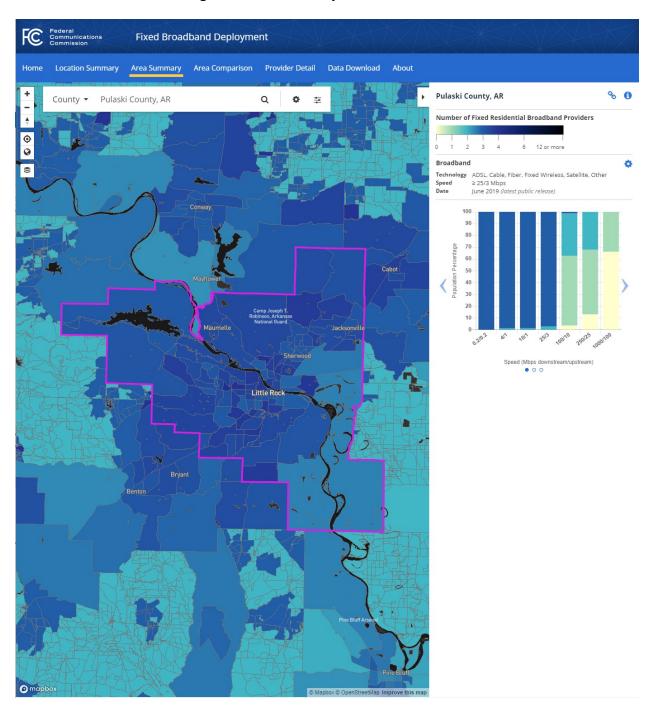
Proposed Service Area

The service area for this application will cover 15% of the individual address points inside Sherwood city limits. However, First Electric Cooperative's territory covers nearly 50% of the Sherwood city limits and a large portion of that is in rural undeveloped areas. Connect 2 First will deploy fiber to the home to all First Electric members that desire to subscribe to broadband services offered by Connect 2 First that are inside Sherwood city limits.



Percent of your proposed service area that is unserved by 25/3 broadband

This is the broadband coverage for Pulaski County:



According to the FCC, three providers offer 25/3 broadband to 97.14% of our county's residents. Two providers offer 25/3 broadband service to 2.86% of our county's residents.

Total population, number of residents who are rural and urban

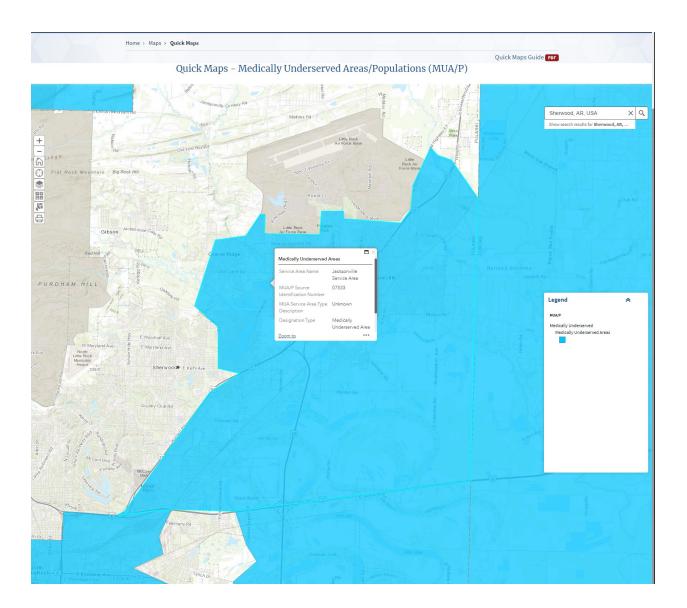
According to United States Census Bureau on 7/1/2019, Pulaski County had a population of 391,911. The 2010 United States Census indicates that 12.3% of Pulaski County is Rural. The city of Sherwood in 2017 by statistics of Ciy-Data.com reveal that 97% of residences are considered urban and 3% rural.

Percent of individuals in your proposed service area who are living in poverty According to the U.S. Census Bureau, 10.9% of Sherwood citizens are considered to live in poverty and 16.7% for those in Pulaski County.

Medically underserved

The majority of Sherwood is considered to be "Medically Served" but there is a portion in eastern Sherwood around the Brockington Road area that falls within a "Medically Underserved" area. The table below highlights the section for which this area is in and the map below shows where it is at.

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Description of need (up to 30 points)

Staffing needs:

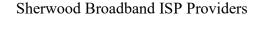
Sherwood city officials have no experience in broadband deployment. However, we do have experience in evaluating and hiring consultants and contractors, managing budgets, and completing projects in a timely manner. The City of Sherwood manages a yearly budget of \$23,095,014.00 and contracts\contractors totaling \$2,200,000.00

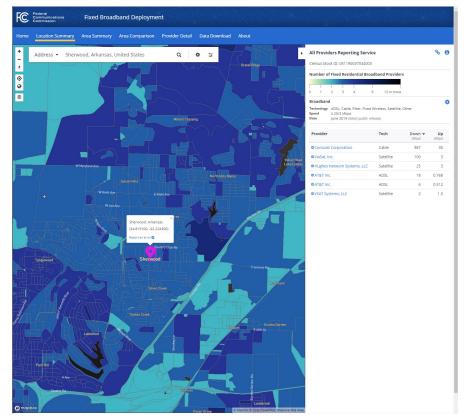
Population needs:

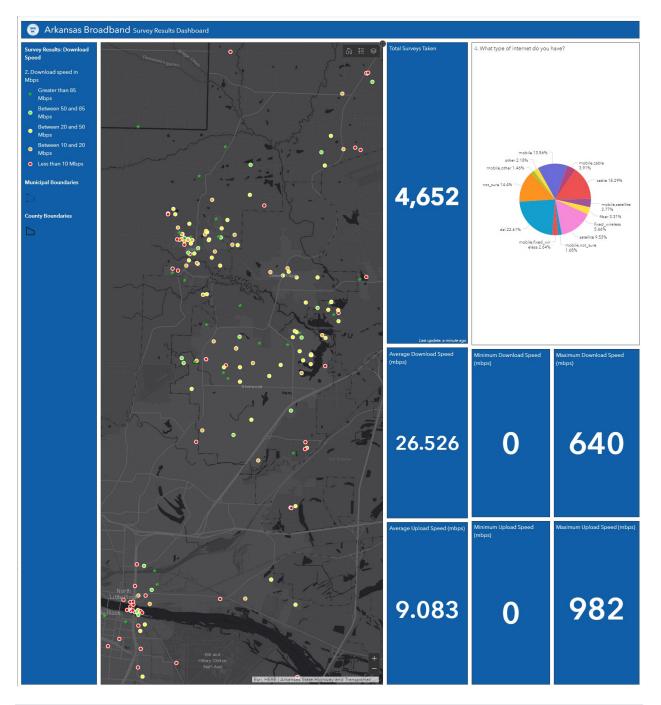
According to the US Census Bureau QuickFacts, 16% of Sherwood population is over the age of 65. Sherwood has a mix of 73.5% White, 20.2% Black or African American, .4% American Indian and Alaska Native, 2% Asian, 2.7% Two or More Races, and 4.7% Hispanic or Latino. Most of the city population (age 25+) have a High School diploma or greater (93.4%). 30.8% (age 25+) hold a bachelor's degree or higher. The median household income for years 2014-2018 was \$61,032.00.

Broadband needs:

By looking at the broadband coverage in Sherwood it appears that adequate (25/3) broadband service is available across the entire city and 100% is covered by at least 2 or more providers. However, it has been well documented that broadband speeds have been overstated in reports to the FCC for years and that these coverages and speeds are unreliable. The citizens of Sherwood are in dire need of quality broadband service that exceeds the FCC minimum requirements of 25/3. With the recent events revolving around the COVID-19 Pandemic, the lack for bandwidth, broadband speed, and coverage has been exposed. Teachers, students, employees, employees, and healthcare workers struggle to be able to utilize the online alternatives due to insufficient broadband availability. These are the reasons why Sherwood has taken the initiative to pursue grants such as the Rural ID Expenses Trust Fund. The map below comes from the Arkansas Broadband Speed Test. Even though the FCC website shows multiple ISPs provide service at or above the 25/3 level, there are multiple speed test results that reflect users rarely attain the promised download and upload speeds Data from the results show that users are generally not satisfied with their service and would even pay more for a different option. Some of these tests were even performed on the Comcast cable network which is supposed to provide 1000Mbps download speed per the FCC page. Even when the download speeds exceed 100Mbps, the user's comments strongly suggest that they are Somewhat Dissatisfied or Very Dissatisfied in reliability and/or cost.







Internet Service Provider relationship needs:

The city of Sherwood has had a longstanding relationship with First Electric Cooperative. Electric Cooperatives were created to provide electric service to those rural areas where large investor owned electric companies refused to go. The citizens of Sherwood feel very strong that if rural broadband is successful, it will be on the backs of those that brought electricity to rural America 80+ years ago. We are confident that by partnering with our local Electric Cooperative that we will help to extend high speed broadband to the rural areas of our community.

Financial needs:

Sherwood officials do not have the expertise to begin a broadband project but a grant like this could help offset feasibility costs for a qualified Internet Service Provider. This grant would help identify the needed infrastructure, design, feasibility, and deployment schedule needed to extend broadband service throughout our community. We understand that there are federal grants available for broadband construction and expansion, and we feel that this grant may strategically position us to compete for these funds.

Community relationship needs:

The attached letter of support from the Mayor's office is just one of the many that support this initiative. Others such as the County Judge, State Senator, State Representative, and City Council, are all supportive and look forward to additional broadband options in the future.

Description of plan (up to 25 points)

Through this study, we plan to achieve the following:

- Contract with FECC and Connect 2 First Internet to educate our leaders of broadband options and develop strategies to extend broadband into the city of Sherwood.
- The feasibility study and design completed by FECC and Connect 2 First Internet are necessary components of their due diligence business study to bring broadband services to the city of Sherwood. To complete this, a low-level design is needed to identify the equipment, material, routes, and labor.

Our objectives and timeline are as follows:

Month 1 Objective – Launch city of Sherwood Broadband Due Diligence Study Month 1 Goals:

- 1. Meet with FECC and Connect 2 First Internet to review due diligence study
- 2. Contract FECC and Connect 2 First Internet to complete a low-level design
- 3. Assign a city official to document and create reports as needed to UAMS Institute for Digital Health & Innovation

Month 2 Objective – Make Decisions Related to the Broadband Due Diligence Study Month 2 Goals:

- 1. Work with FECC and Connect 2 First on the low-level design
- 2. Continue holding meetings with FECC and Connect 2 First Internet

Month 3 Objective – Expanding Broadband Due Diligence Month 3 Goals:

1. Continue holding meetings with FECC and Connect 2 First Internet

Month 4 Objective – Continuing Documenting Needs Month 4 Goals:

- 1. Continue holding meetings with FECC and Connect 2 First Internet
- 2. Receive monthly update about low-level design

Month 5 Objective – Sharing Documented Needs Month 5 Goals:

- 1. Share the first draft of the city of Sherwood low-level design and UAMS Institute for Digital Health & Innovation
- 2. Make revisions as needed
- 3. Continue holding meetings with the FECC and Connect 2 First Internet
- 4. Receive monthly update about low-level design

Month 6 Objective – Receive Findings of the Feasibility Study Month 6 Goals:

- 1. Share final draft of the low-level design with Sherwood Mayor and UAMS Institute for Digital Health & Innovation
- 2. Determine next steps for further broadband grants, loans, or other necessary steps

Final Products:

1. Low-level design for broadband deployment in FECC service areas in the city of Sherwood.

While we are not familiar with the available broadband grants and programs, we are confident, that FECC and Connect 2 First Internet are in tune with that landscape and will work with us to pursue those opportunities.

Budget

| Budget Categories | Cost | | | |
|-------------------|----------|--|--|--|
| Personnel | \$5,400 | | | |
| Supplies | \$600 | | | |
| Contractual | \$69,000 | | | |
| Total Request | \$75,000 | | | |

Budget Justification (up to 15 points): *Personnel:*

<u>Project Director</u> – Our Mayor will act as Project Director, serving as key liaison to the funders and media. She will coordinate meetings and make final decisions on all contractors. Our Mayor will spend an estimated half a day a week on this project for six months. Compensation for her time is valued at \$3,000.00. Request: \$3,000.00

<u>Financial Director</u> – Our Mayor will appoint the Financial Director from her staff. The Financial Director will secure the surety bond and make financial arrangements for all contractors. This person will ensure timelines, objectives, and goals are met, providing troubleshooting as necessary to solve problems while working alongside our Project Director. The Financial Director will spend an estimated one day weekly on this project for six months. Compensation for the Financial Director's time is valued at \$2,400.00. Request: \$2,400.00

Supplies:

The city of Sherwood will need office supplies (printing paper, printer ink, folders, postage, etc.), bottled water, and other sundry supplies for meetings. An allowance of \$100 per month is requested to cover these needs. Request: \$600

Contractual:

<u>Feasibility Study Contractor, Broadband Consultant, Needs Assessment Author:</u> FECC and Connect 2 First Internet will be the Internet Service Provider to conduct a low-level design to expand its services to our area. They will also provide any consulting work or outsource to another broadband consulting firm if additional research is required. This contractor will conduct market research, engage partners, model/design the network, and conduct a cost analysis and business plan. FECC and Connect 2 First Internet has informed us that to conduct this study, they need at least three months and \$69,000. We feel this amount will compensate another ISP or electric cooperative should we decide to pursue another feasibility study contractor. Request: \$69,000

Supporting Documents (up to 10 *bonus* points):



Mayor's Office

2199 East Kiehl Avenue P.O. Box 6256 Sherwood, AR 72124-6256 Phone: 501-835-6620 Fax: 501-835-0528

November 13, 2020

Re: Broadband support letter

I am writing to express Connect 2 First ISP's support for the Sherwood Rural Broadband I.D. Trust Fund Program grant applications. By applying for the Rural Broadband I.D. Trust Funds grant, you will have the financial means for us to conduct a broadband feasibility study to see what is needed and how we can help expand our services into your area. Having this information, we will have needed information to seek other broadband grants and loans to make the broadband expansion possible.

Now, more than ever, accessibility to reliable connectivity is a must. In the midst of the current pandemic, our students and educators are struggling to stay connected with virtual learning platforms. We are encouraged that you are committed to this plan and we look forward to seeing how Sherwood and surrounding communities can move forward with reliable and affordable broadband service.

You have our support in seeking more and better options for broadband in (City/County).

Sincerely,

Virginia R. Young, M

November 12, 2020

Beverly Williams 1504 Coolhurst Rd Sherwood, AR 72120

Re: Broadband support letter

Dear Judge/Mayor:

I have sat on the Sherwood City Council for six (6) years, and in this time, it has become apparent to me that Sherwood needs more technological resources to bring to its residents. Broadband is so often thought of for entertainment – gaming and movies, but it is an essential utility for e-commerce for our small businesses, a means of learning for our students, a method of continuing education for our adult learners, and a way of bringing healthcare into our community and homes. As a retired educator, I've witnessed the struggles and heard the concerns from parents and K-12 educators as students are unable to access their lessons on Google Classroom because there is not enough bandwidth in their areas. The need for the good broadband has tripled in the last nine months as roughly one fourth of the approximately 500,000 K-12 students in Arkansas are doing virtual classroom/learning during this pandemic.

Without good broadband, Sherwood cannot reasonably grow. In essence, we are cut off from the rest of the state/world. I also believe some of our residents, perhaps those who are older adults, should learn about this technology and decide whether and how to embrace the technology in their daily lives. Broadband is a utility that we just cannot live without any longer in Sherwood. I feel the Rural Broadband I.D. Trust Fund grant is a possible avenue for us to collect our thoughts, prepare for a larger broadband grant, and align with an ISP or electric cooperative to plan and eventually implement a long-term plan for improved broadband. In Sherwood.

Respectfully,

Beverly Williams

Beverly Williams Sherwood City Council Member Ward 3, Position 1