

Request for Decision

File No: Ahj 065 002

Date February 27, 2020
Author Holly Ronnquist, CFO
Subject Community Works Fund Grant Request – Tough Country Communications

REQUEST

Tough Country Communications has requested grant funding of \$44,277 toward their high speed internet upgrade project in the Baynes Lake/Kragmont area.

OPTIONS

1. THAT Community Works Funds of 17% of the cost of their Baynes Lake/Kragmont internet upgrade project, up to a maximum of \$44,277, be granted to Tough Country Communications, subject to the following:
 - the project being approved for funding through the CRTC Broadband Fund or the NDIT Connecting BC program; and
 - project outcomes meeting the definition of High Speed Internet Service in the *Local Government Act*.
2. THAT Community Works Funds of ____% of the cost of their Baynes Lake/Kragmont internet upgrade project, up to a maximum of \$_____, be granted to Tough Country Communications, subject to the following:
 - the project being approved for funding through the CRTC Broadband Fund or the NDIT Connecting BC program; and
 - project outcomes meeting the definition of High Speed Internet Service in the *Local Government Act*.
3. THAT the request for grant funding for the Tough Country Communications' Baynes Lake/Kragmont internet upgrade project be denied.

RECOMMENDATION

Option 1

BACKGROUND/ANALYSIS

Tough Country Communications is proposing a project to improve internet service in the Baynes Lake/Kragmont area and are applying for funding through the NDIT Connecting BC Program and the CRTC Broadband Fund. They have requested funding from the RDEK as well. Details submitted by Tough Country are as follows:

"The proposed project is to connect new and existing towers infrastructure in Baynes Lake and Kragmont with a 10GB capable fibre transport to the approved Jaffray-Rooseville fibre backbone project being constructed by the Columbia Basin Broadband Corporation (CBBC).

In addition, to construct a new tower and related infrastructure in Sweetwater and install a 3 Gigabit licensed microwave transport from Kragmont to Sweetwater. This project will provide the necessary infrastructure to facilitate the objective of delivering 50/10Mbps Internet opportunities to the residents within these under-served communities. All three communities have been identified as eligible communities for transport by both CRTC and Connecting BC.

The request to the Regional District of East Kootenay is for 17% of the eligible costs that is \$44,276.51. As discussed, we would respectfully request that a resolution by RDEK be formally adopted to support the project for the requested amount, subject to the approval from other funding entities for the proposed project.

Furthermore, the decision by NDIT is expected on or before March 27th, prior to the deadline for the CRTC application. If a resolution could be considered at the March 6th board meeting it would be valuable to be able to submit the resolution by RDEK to NDIT, as they are expecting some confirmation of other funding prior to their final decision on the application.

Thank you again for all your support to provide better connectivity to the residents and businesses within the regional district. Please let me know if you need further information related to the request."

With the recent amendment to the *Local Government Act*, there is an exemption from the Assistance to Business provisions for 'providing capital financing for high-speed internet service to an area without access to high-speed internet service.' This allows the RDEK to provide grant funding to this type of project, even when the proponent is a business, as long as the requirements are met.

SPECIFIC CONSIDERATIONS

Regional Sustainability Strategy (RSS)

This project supports the RSS goal related to Economy as it supports and nurtures a diversified and skilled workforce, job opportunities and attracting spending in investment as per the following objective:

"To maintain economic growth and diversification opportunities, the RDEK will support the enhancement and completion of the provision of the broadband infrastructure in the region through direct supply of service, encouraging private and public sector investment and advocating for legislative and regulatory change to facilitate the provision of broadband service."

Financial – Financial Plan

If approved, the funding contribution would be included in the 2020–2024 Financial Plan.

Financial – Taxation

There would be no effect on taxation due to the funding being provided through the Community Works Funds.

Community Works Fund – Funds Available

The uncommitted balance of the Community Works Fund is \$2,220,578.

Community Works Fund Eligible Project Category

This project meets the criteria outlined in the Community Works Fund agreement under the Broadband Connectivity Category.

The percentage of total Community Works Fund grants awarded to date and the percentage of rural population is provided for each Electoral Area below:

Electoral Area	% of CWF \$ Awarded	% of Total Rural Population
Area A	5%	9%
Area B	14%	13%
Area C	18%	38%
Area E	5%	11%
Area F	49%	20%
Area G	9%	9%