

VIRGINIA: A MEETING OF THE SURRY COUNTY BROADBAND AUTHORITY
HELD ON FEBRUARY 4, 2010 AT 6:30 P.M. IN THE GENERAL DISTRICT
COURTROOM OF THE COUNTY GOVERNMENT CENTER.

PRESENT: MRS. JUDY S. LYTTLE, CHAIR
MR. JOHN M. SEWARD, VICE-CHAIRMAN
MR. REGINALD O. HARRISON
MR. ERNEST L. BLOUNT
MR. M. SHERLOCK HOLMES
MR. TYRONE W. FRANKLIN

ALSO

PRESENT: MRS. MELISSA D. ROLLINS, FINANCE & TECHNOLOGY DIRECTOR
RHONDA MACK, PLANNING & COMMUNITY DEVELOPMENT DIRECTOR
WILLIAM HEFTY, HEFTY & WILEY

I. Call To Order

The meeting of the Surry County Broadband Authority was called to order by Mrs. Judy Lyttle.

II. UNFINISHED BUSINESS

NONE

III. NEW BUSINESS

A. **Approval of Minutes.** Supervisor Harrison moved to approve the minutes from November 5, 2009 and December 3, 2009 meetings. Supervisor Blount stated that the minutes should be corrected to reflect his presence at the November 5th meeting. Supervisor Holmes seconded the motion. All present voted in favor of the motion with the said correction.

B. **Status Update: Federal and State Grant Applications.** Ms. Rhonda Mack appeared before the Authority to (1) provide a status update on the County's award notice relative to the federal grant application to Rural Utility Services (RUS), and (2) advise the Board on the Community Innovation Grant (CIG) opportunity from the Virginia Department of Housing & Community Development (VDHCD).

Ms. Mack provided the Board with the following:

- A timeline summarizing Broadband grant submittals, responses to request for information and award notifications
- A summary of the County's current CIG grant application to VDHCD and the impact of this award based on RUS's denial of federal grant funds

- An update on the proposed CIG application to VDHCD for \$1.2 million and the requirements of the grant (job creation, surety bond).

ATTACHED IS A COPY OF THE PRESENTATION FROM MS. MACK WHICH IS INCLUDED AS AN INTEGRAL COMPONENT OF THESE MINUTES.

Ms. Mack advised the Board that action is needed to authorize staff to prepare the CIG application for submittal to VDHCD by March 31st and that a resolution of support would be presented to the Board for consideration at the March 18th meeting.

Mr. Reginald Harrison made a motion to authorize staff to proceed with preparation of the CIG application to the Virginia Department of Housing and Community Development; Mr. Ernest Blount seconded the motion. All voted in favor.

IV. NEXT MEETING DATE & ADJOURNMENT

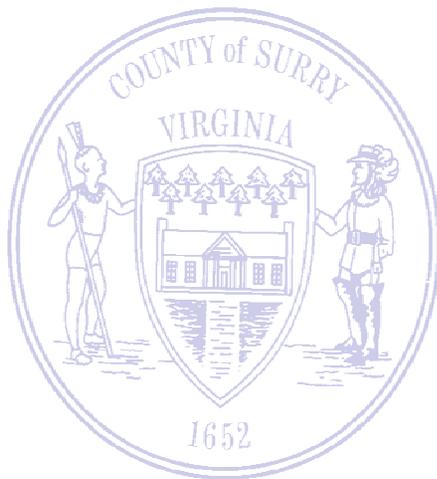
Mrs. Lyttle advised that the next meeting date is March 4, 2010. Mr. John Seward moved that the meeting be adjourned; Mr. Sherlock Holmes seconded the motion. All voted in favor of the motion.



Surry County, VA
Broadband Authority Meeting

February 1, 2010

Timeline



- September 28, 2009 Submitted Innovation Grant Application to VDHCD
- October 26, 2009 VDHCD Requested Additional Information
- October 27, 2009 Submitted Response for Additional Information
- January 14, 2010 Responded to VDHCD Request for additional information. VDHCD made verbal commitment for funding award of \$200,000.00 contingent upon RUS award.
- January 19, 2010 RUS Denial
- January 3, 2010 RFP Published
- February 3, 2010 RFP Return Date



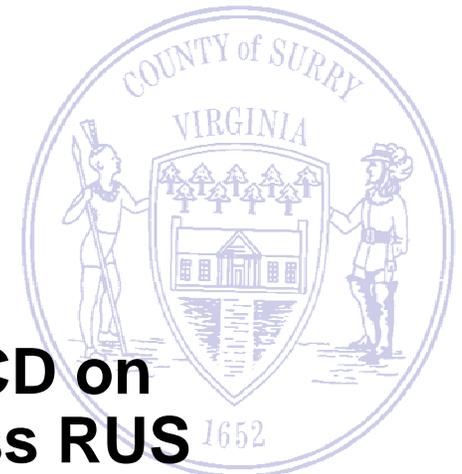
RUS Denial

What does this mean?

- While DHCD agreed to fund Innovation Grant, project area traverses the Surry West Business Park, Horizon Health Services, and Edwards Ham. The project area is not interconnected with other service areas or infrastructure and would therefore be inoperable unless connected to an interconnected system.
- The project area identified was based on eligibility criteria, economic development, with the thought that other funding would support construction of the outlying areas.

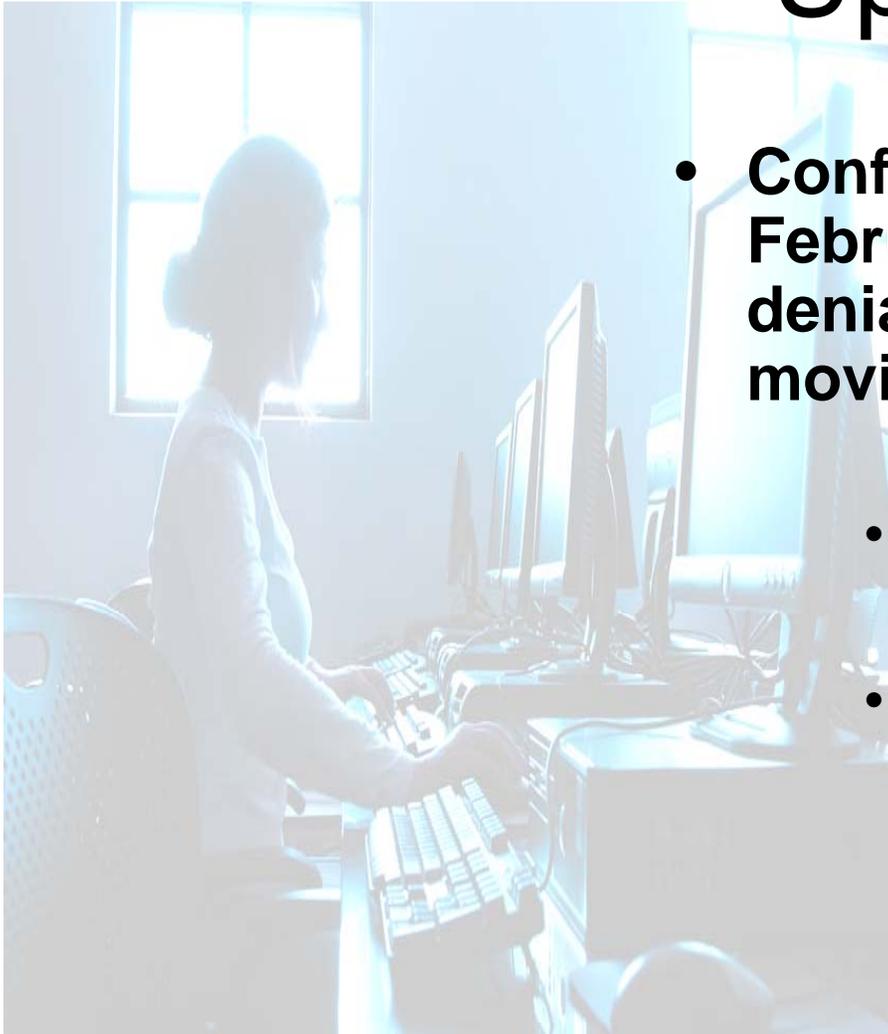
THIS MEANS THAT A NEW DIRECTION IS NOW REQUIRED!

Update



- **Conference call VDHCD on February 3rd to discuss RUS denial and recommendation for moving forward:**

- **VDHCD supports CIG application for 1.2 Million for implementation of county wide project by March 31st.**
- **VDHCD staff requested site visit March 3d to visit project area, specifically infrastructure sites & business clients to be served. Board Representative & Business Community Representative would aide in supporting this effort.**



Update

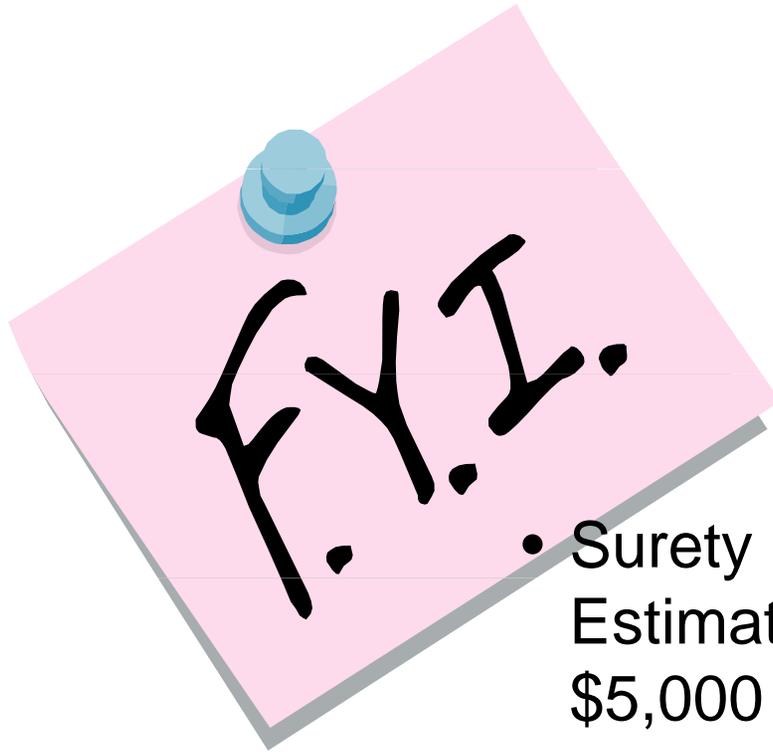


F.Y.I.

Conference call VDHCD on February 3rd to discuss RUS denial and recommendation for moving forward:

- Project eligibility basis includes economic development and low-moderate income benefit via community service facilities. I.E. Fire & Rescue Squad, Health Department, Horizon Health Services, Surry County Schools.
- Credit of \$25,000.00 for every new job created by business entities serviced by implementation of project outcomes
- Local Investment \$200,000.00 (Previously Appropriated) & Surety Bond for job creation goals.
- Surety Bond Estimate \$500,000.00. Estimated Administrative Cost to Secure is 1% or \$5,000

Update



Action Items:

- Surety Bond Estimate \$500,000.00. Estimated Administrative Cost to Secure \$5,000 (renewable each year the bond is outstanding).
- Authorize staff to prepare CIG application for submittal to the VDHCD by March 31st. Resolution for project support to be considered at March 18, 2010 Board of Supervisor's Meeting. At this time detail figures for surety amount and administrative costs will be available.