Metronet Presentation
School of Urban and Regional Planning

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A 2016 Field Problems Project
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May 9th, 2016

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Community Partners:
The City of Decorah
Decorah Community School District
Luther College
Upper Explorerland Regional Planning Commission
Winneshiek County
Winneshiek Medical Center
PRESENTATION OVERVIEW

- Project Overview
- Organizational Evaluation
- Financial Analysis
- Scenario Evaluation
- Recommendations
- Implementation Plan
ORGANIZATIONAL EVALUATION

Membership Tiers

Open Access Policy

28E Co-op Non-Profit Public Utility
Opportunities:
- Promotes partnership
- Tiered system offers access to new members
- DMN board maintains control of network
- Grant availability
- IRU revenues

Threats:
- Anchor member downgrade to associate member
- Dilution of control
- Cannot obtain loans
Opportunities

• Limits possible litigation
• Standard pricing
• Create fiber access caps
• Minimizes admin. needs
• Better IRU accessibility

Threats

• Incumbent Competition
• Limits 28E membership
REVIEW OF SCENARIOS

1: No Change (Control)
2: Residential Decorah
3: Downtown Decorah Businesses
4: Decorah Business Park
5: Greater Winneshiek County
Financial Analysis

GOAL
- Financial Feasibility Test

APPROACH
- Assessing Cash Flows
- Assessing New Participants
- Distributing Cost Burdens

RESULTS
- Unfeasible Scenarios
- Feasible Scenarios

RECOMMENDATIONS
- IRU Rate: $125 per strand/mile/month
- Cash Reserve: 20% Minimum

New Membership Structure
- Assumptions
UNFEASIBLE SCENARIO

Residential Decorah
- Miles of fiber added: 38
- Total expansion cost: $5.5 million

Financially Unfeasible
- Grant: $1.6 million
- Gap: $4.2 million
SCENARIO 3
Downtown Decorah Businesses
• Fiber added: 6 miles
• Expansion cost: $900,000

SCENARIO 4
Decorah Businesses Park
• Fiber added: 2.5 miles
• Expansion cost: $345,000

SCENARIO 5
Greater Winneshiek County
• Fiber added: 85 miles
• Expansion cost: $11 mil.
Awards for criteria*

- = “Best Fit”
- = Good
- = Poor
- = N / A
FINAL RECOMMENDATIONS

 ✓ Amend 28E agreement
 ✓ Adopt open access policy
 ✓ Adopt a cash reserve policy
 ✓ Establish IRU rate
 ✓ Amend government/planning documents
 ✓ Best fit scenario = Downtown Decorah Business (#3)
 ✓ Greatest indirect potential = Greater Winneshiek County (#5)
IMPLEMENTATION PLAN

Contents
- Goals
- Action Items
- Priority Levels
- Suggested Participants
- Performance Measures
## Decorah MetroNet Goals

2. Collaborate with other organizations to promote economic development

<table>
<thead>
<tr>
<th>Priority</th>
<th>Action Item</th>
<th>Summary</th>
<th>Duration</th>
<th>Suggested Participant(s)</th>
<th>Performance Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Create a grant writing team to apply for grant funding</td>
<td>Grant fund is essential to cover initial network construction costs. An interdisciplinary team should be assembled to apply for the maximum amount of funding available per scenario.</td>
<td>0 - 1 year</td>
<td>DMN, City of Decorah, Winneshiek County, and other interested community agencies</td>
<td>A team of professionals from economic development, education, healthcare, and community development sectors should be convened in the next 6 months. A list of 5 prioritized grants should be identified and pursued.</td>
</tr>
<tr>
<td>Medium</td>
<td>Establish a connection with the Decorah Area Chamber and Winneshiek County Development Inc.</td>
<td>Establishing a connection with the area economic development organizations (EDO) could help inform the board of economic development opportunities and inform the EDOs of DMN plans.</td>
<td>0 - 1 year</td>
<td>DMN, Decorah Area Chamber, &amp; Winneshiek County Development, Inc.</td>
<td>Has the DMN Board and EDOs established positions on each others’ board or other type of connection?</td>
</tr>
</tbody>
</table>

*The full implementation table will be provided with the final report*
Thank You

Questions?
Appendix

• Scenario Descriptions
• Decorah MetroNet Organizational Model
• Decorah MetroNet Tiered Organizational Model
Downtown Decorah Businesses

- Miles of fiber added: 6
- Total expansion cost: $900,000
- Target: Businesses within Decorah City Limits
SCENARIO 4

Decorah Business Park
- Miles of fiber added: 2.5
- Total expansion cost: $345,000
- Target: Businesses within the Decorah Business Park
Greater Winneshiek County

- Miles of fiber added: 85
- Total expansion cost: $11,000,000
- Target: Municipalities of Winneshiek County
The Decorah MetroNet

Anchor Members

Decorah Community Schools

City of Decorah

Upper Explorerland Regional Planning Commission

Hawkeye Telecommunications

ICN (Iowa Communication Network)

Winnebago Medical Center

Winnebago County

Luther College

IRU Holders

1 Board Member Vote
Monthly Anchor Member Payment
2 Fiber strands to premise

Indefensible Rights of Use

Contracted rights to use dark fiber
The Decorah MetroNet

Anchor Members
- "The MetroNet Board" - Decision Making Authority
  - ½ Board Member Vote Each
  - 50% Anchor Member Payment
  - 1 Fiber strand to premise

Associate Members
- Potential New Member
  - ½ Board Member Vote Each
  - 50% Anchor Member Payment
  - 1 Fiber strand to premise

IRU Holders
- Hawkeye Telecommunications
  - Contracted rights to use dark fiber

Decorah Community Schools
- City of Decorah
  - Upper Explorerland Regional Planning Commission
- Potential New Member
  - Potential New Member
  - Anchor Member Payment

Winnesheik Medical Center
- Winneshiek County
  - Luther College

Indefensible Rights of Use

Hawkeye Telecommunications
- ICN (Iowa Communication Network)