



Council Meeting Staff Report

May 28, 2024

Agenda No.:	F.
Indexes (Council Goals):	Economic Vitality - Community Broadband, Quality Governance - Intergovernmental and Regional Relations
Presenters:	Jerry Smith
Legislative File:	18820-24

Title

Removal of Date Certain Deadline from the Approval of Providing Grant Matching Funds for San Ildefonso Services' Connect New Mexico Grant Application in the Amount of \$2,000,000 with a Total Project Amount of \$6,000,000 for a New Middle Mile Fiber Optic Line Connecting White Rock to Pojoaque

Recommended Action

I move that Council approve removing the requirement that the written agreement between the County and the Pueblo de San Ildefonso be complete by May 31, 2024. I further move that Council reaffirm the commitment to grant matching funds to the Pueblo de San Ildefonso for their grant application in the amount of \$2,000,000 (two million dollars) for a New Middle Mile Fiber Optic Line connecting White Rock to Pojoaque contingent upon execution and approval of a written agreement between Los Alamos County and the Pueblo de San Ildefonso.

County Manager's Recommendation

The County Manager recommends that Council approve the removal of the date certain deadline as presented.

Body

Council considered the approval of these grant matching funds at their March 5, 2024 Council meeting. The action taken by Council was:

A motion was made by Councilor Hand, seconded by Councilor Ryti, that Council approve the grant matching funds to the Pueblo de San Ildefonso for their grant application in the amount of \$2,000,000 (two million dollars) for a New Middle Mile Fiber Optic Line connecting White Rock to Pojoaque contingent upon execution and approval of a written agreement with the Pueblo de San Ildefonso by May 31, 2024. I further move that Council authorize the County Manager to sign and submit a letter of support (Attachment A) to be included with the grant application materials.

The Connect NM grant process has been lengthened. The likely date of grant approval is more likely to happen in June or July of 2024. A date certain deadline is unnecessary as long as an executed written agreement between Los Alamos County and Pueblo de San Ildefonso is required before any funds can be dispersed.

Background

The Pueblo de San Ildefonso (Pueblo) and the County have been discussing how to collaborate on and implement a new fiber optic line for over a decade. Over the last six months, these discussions have progressed when San Ildefonso Services, the economic development business unit of the Pueblo, expressed their interest in applying for state broadband grant through the Connect New Mexico program.

The project consists of a new fiber optic line from White Rock to Pojoaque. This line will allow connections from the County's existing fiber lines in White Rock and to Redinet fiber in Pojoaque. The new fiber line will consist of 144 strands of fiber. The County will have use of 24 of those fiber strands and the remaining 120 retained by the Pueblo. The high-level terms of the agreement between the Pueblo and the County are:

1. Pueblo will own the conduit and the fiber optic cable.
2. Council will have exclusive use of 24 strands of fiber for County operations use and the Community Broadband Network project.
3. County provides one-time funding in the amount of \$2 million to execute the new fiber project.
4. County will provide an additional one-time funding in the amount of \$2.4 million for the exclusive use of the 24 strands of fiber.
5. The term of the agreement will be for 20 years with a 20 year renewal option.
6. Other operational details to be finalized with the drafting and execution of the agreement.

The cost to the County for the exclusive long term use of 24 strands of the new fiber represents a reasonable rate value within the market and provides the County flexibility on scaling the use to the demand use as needed.

The Connect New Mexico state-wide grant will be very competitive. The \$2 million grant match amount represents a 33 percent match to the \$6 million total project costs. The minimum match requirement is 25 percent or \$1.5 million.

Alternatives

Council could chose not to provide the grant match funding or fund a different amount.

Fiscal and Staff Impact/Planned Item

Middle mile funding is a budgeted item within the Economic Development Fund. The \$2,400,000 additional funding associated with the agreement with the Pueblo de San Ildefonso will return to Council as a Budget Revision from General Fund balance at the time agreement approval.