

**Caroline County
Board of Supervisors Special Meeting Agenda
Executive Summary**

Meeting Date: August 9, 2022

Title: Consent Agenda: Supplemental Appropriation for VATI Grant Application (47 Additional Homes)

(Check Mark)

<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Closed Meeting
<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Public Hearing
<input type="checkbox"/> No Action (Information Only)	<input type="checkbox"/> Ordinance
<input type="checkbox"/> Resolution	<input type="checkbox"/> PowerPoint Presentation

Background: In June 2022, the Board of Supervisors authorized staff to submit Fiscal Year 2023 applications for Virginia Telecommunication Initiative (VATI) grants to the Virginia Department of Housing and Community Development (DHCD). VATI grants provide funding to expand broadband internet service in unserved areas of the Commonwealth of Virginia.

The following FY 2023 VATI grant applications will be submitted by the deadline of August 25, 2022:

VATI Grant Application #1

Project Area: Unserved locations west of Interstate 95

Internet Service Provider (ISP): Verizon

Approximate Number of Homes Passed: 854

Estimated Total Cost: \$7,642,835

Estimated Verizon Contribution: \$4,585,701 (\$5,369.67 per passing or 60% of cost)

Estimated County Contribution: \$1,024,800 (\$1,200 per passing or 13% of cost)

Estimated Requested VATI Share: \$2,032,334 (27% of cost)

VATI Grant Application #2

Project Area: Unserved locations east of Interstate 95

Internet Service Provider (ISP): Breezeline (formerly Atlantic Broadband)

Approximate Number of Homes Passed: 3,864*

Estimated Total Cost: \$21,349,000

Estimated Breezeline Contribution: \$11,672,200 (\$3,022 per passing except for RDOF eligible homes*, or 55% of cost)

Estimated County Contribution: \$3,518,400 (\$1,200 per passing or 16% of cost)

Estimated Requested VATI Share: \$6,158,400 (29% of cost)

**A portion of the project (Sparta, Central Point, Passing (south of Fort A.P. Hill to Rt. 600) is part of the RDOF auction awarded to Atlantic Broadband by the Federal Communications Commission. The Rural Digital Opportunity Fund is an FCC program designed to close the digital divide in the United States by investing billions of dollars in the construction of rural broadband networks. The FCC is disbursing funds through a reverse auction. Interested broadband carriers participated in the auction and bid for these funds, with bidders promising to deliver broadband and voice services at the lowest cost.*

As a result of the RDOF subsidy to ABB of \$2,709,215 over ten years, Caroline County is not required to provide matching funds for this phase of the project.

New Information: In preparing updated numbers from Breezeline for the VATI grant application, 47 previously unidentified addresses were discovered. Most of these homes are in a pocket next to the Comcast service area.

As a result of the additional homes, additional County matching funds in the amount of \$56,400 (47 x \$1,200 per home) will be needed for the VATI grant application.

Budget Impact: The proposed source of funds for the additional \$56,400 is the FY 2023 Undesignated General Fund Balance.

Action requested of the Board of Supervisors: Approve supplemental appropriation as outlined above