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# AGENDA ITEM

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TO: Tim Vandall, City Administrator  
FROM: Matthew R. Schmitz, Director, Community & Economic Development  
DATE: March 17, 2022  
SUBJECT: Consent to Assignment for the License Agreement and Economic Development Incentive Agreement for deployment of RG Fiber

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**Explanation:** The City of Lansing is a recipient of \$1,812,742 in funding as a result of the American Rescue Plan Act (ARPA). In examining what the funds could be used for, the expansion of internet providers in town was focused on as a potential use of funds pursuant to the goals of the ARPA. At the Dec. 2, 2021 City Council meeting, the Council authorized the signing of a License Agreement and Economic Development Incentive Agreement for the deployment of RG Fiber in the City. RG Fiber is in talks with Delta Communications, LLC, which is a wholly-owned subsidiary of Clearwave Fiber, LLC to enter into an agreement whereby RG Fiber would sell to Delta Communications substantially all of the assets comprising RG Fiber's business. Mr. Mike Bosh, CEO of RG Fiber, will be part of the Clearwave Fiber team after the consummation of the sale. This Consent to Assignment Letter would allow the already agreed to terms of the License Agreement and Economic Development Incentive Agreement to be assigned to Delta Communications at the closing of the sale.

**Policy Consideration:** The ARPA laid out many priorities for the funds it included, and Staff feels that pursuing improvements to broadband accessibility within the City is an appropriate use of funds pursuant to the guidance that has been published by the U.S. Treasury department for the ARPA.

**Financial Consideration:** The License Agreement does not have costs associated with it, other than the financial costs of administering Right of Way permits in the City. For the Economic Development Incentive Agreement, the \$800,000 will come from the ARPA funds of which the total disbursement to the City is \$1,812,742 and \$911,763.38 has already been received by the city. The initial payment of \$400,000 has already been made. Two supplemental \$200,000 payments will be disbursed after major milestones are achieved during the deployment. Should those milestones not be met, the entire amount provided under the Economic Development Agreement is subject to repayment to the city per the agreement.

**Action:** Staff recommends Council consider a motion to approve the Mayor to sign the attached Consent to Assignment Letter for deployment of RG Fiber within the City.

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