



Carl Peter "Pete" Johnson, Chair
Jeske Noordergraaf, Vice Chair
Eric Leivian
Gerald Bjork
Stephen Merten
Karen Anderson, Treasurer
Wendy Kowalke, Clerk

February 2, 2017

Dear Residents,

Sunrise Township has received a petition to consider the establishment of a Subordinate Service District ("SSD") pursuant to Minnesota Statutes § 365A to help facilitate the installation and financing of high speed internet through CenturyLink (who would ultimately own the broadband system and provide the service). The petition was signed by over 50% of the property owners within CenturyLink's service territory, which covers approximately two-thirds of the Township. You are being sent this letter because your property is located within the proposed SSD. SSDs are a financing tool that Townships can use to provide a service to property owners that request the Township's help for said service. This letter is being sent to try to answer some questions that have been presented to the Town Board regarding the requested SSD.

It is estimated that the cost to extend high speed internet to the residents within the SSD would be \$2,388,560. To date, the Township has received approximately \$1,074,852 in the form of a grant from the State of Minnesota's Border-to-Border Broadband Development Grant Program to help pay a portion of this cost. It is being proposed that the Township contribute approximately \$610,000 with CenturyLink absorbing the remainder of the \$703,708 in costs as well as any cost overruns. Without the Township's financial participation and the grant funds, CenturyLink could not serve Sunrise Township with high speed internet. It would simply not be economically feasible for the company.

With regard to the Township's portion of the estimated costs, it is proposed that the Township would secure a bond or other loan that will be repaid through property tax charges against all the landowners within the SSD. An estimate of the proposed property tax charges will be available at the public hearing to be held on **February 23, 2017 at 7:00 p.m.** at the Royal Wilcox Community Center located at 41275 Oak Street, North Branch, Minnesota to consider the establishment of the requested SSD.

We hope this letter helps clarify the Town Board's role within the proposed SSD. If you have any questions regarding this issue, please feel free to attend the public hearing noted above. The Town Board will be voting on proceeding with the formation of the SSD at this meeting. This is your opportunity to make your opinion count, as you will be the one paying for this service if the Board votes to establish the SSD. Please note that the \$610,000 only pays for the installation of the fiber to the home. CenturyLink will charge monthly internet service charges to subscribers, and may charge them a connection or activation fee as well. The Township will pay interest on the bond or loan principal plus administrative costs relative to the SSD and the bond, which will be paid through the property tax assessments to landowners within the SSD.

Sincerely,

Carl Peter "Pete" Johnson
Chairman, Sunrise Township

Town of Sunrise, P.O. Box 933, North Branch, MN 55056