

BOND
INFORMATION



Proposal on Aug. 8 ballot to build Fiber to the Home broadband infrastructure in Lyndon Twp.

What is the Broadband Bond?

Lyndon Township is proposing to build a fiber optic network that would provide broadband access to all Lyndon Township residents.

If the proposal passes, the project will be financed using a municipal bond that would cost about 2.9 mills over 20 years. Total amount borrowed by the township not to exceed a principal amount of \$7,000,000.

What will be the cost to the taxpayer?

Based on current property valuation information available from the township, the new bond will cost the average homeowner \$263/year (\$21.92/month). Cost of the millage to pay the bond is calculated at \$2.91 per \$1000 of taxable value (taxable value is about ½ the home's market value).

After building the fiber network the township will partner with one or more private service providers to deliver Internet access to residents.

Estimated monthly costs for basic Internet access will be about \$35 for 100Mb of bandwidth. 1Gb bandwidth will be available for \$60 a month.

Total costs for a resident to get broadband service: millage bond costs + monthly costs for Internet access. For the average homeowner in Lyndon Township this will be around \$57 a month.

Why is this project being proposed?

High speed internet access is not available to most Lyndon Township residents. The township board has investigated solutions with existing providers capable of providing FCC minimum broadband standards and found none willing to invest the money to build infrastructure in Lyndon Township.

In June of 2016, Lyndon Township residents received a survey with the summer tax bill aimed at gauging public interest in broadband. 83% of the registered voter respondents said that having high speed Internet was "important" or "very important". Additionally, when asked to prioritize a list of fifteen issues respondents ranked broadband access as second in importance, behind only "protecting water quality."

The township board funded a feasibility study in 2016 to understand how this issue might be addressed. The feasibility study recommended that the township build a fiber optic network.

Will the fiber reach my house?

If the bond proposal passes the fiber network would connect to each house in Lyndon Township on both private and public roads.

When would broadband be available?

If the bond proposal passes broadband should be available in Lyndon Township by December of 2018.

ELECTION DAY IS AUGUST 8, 2017

FAQ

Q. Do Lyndon Township residents have access to broadband services today?

A. Current data from Connect Michigan (a subsidiary of Connected Nation, partnering with the Michigan Public Service Commission, as part of a national effort to map and expand broadband) shows that at the Federal Communication Commission (FCC) broadband threshold of 25Mb download and 3Mb upload, more than 80% of Lyndon Township households do not have access to broadband. Higher coverage numbers that are sometimes quoted are inclusive of slower levels of service that are not fast enough to be considered broadband, mobile services with data caps, or both.

Q. Why isn't cellular a viable solution?

A. Cellular is not a viable home broadband solution because of the data caps imposed by carriers. A recent analysis showed that if a data capped household were to use their connection in the same manner as an uncapped household, they would pay over \$6,500 per month in data overage charges.

Q. Why isn't satellite a viable solution?

A. Similar to cellular, satellite service comes with a data cap. In addition to this, satellite services have a high latency, making the service unusable for many real-time applications like internet telephones, video chat, and gaming.

Q. Will the millage be tax deductible?

A. Yes. The fees paid directly to an internet service provider include a portion that goes toward corporate-wide infrastructure investment; these fees are not tax deductible. However, millage costs, including those associated with this infrastructure bond, are included in your property taxes each year. If you itemize your federal and state tax returns, you will receive a deduction for the property taxes you have paid.

Inadequate internet access in Lyndon creates these and other real-world concerns every day:

- **Lyndon school kids are routinely having to go to Chelsea or other Wi-Fi locations for internet access in order to do their homework**
- **Lyndon residents who might otherwise have the opportunity are unable to work from home because the internet access they do have is too slow**
- **Lyndon residents are unable to participate in on-line education, access videos that would enable them to complete a DIY project, or even easily download a required update to a software program such as Microsoft Windows**

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