



City of Asheville, NC

Accounting Division

June 8, 2011

Mr. Wally Bowen
Executive Director
Mountain Area Information Network (MAIN)
34 Wall Street, Suite 407
Asheville, NC 28801

Dear Mr. Bowen:

Thank you for your e-mail response to our letter dated June 3, 2011.

Consideration of MAIN's account status will be included on the City Council Finance Committee meeting agenda for June 28, 2011. The Finance Committee generally meets at 3:30 p.m. in the sixth floor training room in City Hall, although the meeting time will be confirmed closer to the date.

Absent the payment plan for the \$27,455.67 due to the City that was requested in the June 3 letter, staff will be advising the Committee at its June 28 meeting that next steps will be taken to turn MAIN accounts over to a collection agency. If we are unsuccessful in obtaining payment through these measures, the City will be forced to consider its rights and remedies provided within the agreement, up to and including suspension of service.

Sincerely,

Pat Liguori
Treasury Services Manager

CC: Gary W. Jackson, City Manager
Bob Oast, City Attorney
Jonathan Feldman, IT Services Director

MEMORANDUM

July 1, 2011

To: Mayor and City Council Members
From: Lauren Bradley, Finance and Management Services Director
Via: Gary W. Jackson, City Manager
Subject: Mountain Area Information Network (MAIN) account delinquency

The purpose of this memorandum is notify City Council of city staff's next steps related to Mountain Area Information Network's (MAIN) lease status for antennas on City towers at White Fawn Reservoir.

The attached outline, originally drafted for the July 12 Finance Committee meeting, provides a history of MAIN's accounts with the City of Asheville. At this point, based on the lease terms, staff will turn over the MAIN accounts to collections.

MAIN officials have requested City Council consideration of a new lease, which would first be reviewed by the Finance Committee. MAIN has requested that Committee consideration be delayed until later this summer.

MEMORANDUM

July 12, 2011

To: City Council Finance Committee
From: Lauren Bradley, Finance and Management Services Director
Via: Gary W. Jackson, City Manager
Subject: Mountain Area Information Network (MAIN) account delinquency

This memorandum outlines the history of the Mountain Area Information Network's (MAIN) account status related to a tower lease agreement and monthly parking.

- The City of Asheville and Mountain Area Information Network (MAIN) entered into an agreement in 2006, whereby MAIN was granted the right to install antennas on City towers at White Fawn Reservoir. At this point, the original agreement has expired, and the lease is operating on a month-to-month basis.
- From May 2006 to April 2008, MAIN made a single payment in the amount of \$600.
- In April of 2008, the City notified MAIN of a delinquency in the amount of \$14,988. MAIN agreed to a payment schedule. MAIN subsequently failed to make the required payments.
- In April 2009, MAIN was in arrears in the amount of \$22,925 and another payment agreement was extended. The organization made several payments under that agreement but in October 2009 ceased making payments.
- In June, 2010 a third payment schedule was established, based on the arrears amount of \$23,584. MAIN made four payments under that agreement and ceased making payments in October 2010.
- In February and March 2011, City off renewed their request for payment, notifying MAIN that it was in default of the lease agreement terms.
- As of June 1, 2011 MAIN was in arrears on the license agreement in the amount of \$27,455.76 and \$3,521.90 due on the Wall Street parking garage that was utilized by MAIN staff parking for a total of \$30,977.66.
- On June 3, 2011, MAIN was notified of its default status and was given the opportunity to cure the default by remitting payment, or alternatively, submitting a payment plan for the amount due, with no less than \$10,000 paid to the City within 30 days. The City has not received payment nor a payment plan to date.

As with any other past due account, staff will turn the MAIN accounts over to collections. If efforts to cure the default are unsuccessful, service to the towers should be discontinued.



City of Asheville, NC

Accounting Division

January 31, 2012

Mountain Area Information Network
Attention Mr. Wally Bowen,
Executive Director
34 Wall Street
Suite 407
Asheville, NC 28801

Dear Mr. Bowen:

Pursuant to Section VII.A of the License Agreement between Mountain Area Information Network (M.A.I.N.) and the City of Asheville dated May 5, 2006, you are hereby given notice that the City intends to terminate your service in ninety (90) days for failure to pay your rent in accordance with the terms of the Agreement. Your service will, therefore, be terminated on Tuesday, May 1, 2012.

Sincerely,

Pat Liguori
Treasury Services Manager
(828)259-5502

Cc: Mr. G. Jackson, City Manager
Ms. L. Bradley, Director of
Finance and Management Services
Mr. J. Feldman, Director, IT Services
M.A.I.N. Board
M.A.I.N. Management Team

P.O. Box 7148 • Asheville, N.C. 28802 • 828-259-5584 • www.ashevillenc.gov

The City of Asheville is committed to delivering an excellent quality of service to enhance your quality of life.

City Tower access_040212.txt

From: wallyb@main.nc.us
Sent: Monday, April 02, 2012 3:42 PM
To: Lauren Bradley; Jonathan Feldman; Sam Powers
Cc: Gary Jackson
Subject: City Tower access

Attachments: citysupport312.odt

Dear Lauren, Sam, and Jonathan:

MAIN's access to the City's White Fawn cell-tower is critical to our mission to reach underserved households in Asheville. We recently received the City's notice of default for MAIN's lease to this tower. Losing access to this tower will result in a loss-of-service for many of our subscribers, and will greatly limit MAIN's ability to fulfill its mission.

MAIN is the only organization in Asheville dedicated to bridging the broadband Digital Divide. Losing access to the White Fawn Tower not only jeopardizes MAIN's mission, but also jeopardizes our survival.

On March 21, 2012, the MAIN Board of Directors unanimously approved a resolution calling on the Asheville City Council to seek a policy resolution for this dilemma. Current City policy appears to regard MAIN as a conventional for-profit commercial operation, which it is not. Via this resolution, the MAIN Board of Directors is respectfully requesting a policy directive that considers MAIN's unique and critical public-service mission.

Before the Board submits this resolution to City Council, we wanted to share the following rationale with relevant City staff as a courtesy and for any guidance or feedback.

Since 1995, the nonprofit Mountain Area Information Network has been a leader in Western North Carolina in bridging the Digital Divide between those with affordable Internet access and those without. Today, many households in Asheville's low-wealth neighborhoods still do not have access to affordable broadband services.

As you know, broadband access has become an indispensable platform for most of life's necessities. Searching for a job, submitting a resume, applying for college, seeking healthcare, etc. - all these necessities today assume a broadband connection to the Internet. As more of our institutions engage customers and clients via online interactions, the poor and working-poor are increasingly left behind. The problem has become so acute that public libraries routinely ration broadband Internet access given the dramatic increase in demand. (Hoffman, Judy, John Carlo Bertot, Denise M. Davis, and Larra Clark. Libraries Connect Communities: Public Library Funding & Technology Access Study 2010-2011. American Libraries magazine, June 2011. <http://viewer.zmags.com/publication/857ea9fd>.)

In 2010, MAIN partnered with the Housing Authority of the City of Asheville (and other local agencies) to apply for federal broadband stimulus funding. In the process, we asked HACA to query its database on public housing residents' use of telecommunications. We discovered that more than half of all HACA residents had dropped their landline telephone service. In short, more than half of Asheville's public housing residents rely on cell phones for telephone service and, increasingly, Internet access. This phenomenon tracks with national data showing that low-income residents increasingly rely on cell phones and other mobile devices.

("For minorities, new 'digital divide' seen," Associated Press, 10 January 2011, based on July, 2010 study by the Pew Internet & American Life Project.)

However, conducting a job search and submitting a resume online is extremely difficult, if not impossible, for those who must rely on mobile devices for Internet access. This dilemma explains, in part, the spike in demand for true broadband access at public libraries.

Citizens with disabilities is another at-risk population with whom MAIN has worked since

City Tower access_040212.txt

1996. Like many low-income residents, these citizens face growing challenges as the business of obtaining life's necessities increasingly requires broadband access. In recognition of MAIN's long-standing commitment to bridging the Digital Divide, the regional agency Disability Partners and the NC Department of Aging presented MAIN with the "Mountain Community Access Award" in 2008.

One of the most pernicious and growing Digital Divide disparities is between K-12 students from low-income households and students from middle-class households. Broadband Internet access has increasingly become an essential platform for teachers and students in the primary grades through high school. While all students, regardless of socioeconomic background, have access to the Internet on campus, lower-income students are at greater risk of having no Internet access at home. This broadband Digital Divide has only widened as K-12 teachers increasingly rely on the Internet for classroom instruction and homework assignments.

Recently, the Asheville City Schools launched an ambitious effort to bridge this Digital Divide with its "1:1 Laptop Initiative" to provide every student at Asheville High School with a laptop computer which they can use on campus AND at home. According to the ACS website, "extensive research over the past five years exploring schools with laptop initiatives [shows that] these schools have increased graduation rates, less behavior problems, and increased student achievement. Asheville City Schools believes that we have a moral imperative to ensure that our students are well prepared for college and career readiness in the future."

While AHS students are encouraged to take their laptops home, students from lower-income households continue to be handicapped by a lack of affordable broadband access after school in their neighborhoods and at home. This is a problem MAIN can help with immediately.

With continued access to White Fawn Tower, MAIN is positioned to upgrade and expand our wireless broadband network at several public housing facilities and surrounding neighborhoods: Aston Tower, the Reid Center, and Klondike apartments. In addition, MAIN is competing for a Knight Foundation grant that would, among other things, create several "neighborhood technology centers" at locations such as the Burton Street Community Center.

For the Knight Foundation proposal, and other future funding proposals, we are requesting that the City of Asheville contribute "in-kind" matching support in the form of access to the White Fawn Tower over the next 36 months. To be clear, MAIN is NOT requesting any City funding. Our request is solely for "in-kind" support in the form of tower access. We estimate the in-kind value of this tower access to be approximately \$60,000; approximately \$35,000 of this total in-kind value would offset and eliminate the past due rent accrued via the existing tower lease which the City has declared in default.

We believe this is a "win-win-win" solution. At-risk residents in public housing and surrounding neighborhoods gain access to affordable broadband services; MAIN is able to upgrade and expand its network; and the City advances high-value economic and community development goals. MAIN is prepared to begin this network expansion immediately via \$25,000 in grant funds we were recently awarded.

Thanks for your time and consideration of this matter. We welcome any feedback and guidance from City staff. Please find attached a PDF of this summary plus a copy of the Board resolution for the City Council.

Sincerely,

Wally

Wally Bowen
Executive Director
Mountain Area Information Network (MAIN) MAIN-FM 103.5 LP Asheville, N.C.
<http://www.main.nc.us>

CITY OF ASHEVILLE

Mountain Area Information Network (M.A.I.N.)
 White Fawn Tower Payments Due at March 31, 2012
 Customer #3180773

Period	Lease Payment Due	Payments Received Amount	Payments Received Date	Balance Due
May 2006 to April 2007	\$ 7,200.00	\$ 600.00		\$ 6,600.00
Annual Utility Fee	150.00			6,750.00
May 2007 to April 2008	7,488.00			14,238.00
Annual Utility Fee	150.00			14,388.00
May 2008	648.96			15,186.96
Annual Utility Fee	150.00			14,538.00
June	648.96			15,835.92
July	648.96			16,484.88
August	648.96			17,133.84
September	648.96			17,782.80
October	648.96			18,431.76
November	648.96			19,080.72
December	648.96			19,729.68
January 2009	648.96			20,378.64
February	648.96			21,027.60
March	648.96			21,676.56
April	648.96			22,325.52
May 2009	674.92			23,000.44
Annual Utility Fee	150.00	1,284.96	5/4/2009	21,865.48
June	674.92	1,284.96	5/29/2009	21,255.44
July	674.92	150.00	5/29/2009	21,780.36
August	674.92	1,284.96	6/23/2009	21,170.32
September	674.92	1,284.96	8/4/2009	20,560.28
October	674.92	1,284.96	9/3/2009	19,950.24
November	674.92	1,284.96	9/21/2009	19,340.20
December	674.92	1,284.96	10/19/2009	18,730.16
January 2010	674.92			19,405.08
February	674.92			20,080.00
March	674.92			20,754.92
April	674.92			21,429.84
May 2010	701.92			22,131.76
Annual Utility Fee	150.00			22,281.76
June	701.92			22,983.68
July	701.92			23,685.60
July (accrued interest)	693.88			24,379.48
July		1,025.45	7/7/2010	23,354.03
July		1,025.45	7/21/2010	22,328.58
August	701.92			23,030.50
August		1,357.02	8/17/2010	21,673.48
September	701.92			22,375.40
October	701.92			23,077.32
October		1,357.02	10/5/2010	21,720.30
November	701.92			22,422.22
December	701.92			23,124.14
January 2011	701.92			23,826.06
February	701.92			24,527.98
March	701.92			25,229.90
April	701.92			25,931.82
May	729.99			26,661.81
June	729.99			27,391.80
Accrued interest	63.87			27,455.67
August	729.99			28,185.66
September	729.99			28,915.65
October	729.99			29,645.64
November	729.99			30,375.63
December	729.99			31,105.62
January 2012	729.99			31,835.61
February	729.99			32,565.60
March	729.99			33,295.59
	\$ 47,805.25	\$ 14,509.66		\$ 33,295.59