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FAME APPROVES FINANCING TO SUPPORT EXPANDED BROADBAND ACCESS IN BELFAST AND SOUTH PORTLAND

*Projects expected to benefit area businesses and families
and help spur economic development*

AUGUSTA — At its monthly meeting held remotely on December 17, the board of directors of the Finance Authority of Maine (FAME) approved up to \$1.9 million in loan insurance and a \$1 million direct loan to help support increased access to broadband in the cities of Belfast and South Portland.

The board approved a request by Arctaris Impact Fund, LP & Arctaris Opportunity Zone Fund, LLC (Arctaris) for 20% leveraged loan insurance on \$9.5 million of funding to construct dark fiber networks in South Portland and Belfast. Arctaris Broadband Company, LLC (ABC,) a related entity, will act as the distribution agent and lessor owning the network. Biddeford Internet Corporation, d/b/a GWI, will serve as lessee and build and operate the fiber network in both cities. A \$1 million FAME Direct Loan was approved as well, and will be used for post-construction capital expenditures and working capital.

FAME's financing is expected to benefit numerous businesses and homes in both cities, including low-income families. The action is expected to help retain a total of 51 Maine jobs at GWI and have additional positive impacts on indirect job growth in the areas as projects progress and businesses grow.

Communities with good communications infrastructure are attractive to current and future residents and businesses. Residents with good broadband access enjoy employment opportunities through telecommuting and Cloud-remote offices. They have more educational opportunities through distance learning, and telehealth allows for better and less expensive healthcare access. Remote monitoring promotes "aging in place," permitting the elderly to remain in their homes longer, as well. There are growing needs for bandwidth on a daily basis. Gigabit fiber infrastructure plays a vital role in addressing these challenges for the long-term.

"High-speed internet access is more important than ever these days, with so many households working and learning from home. Financing this important project will make a huge difference to workers and residents in Belfast and South Portland who will be able to tap into much-needed broadband," said David Daigler, FAME Board chair. "FAME is pleased to be part of the solution as Maine moves to improve broadband access statewide.

The need for this technology will only increase in the future as our economy recovers.”

FAME was provided with information, letters of support, and public testimony from city officials from Belfast and South Portland, as well as ConnectMaine. ConnectMaine is the state’s broadband authority charged with expanding not only broadband connections but also citizen use and understanding of the value of a high-quality broadband connection.

“This is a great project for Maine,” stated Peggy Schaffer, executive director of the ConnectMaine Authority, who submitted a letter of support for the financing. “It will help to connect neighborhoods in Belfast and South Portland with faster, more affordable broadband connections. GWI is making a commitment to ensure that residents can afford this economic tool.”

The expected public benefits of the projects relate to improving the quality and consistent internet accessibility in Belfast and South Portland. Belfast’s city manager spoke of the need for improved access in that city, and noted how many residents park in front of city hall and the municipal library in order to obtain access to the internet.

Belfast City Manager Erin Herbig stated: “It cannot be stressed enough what a tremendous impact this investment will have on students, families and businesses in our community. Thank you to FAME, Arctaris and GWI for investing in the public benefit this project will provide to rural Maine!”

Belfast City Councilor Mary Mortier, who spearheaded the city’s broadband efforts for the past eight years and is a member of the local broadband committee, stated: “Our economic development and future success as a thriving small city depend on this absolutely-needed infrastructure of the 21st Century. During this especially challenging time of COVID-19, it’s exciting to learn there is light in our future and it will be delivered by fiber-optics to our homes and businesses.”

Despite being Maine’s fourth-largest city, South Portland still has areas lacking basic broadband access. One such area is Redbank, which contains low-income and minority, immigrant populations lacking access to quality broadband.

Increasing access to quality, high-speed, affordable broadband is a central goal of the state’s and is discussed at length in recent reports and recommendations included in the Governor’s Ten-Year Strategic Economic Development Plan; the recommendations made by the Governor’s Economic Recovery Committee; as well as the state’s Broadband Action Plan.

Heather Johnson, Commissioner of the Maine Department of Economic and Community Development and a FAME board member, stated: “Access to faster, affordable broadband is key not only to Maine’s short-term economic recovery, but also to our long-term economic growth. This project has strong public benefit elements to it.”

Kerem Durdag, President and COO of GWI, commented: “As a B Corp certified fiber optic broadband internet provider, our focused commitment is to bring choice, affordability and access to all citizens of Maine. We sincerely thank FAME, Arctaris, the City of Belfast, and the City of South Portland for their input as we press on with all our stakeholders to execute this project.”

FAME’s Commercial Loan Insurance Program insures a portion of a loan to a business made by a participating financial institution or investment firm. For a business, it may mean the difference between obtaining a loan or never getting the opportunity to start a business.

FAME’s Direct Loan program provides subordinate or gap financing to businesses affected by their current economic situation. This program helps new or existing business with flexible gap financing directly from FAME.

The Finance Authority of Maine (FAME) is a quasi-independent state agency that provides innovative financial solutions to help Maine citizens pursue business and educational opportunities. FAME helps to lead the creation of good paying jobs for Maine citizens by working at the nexus between economic and workforce development. To learn more about FAME, please visit www.famemaine.com

Arctaris Impact Investors, LP, is an Impact Investment fund manager providing capital to profitable, growth-oriented businesses in underserved regions throughout the United States, with emphasis on inner cities and targeted rural communities. Launched in 2009 and headquartered in Boston, Arctaris has partnered with state government agencies and the U.S. Treasury Department to form fund programs with primary emphasis on economic development and jobs creation.

GWI: A Maine-owned and operated company since 1994, GWI is a fiber optic broadband internet service provider headquartered in Biddeford, Maine, that provides residential and business services to customers throughout Maine. The company is committed to providing its customers with the fastest, most reliable internet services available and to protect open access, data privacy and net neutrality. It is the first B Corporation-certified telecommunications carrier in the United States.

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