



City Spotlight: St. Louis Park's "green" wireless Internet mess

The City of St. Louis Park's experiment with a city-owned solar-powered wireless Internet network has [come to an ignominious end](#). After spending almost two years and hundreds of thousands of taxpayer dollars; after installing eight miles of fiber-optic cable and 490 16-foot-tall poles on which unsightly solar panels and wireless radios were hoisted; and after several delays and countless technical failures, the city is finally abandoning its wireless plans, at least for the foreseeable future. Despite all the effort and money expended, the city never came close to successfully delivering the reliable, citywide "green" wi-fi system it promised to taxpayers.

Since late 2007, St. Louis Park and Arinc, Inc., the firm chosen to install the network, had been engaged in a bitter dispute over the project's numerous delays and technical failures, with both parties eventually suing each other. However, instead of proceeding with legal action before the US District Court, they have now settled out of court. Arinc, Inc. will pay the city a \$1.05 million settlement.

Neither party admits any wrongdoing under the settlement.

What remains puzzling to many taxpayers is why the city chose to build a "green" solar-powered network, considering their vendor had never successfully built a network using that technology. In fact, [no one had ever built](#) a solar-powered citywide wireless network. St. Louis Park boldly set out to become the first in the nation. And while, as the *Star Tribune* reports, city staffers still maintain that "the problem was in the implementation" and not in the concept, some city council members remain "concerned, still, about whether solar power is realistic." All things considered, it may have been wise to determine with certainty the viability of the technology *before* signing on the dotted line, not after.

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The settlement is hardly a winning solution for the City of St. Louis Park and its taxpayers. While they recoup just over \$1 million, city taxpayers are on the hook for an estimated \$150,000 to cover the cost of removing the installed equipment. And while the city will keep the eight miles of fiber – which cost about \$400,000 to install – St. Louis Park's City Manager estimates its value at \$100,000 since the city has no current use for it. Finally, there's the nearly two years of staff time devoted to the failed project.

Mayor Jeff Jacobs [summed up](#) the city's wi-fi misadventure earlier this year: "Those are not windmills, they are Wi-Fi poles and if you build them you'll look like idiots to the rest of the world."

The city's Chief Information Officer has a [different take on the situation](#), saying after the settlement was reached: "All things considered, I think we're all very pleased about where we ended up." Everyone, one presumes, except the taxpayers.

St. Louis Park isn't the only city in Minnesota that's learning the hard way that government is ill-equipped to compete in the telecom world. The City of Moorhead's "GoMoorhead" broadband network has also been an unmitigated disaster. The city sued its broadband consultant and two equipment providers for \$2 million after the network experienced serious technical problems immediately upon its debut in 2005. The city has also failed to attract customers to its service. While projecting 4,000 customers by 2006, they have come nowhere near meeting the goal; today, the service has just 2,800 subscribers, not nearly enough to even break even. And to subsidize the broadband network, the city has raised its electric rates – 10 percent in 2008 and a proposed 12 percent in 2009 – forcing nearly every taxpayer to subsidize the few who actually use the network.

The simple lesson: All taxpayers are put at extraordinary risk when local government gets involved in these risky projects.



Scott County cuts \$1.7 million from 2009 budget

Scott County is confronting the current economic situation in a novel way that few metro-area cities and counties have tried. They're [cutting spending](#). The Scott County Board voted Tuesday to cut \$1.7 million from its 2009 budget with the goal of holding the line on taxes for average-valued homes.

The cuts were achieved primarily by doing away with "automatic" budget increases. In recent years, the county has built in an annual \$1 million increase in their

transportation budget and an annual ¼-percent tax increase dedicated to growing the county's park system. Both of these increases have been eliminated from the 2009 budget.

While the decision to temporarily suspend automatic tax and spending increases hardly qualifies the Scott County Board as fiscal hawks, it's a modest step in the right direction, one that too few local governments are taking in bad economic times.



The Freedom Foundation of Minnesota is an independent, non-profit educational and research organization that actively advocates the principles of individual freedom, personal responsibility, economic freedom, and limited government. The FFM Bulletin is authored by Freedom Foundation of Minnesota Vice President Jonathan Blake.

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