

**CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**Sitting/Acting as (if applicable)**  
**Policy Session Worksheet**

**Presentation Date:** 11/07/17    **Approx. Start Time:** 10:30 AM    **Approx. Length:** 60 Min

**Presentation Title:** CBX Business Plan Proposal

**Department:** Technology Services / Clackamas Broadband eXchange (CBX)

**Presenters:** Dave Cummings / Laurel Butman

**Other Invitees:** Dave DeVore / Duke Dexter / Gary Schmidt / Chris Storey

**WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?**

Approval of the CBX Business Plan to include development of new business options, forming partnerships with local Internet Service Providers (ISP) and, if required, CBX becoming an ISP.

**EXECUTIVE SUMMARY:**

As the Clackamas Broadband Exchange maintains a steady economic growth model within the County, it must keep expenses in check if sustainability is to continue. Moderate controlled growth with a sustainable offering of products and services will ensure its long-term success.

CBX will need to continue its focus on maintaining services, partnerships, and economic development. As such, CBX will maintain current services and look at potentially providing new services that can be operated in a sustainable manner (for example: Network Support, CCTV Security and ISP Services).

CBX currently provides Dark Fiber to customers with other ISPs providing the Internet services. CBX proposes entering into partnerships with ISP vendors to extend services to business customers such as business centers and potentially other high bandwidth customers. If the ISPs fail to partner with CBX, then CBX could potentially become an ISP to these customers directly.

**FINANCIAL IMPLICATIONS (current year and ongoing):**

Is this item in your current budget?     YES     NO

What is the cost? \$ To Be Determined    What is the funding source? CBX Budget

- Determined by the approved projects, build-out costs and business options
- Goal is to have all cost covered by CBX, partners and customers
- Potential long term development costs where business model justifies the investment outside of CBX funding.

**STRATEGIC PLAN ALIGNMENT:**

- How does this item align with your Department's Strategic Business Plan goals?
  - CBX Growth & Sustainability
  - Expanded service options and cost containment for County customers
  - Enhanced and cost-effective communications between public agencies
  
- How does this item align with the County's Performance Clackamas goals?

- Grow a vibrant economy
- Build a strong infrastructure
- Build public trust through good government

**LEGAL/POLICY REQUIREMENTS:**

There are several legal, policy and potentially regulatory requirements to be resolved depending on which business options are approved and the extent CBX becomes an ISP.

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

Partnerships with other ISP vendors.

**OPTIONS:**

- 1) Approval of CBX Business Plan and potential business solutions:
  - a. Continued development of Business Plan and associated market studies
  - b. Continue to build business models for network & CCTV services
  - c. Work to develop / expand partnerships with ISP vendors to provide services to County business parks and high-bandwidth customers.
  - d. If required, develop CBX as an ISP Provider.
  
- 2) Nothing;
 

CBX continues current business model of providing Dark Fiber Infrastructure, no additional services.

**RECOMMENDATION:**

Staff respectfully recommends approval of option 1 allowing CBX to expand potential service options.

**ATTACHMENTS:**

CBX Business Plan Overview

**SUBMITTED BY:**

Division Director/Head Approval \_DC\_\_\_\_\_

Department Director/Head Approval \_\_\_DC\_\_\_\_\_

County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact Dave DeVore @ 503-723-4996

# Clackamas Broadband eXchange

i n f o r m a t i o n   a t   t h e   s p e e d   o f   l i g h t

## Business Plan Overview

As the Clackamas Broadband Exchange (CBX) maintains a steady economic growth model within the county, it must keep expenses in check if sustainability is to continue. Moderate controlled growth with a sustainable offering of products and services will ensure its long-term success.

## Objectives

- Stimulate economic growth through partnerships.
- Pursue risk and expense minimization strategies.
- Maintain a balanced budget through controlled growth and service offerings.
- Build reserves for future growth and opportunities.

## Strategy and Implementation

CBX will need to continue its focus on maintaining services, partnerships, and economic development. CBX will maintain current services and look at potentially providing new services that can be operated in a sustainable manner.

## Business Solutions



### Dark Fiber Option

CBX offers Dark Fiber transport. With approval from the Board of County Commissioners, CBX will continue seeking opportunities for all wishing to reach urban and regional customers where it is cost-effective.

### Partnership Options

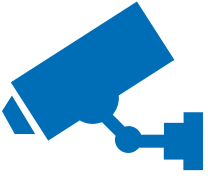
CBX currently partners with other telecom internet service providers (ISPs) which is an opportunity for CBX to increase utilization of Dark Fiber and generate revenue. This partnership can be used to help attract new businesses to Clackamas County.



CBX is currently partnering with the Clackamas Educational Service District (ESD), the City of Sandy (SandyNet) and with multiple telecoms leasing our dark fiber.

### Network Support Option

This option entails offering network support over the CBX to other Public Agencies.



### **CCTV Security Support Option**

This option would entail maintaining CCTV systems, providing hosting, and archiving of CCTV footage to other public agencies, and providing CCTV connectivity for viewing, archival storage, and security services.

### **ISP Option**

CBX already provides Dark Fiber to public agencies with Clackamas ESD as our ISP partner. CBX becoming an ISP would involve ending this long-term relationship and actively places CBX in competition with them.



Clackamas ESD is not chartered to provide ISP services beyond public agencies, so we rely on local telecoms to provide the ISP service to private entities. If local telecom providers fail to partner with CBX and offer the expanded ISP services, then CBX becoming an ISP is something that we must consider to meet future growth goals. The most economical and potentially most successful way to do this would be for CBX to start offering ISP service to business parks. This connectivity would in most cases be accomplished with minimal fiber infrastructure servicing multiple businesses in that cluster.



Providing ISP services to the home is not economically feasible at this time and will necessitate additional market study and partnerships to fund this option.

For more information on the Clackamas Broadband Exchange:

### **Dave Cummings**

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