

CBXCLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 8/18/2020 **Approx. Start Time:** 3:30 pm **Approx. Length:** 30 Min

Presentation Title: CBX US Economic Development Administration Grant

Department: Technology Services/Clackamas Broadband eXchange

Presenters: Dave Cummings, CIO / Director, Technology Services, Duke Dexter, CBX Coordinator

Other Invitees: Dave DeVore

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Approval of the Clackamas Broadband eXchange (CBX) program applying for a grant to expand the CBX fiber network to include fiber to the business in Clackamas County. CBX, in partnership with the City of Sandy, would submit an application for a US Economic Development Administration (EDA) grant that would provide funding for a business internet service for businesses within Clackamas County. CBX is not asking for authorization to become an Internet Service provider (ISP). Instead, CBX would apply for funds to expand the CBX fiber network in the form of fiber laterals to businesses, and in partnership with the City of Sandy as the ISP, provide an enhanced and affordable internet business service. When complete, CBX would own, manage and maintain the physical fiber asset and the City of Sandy would own, manage and maintain the internet service electronic equipment. The City of Sandy would also manage all customer contracts, service issues and billing for the new business internet service.

EXECUTIVE SUMMARY:

CBX has built a successful fiber infrastructure for the purposes of leasing high capacity dark fiber to schools, government agencies, fire / life / safety, utilities and similar institutions in and around Clackamas County at greatly reduced pricing. However CBX only provides dark fiber at this time. CBX would like to submit an application for a grant opportunity to provide ISP to businesses within Clackamas County in partnership with the City of Sandy. CBX would construct the new fiber backbone and laterals to businesses and the City of Sandy would provide the enhanced broadband service. This affordable, enhanced broadband service could provide the necessary connectivity for businesses to better support the facilities competitiveness in these trying times of Covid-19.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? \$ See below What is the funding source? US EDA Grant

- 1) US Economic Development Administration ~\$2 million
This is based on an estimated cost for construction and equipment to build out to approximately 200 businesses within Clackamas County and provide an internet service. Actual costs will vary with the location and customer take rate for the business ISP service.
- 2) The EDA grant has a requirement of 20% matching funds. The matching requirements of the grant will come from the CBX budget, no general funds will be used for this grant.

CBX will provide this match utilizing a combination of staff salaries and fringe benefits. Estimated 3 year staff salaries for the grant match is \$938,964 exceeding the matching requirement of \$400,000.

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
This is in alignment with Technology Services' goals of building a high performance dark fiber infrastructure

- How does this item align with the County's Performance Clackamas goals?
This is in alignment with the County's goals of:
 - Access for all utilizing the key initiative of making high speed internet available throughout the County

LEGAL/POLICY REQUIREMENTS:

Approval to proceed does not alter the current approved operations for CBX. CBX will be the owner and operator of the fiber infrastructure and the City of Sandy will be the ISP.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Yes, CBX would partner with the City of Sandy as the ISP to complete the project. This partnership would require a new Intergovernmental Agreement (IGA) similar in nature to the current Kiwanis IGA that was approved on August 8, 2019. The new IGA would define roles and responsibilities of each organization along with revenue sharing.

OPTIONS:

Staff present this proposal before the Board of County Commissioners with two options:

- 1) Allow CBX to proceed with grant application to receive funds for business ISP expansion. This will allow CBX to build experience yet continue as a dark fiber provider only. Businesses within Clackamas County will benefit with the enhanced broadband services. Potential revenue source to help fund fiber expansion for other Clackamas County goals such as fiber and service expansion into unserved/underserved parts of Clackamas County.

- 2) Deny proceeding with the application for the US EDA grant to provide funding for business ISP expansion. CBX would operate as a dark fiber provider and continue researching other grant opportunities.

RECOMMENDATION:

Staff respectfully recommends the Board of County Commissioners approves option 1 allowing CBX to proceed with the application for the US Economic Development Administrations grant opportunity. This will allow CBX to build experience, further develop an ISP service partnership and support processes and start a new potential revenue source to help fund fiber connectivity to remote residents.

ATTACHMENTS:

Draft EDA grant application narrative
5 year Income Statement
Match Documentation
Letters of support

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval ___DC_____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Duke Dexter@ 503-722-

Match Documentation for EDA Grant

	Budget Category	Year 1	Year 2	Year 3	Total Allocation
	Personell	\$ 190,266.27	\$ 190,266.27	\$ 190,266.27	\$ 570,798.80
64.5%	Fringe	\$ 122,721.74	\$ 122,721.74	\$ 122,721.74	\$ 368,165.23
	Total Direct Costs	\$ 312,988.01	\$ 312,988.01	\$ 312,988.01	\$ 938,964.03
	Total Costs	\$ 312,988.01	\$ 312,988.01	\$ 312,988.01	\$ 938,964.03

Totals by State Staff		Hours	Rate	Total
	Duke Dexter	1664	\$ 53.50	\$89,024
	Scott Brown	2080	\$ 50.60	\$105,248
	Dave DeVore	312	\$ 86.00	\$26,832
	Dave Cummings	156	\$ 92.00	\$14,352
	Procurement	156	\$ 35.00	\$5,460
New Hire	Admin - Customer Service	5720	\$ 23.37	\$133,676
New Hire	Telecommunication Utiltiy Worker	4160	\$ 24.32	\$101,171
New Hire	IT/Network Technicians	3120	\$ 30.46	\$95,035
TBD				
TBD				
TBD				
TBD				
TBD				
Total Salaries				\$570,799

Staff

	Hours possible	Year 1	Year 2	Year 3	Total Hours
Duke Dexter	variable 40%/30%/10%	832	624	208	1664
Scott Brown	variable 50%/30%/20%	1040	624	416	2080
Dave DeVore	5.0%	104	104	104	312
Dave Cummings	2.5%	52	52	52	156
Procurement	2.5%	52	52	52	156
Admin - Customer Service	100%	1560	2080	2080	5720
Telecommunication Utiltiy	100%	0	2080	2080	4160
IT/Network Technicians	100%	0	1040	2080	3120

CBX Business Broadband Enhancement

Year	New 1Gb	New 10 Gb	Existing	Disconnects	Total 1Gb Subs	Total 10Gb Subs				
Year 1										
month 1	0		0	0	0					
month 2	0		0	0	0					
month 3	0		0	0	0					
month 4	0		0	0	0					
month 5	2		0	0	2					
month 6	2		2	0	4					
month 7	2	1	4	0	7	1				
month 8	2		7	0	9	1				
month 9	2		9	0	11	1				
month 10	3		11	0	14	1				
month 11	3	1	14	0	18	2				
month 12	5		18	0	23	2				
Year 2					0					
month 13	5		23	0	28	2				
month 14	5	1	28	-1	33	3				
month 15	7		33	-1	39	3				
month 16	7		39	-1	46	3				
month 17	10		46	-1	55	3				
month 18	12	1	55	-1	67	4				
month 19	12		67	-1	77	4				
month 20	12		77	-2	88	4				
month 21	12		88	-2	98	4				
month 22	12		98	-2	108	4				
month 23	12	1	108	-2	119	5				
month 24	12		119	-2	128	5				
Year 3					0					
Month 25	12		128	-3	138	5				
Month 26	12		138	-3	147	5				
Month 27	12		147	-3	156	5				
Month 28	12		156	-3	165	5				
Month 29	12		165	-3	174	5				
Month 30	12		174	-3	182	5				
Month 31	12	1	182	-4	192	6				
Month 32	10		192	-4	198	6				
Month 33	10		198	-4	204	6				
Month 34	5		204	-4	205	6				
Month 35	5		205	-4	206	6				

CBX Business Broadband Enhancement

Month 36	5	206	-4	207	6	
Year 4				0		
Month 37	5	207	-4	207	6	
Month 38	5	207	-4	208	6	
Month 39	5	208	-4	209	6	
Month 40	5	209	-4	210	6	
Month 41	5	1	210	-4	212	7
Month 42	5	212	-4	212	7	
Month 43	5	212	-4	213	7	
Month 44	5	213	-4	214	7	
Month 45	5	214	-4	215	7	
Month 46	5	215	-4	215	7	
Month 47	5	215	-4	216	7	
Month 48	5	216	-4	217	7	
Year 5				0		
Month 49	5	217	-4	219	7	
Month 50	5	219	-4	220	7	
Month 51	5	220	-4	220	7	
Month 52	5	220	-4	221	7	
Month 53	5	221	-4	221	7	
Month 54	5	1	221	-4	223	8
Month 55	5	223	-4	224	8	
Month 56	5	224	-4	224	8	
Month 57	5	224	-4	225	8	
Month 58	5	225	-4	225	8	
Month 59	5	225	-5	226	8	
Month 60	5	226	-5	226	8	

CBX Business Broadband Enhancement

Income

Year 1 Monthly Rates & Install Fees

	1Gb \$195	10Gb \$1,550	Installation Fee \$100	Disconnect Fee \$0	Total ISP Income
Month 1	\$ -		\$ -	\$ -	\$ -
Month 2	\$ -		\$ -	\$ -	\$ -
Month 3	\$ -		\$ -	\$ -	\$ -
Month 4	\$ -		\$ -	\$ -	\$ -
Month 5	\$ 390		\$ 200	\$ -	\$ 590
Month 6	\$ 780		\$ 200	\$ -	\$ 980
Month 7	\$ 1,365	\$ 1,550	\$ 200	\$ -	\$ 3,115
Month 8	\$ 1,755	\$ 1,550	\$ 200	\$ -	\$ 3,505
Month 9	\$ 2,145	\$ 1,550	\$ 200	\$ -	\$ 3,895
Month 10	\$ 2,730	\$ 1,550	\$ 300	\$ -	\$ 4,580
Month 11	\$ 3,510	\$ 3,100	\$ 300	\$ -	\$ 6,910
Month 12	\$ 4,485	\$ 3,100	\$ 500	\$ -	\$ 8,085
	\$ 17,160	\$ 12,400	\$ 2,100	\$ -	\$ 31,660

Year 2 Monthly Rate & Install Fees

	1Gb \$195	10Gb \$1,550	Installation Fee \$100	Disconnect Fee \$0	Total ISP Income
Month 13	\$ 5,370	\$ 3,100	\$ 500	\$ -	\$ 8,970
Month 14	\$ 6,433	\$ 4,650	\$ 500	\$ -	\$ 11,583
Month 15	\$ 7,669	\$ 4,650	\$ 700	\$ -	\$ 13,019
Month 16	\$ 8,881	\$ 4,650	\$ 700	\$ -	\$ 14,231
Month 17	\$ 10,653	\$ 4,650	\$ 1,000	\$ -	\$ 16,303
Month 18	\$ 12,975	\$ 6,200	\$ 1,200	\$ -	\$ 20,375
Month 19	\$ 15,056	\$ 6,200	\$ 1,200	\$ -	\$ 22,456
Month 20	\$ 17,095	\$ 6,200	\$ 1,200	\$ -	\$ 24,495
Month 21	\$ 19,093	\$ 6,200	\$ 1,200	\$ -	\$ 26,493
Month 22	\$ 21,051	\$ 6,200	\$ 1,200	\$ -	\$ 28,451
Month 23	\$ 23,165	\$ 7,750	\$ 1,200	\$ -	\$ 32,115
Month 24	\$ 25,041	\$ 7,750	\$ 1,200	\$ -	\$ 33,991
	\$ 172,482	\$ 68,200	\$ 11,800	\$ -	\$ 252,482

Year 3 Monthly Rate & Install Fees

	1Gb \$195	10Gb \$1,550	Installation Fee \$100	Disconnect Fee \$0	Total ISP Income
Month 25	\$ 26,881	\$ 7,750	\$ 1,200	\$ -	\$ 35,831
Month 26	\$ 28,683	\$ 7,750	\$ 1,200	\$ -	\$ 37,633
Month 27	\$ 30,449	\$ 7,750	\$ 1,200	\$ -	\$ 39,399
Month 28	\$ 32,180	\$ 7,750	\$ 1,200	\$ -	\$ 41,130
Month 29	\$ 33,877	\$ 7,750	\$ 1,200	\$ -	\$ 42,827
Month 30	\$ 35,539	\$ 7,750	\$ 1,200	\$ -	\$ 44,489
Month 31	\$ 37,363	\$ 9,300	\$ 1,200	\$ -	\$ 47,863
Month 32	\$ 38,566	\$ 9,300	\$ 1,000	\$ -	\$ 48,866

CBX Business Broadband Enhancement

Month 33	\$ 39,745	\$ 9,300	\$ 1,000	\$ -	\$ 50,045
Month 34	\$ 39,925	\$ 9,300	\$ 500	\$ -	\$ 49,725
Month 35	\$ 40,101	\$ 9,300	\$ 500	\$ -	\$ 49,901
Month 36	\$ 40,274	\$ 9,300	\$ 500	\$ -	\$ 50,074
	\$ 423,585	\$ 102,300	\$ 11,900	\$ -	\$ 537,785

Year 4 Monthly Rate & Install Fees

	\$195	\$1,550	\$100	\$0	Income
Month 37	\$ 40,444	\$ 9,300	\$ 500	\$ -	\$ 50,244
Month 38	\$ 40,610	\$ 9,300	\$ 500	\$ -	\$ 50,410
Month 39	\$ 40,773	\$ 9,300	\$ 500	\$ -	\$ 50,573
Month 40	\$ 40,932	\$ 9,300	\$ 500	\$ -	\$ 50,732
Month 41	\$ 41,284	\$ 10,850	\$ 500	\$ -	\$ 52,634
Month 42	\$ 41,433	\$ 10,850	\$ 500	\$ -	\$ 52,783
Month 43	\$ 41,579	\$ 10,850	\$ 500	\$ -	\$ 52,929
Month 44	\$ 41,723	\$ 10,850	\$ 500	\$ -	\$ 53,073
Month 45	\$ 41,863	\$ 10,850	\$ 500	\$ -	\$ 53,213
Month 46	\$ 42,001	\$ 10,850	\$ 500	\$ -	\$ 53,351
Month 47	\$ 42,136	\$ 10,850	\$ 500	\$ -	\$ 53,486
Month 48	\$ 42,268	\$ 10,850	\$ 500	\$ -	\$ 53,618
	\$ 497,048	\$ 124,000	\$ 6,000	\$ -	\$ 627,048

Year 5 Monthly Rate & Install Fees

	1Gb \$195	10Gb \$1,550	Installation Fee \$100	Disconnect Fee \$0	Total ISP Income
Month 49	\$ 42,705	\$ 10,850	\$ 500	\$ -	\$ 54,055
Month 50	\$ 42,826	\$ 10,850	\$ 500	\$ -	\$ 54,176
Month 51	\$ 42,944	\$ 10,850	\$ 500	\$ -	\$ 54,294
Month 52	\$ 43,060	\$ 10,850	\$ 500	\$ -	\$ 54,410
Month 53	\$ 43,174	\$ 10,850	\$ 500	\$ -	\$ 54,524
Month 54	\$ 43,481	\$ 12,400	\$ 500	\$ -	\$ 56,381
Month 55	\$ 43,586	\$ 12,400	\$ 500	\$ -	\$ 56,486
Month 56	\$ 43,689	\$ 12,400	\$ 500	\$ -	\$ 56,589
Month 57	\$ 43,791	\$ 12,400	\$ 500	\$ -	\$ 56,691
Month 58	\$ 43,890	\$ 12,400	\$ 500	\$ -	\$ 56,790
Month 59	\$ 43,987	\$ 12,400	\$ 500	\$ -	\$ 56,887
Month 60	\$ 44,082	\$ 12,400	\$ 500	\$ -	\$ 56,982
	\$ 521,216	\$ 141,050	\$ 6,000	\$ -	\$ 668,266

CBX Business Broadband Enhancement

Monthly Costs for 10 Gig	% Increase in Rates				
	3%				
	Year 1	Year 2	Year 3	Year 4	Year 5
HE.net	\$ 1,500	\$ 1,500	\$ 1,545	\$ 1,545	\$ 1,545
Cogent	\$ 1,500	\$ 1,500	\$ 1,545	\$ 1,545	\$ 1,545
NWAX	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Transport	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 3,500	\$ 3,500	\$ 3,590	\$ 3,590	\$ 3,590

Projected Capital Costs	Depreciation	
510 IP Address Max	Asset Life: 6 Years	
	Annual	Monthly
E-3	\$ 40,000	\$ 6,667
3 Switch	\$ 15,000	\$ 2,500
Optics	\$ 8,000	\$ 1,333
CPE (300)	\$ 127,500	\$ 21,250
IP addresses	\$ 11,776	\$ -
	\$ -	\$ -
	\$ -	\$ -
Total:	\$ 202,276	\$ 31,750

Assumes funding project from existing capital reserves from CBX or EDA grant, using a 6 year depreciation model (straight line).

Franchise fees will be a pass through and wash to the bottom line. None are projected in this model as a result.

12 month service contract is required.

CBX Business Broadband Enhancement
Financial Projections Year 1

Income Item Description	Hours to Source, Sign, Install	Quantity of Items Sold by Category												Total Billable Units
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
ISP - 1 Gig Standard Rate	0.5	0	0	0	0	2	2	2	2	2	3	3	5	21
ISP - Installation	24	0	0	0	2	2	2	2	2	2	3	3	5	23
ISP - 10 Gig Standard Rate	0.5	0	0	0	0	0	0	1	0	0	0	1	1	3

Totals	0	0	0	2	4	4	5	4	4	6	7	11	47
Hours Required to Source, Sign & Install	0	0	0	48	49	49	49.5	49	49	73.5	74	123	564

Income	Revenue Per Item	Revenue Dollars by Category												Totals
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
ISP - 1 Gig Standard Rate	\$195	\$0	\$0	\$0	\$0	\$390	\$780	\$1,365	\$1,755	\$2,145	\$2,730	\$3,510	\$4,485	\$17,160
ISP - Installation	\$100	\$0	\$0	\$0	\$0	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$500	\$2,100
ISP - 10 Gig Standard Rate	\$1,550	\$0	\$0	\$0	\$0	\$0	\$0	\$1,550	\$1,550	\$1,550	\$1,550	\$3,100	\$3,100	\$12,400
														\$0
														\$0
														\$0
														\$0
														\$0
														\$0
														\$0
Gross Income		\$0	\$0	\$0	\$0	\$590	\$980	\$3,115	\$3,505	\$3,895	\$4,580	\$6,910	\$8,085	\$31,660

Cost of Goods Sold (COGS)	Actual \$'s or % of Sales	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
Monthly Costs (HE.net, COGENT, NWAX, Transport)	\$ 3,500					\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 28,000
Equipment Depr	\$ 2,646					\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 21,167
Installation Expenses														\$ -
Customer Service Expenses														\$ -
Subtotal - COGS		\$ -	\$ -	\$ -	\$ -	\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 49,167
Gross Margin		\$ -	\$ -	\$ -	\$ -	\$ (5,556)	\$ (5,166)	\$ (3,031)	\$ (2,641)	\$ (2,251)	\$ (1,566)	\$ 764	\$ 1,939	\$ (17,507)

CBX Business Broadband Enhancement

Financial Projections Year 1

Expenses	% Income or	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
	Flat \$													
Advertising	\$ 200													\$0
Banking/Merchant Discount Fees	1.00%													\$0
Commissions	0.00%													\$0
Computer & Internet Services	0.00%													\$0
Contract Labor	0.00%													\$0
Equipment Replacement	\$ 2,646													\$0
Dues & Subscriptions	\$ 20													\$0
Insurance	\$ 100													\$0
Interest Expense	\$ -													\$0
Licenses, Permits & Taxes	\$ 50													\$0
Office Supplies & Expenses	\$ 75													\$0
Payroll	\$1,000					\$3,740	\$3,740	\$3,740	\$3,740	\$3,740	\$3,740	\$3,740	\$3,740	\$29,920
PR Taxes, W/C & Benefits @ 64.5% of PR	65%	\$0	\$0	\$0	\$0	\$2,412	\$2,412	\$2,412	\$2,412	\$2,412	\$2,412	\$2,412	\$2,412	\$19,298
Professional Fees (Accounting/Audit & Legal)	\$ 1,800													\$0
Rent	\$ 200													\$0
Storage Fees	\$0													\$0
Supplies/Small Tools & Eq.	1%													\$0
Telephone	\$ 65													\$0
Travel	5%													\$0
Utilities	0.00%													\$0
Contingency	2.00%													\$0
Other	0.00%													\$0
Other	0.00%													\$0
Total Expenses	0.00%	\$0	\$0	\$0	\$0	\$6,152	\$6,152	\$6,152	\$6,152	\$6,152	\$6,152	\$6,152	\$6,152	\$49,218
Net Income/(Loss)		\$0	\$0	\$0	\$0	(\$11,708)	(\$11,318)	(\$9,183)	(\$8,793)	(\$8,403)	(\$7,718)	(\$5,388)	(\$4,213)	(\$66,725)
Net Income/(Loss) as a % of Income		0	0	0	#DIV/0!	-19.8443	-11.54912	-2.94804	-2.50874	-2.15742	-1.68518	-0.77976	-0.5211	-2.107551
Cumulative Net Income/(Loss)		\$0	\$0	\$0	\$0	(\$11,708)	(\$23,026)	(\$32,209)	(\$41,003)	(\$49,406)	(\$57,124)	(\$62,512)	(\$66,725)	
Debt Service Net of Depr	None													
Capital Purchases	\$ 202,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NO Debt Service Due to Internal Fund Allocation for Independent ISP Office Park Test														
Remaining Assets to Depreciate	\$ 181,109													

**CBX Business Broadband Enhancement
Financial Projections Year 2**

Income Item Description	Hours to Source, Sign, Install	Quantity of Items Sold by Category												Total Billable Units
		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	
ISP - 1 Gig Standard Rate	0.5	5	5	7	7	10	12	12	12	12	12	12	12	118
ISP - Installation	24	5	5	7	7	10	12	12	12	12	12	12	12	118
ISP - 10 Gig Standard Rate	0.5	0	1	0	0	0	1	0	0	0	0	0	1	3

Total Billing Units	10	11	14	14	20	25	24	24	24	24	24	25	24	239
Hours Required to Source, Sign & Install	123	123	172	172	245	295	294	294	294	294	294	295	294	2893

Income	Revenue Per Item	Revenue Dollars by Category												Totals
		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	
ISP - 1 Gig Standard Rate	\$195	\$5,370	\$6,433	\$7,669	\$8,881	\$10,653	\$12,975	\$15,056	\$17,095	\$19,093	\$21,051	\$23,165	\$25,041	\$172,482
ISP - Installation	\$100	\$500	\$500	\$700	\$700	\$1,000	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$11,800
ISP - 10 Gig Standard Rate	\$1,550	\$3,100.00	\$4,650.00	\$4,650.00	\$4,650.00	\$4,650.00	\$6,200.00	\$6,200.00	\$6,200.00	\$6,200.00	\$6,200.00	\$7,750.00	\$7,750.00	\$68,200
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Income		\$8,970	\$11,583	\$13,019	\$14,231	\$16,303	\$20,375	\$22,456	\$24,495	\$26,493	\$28,451	\$32,115	\$33,991	\$252,482

Cost of Goods Sold (COGS)	Actual \$'s or % of Sales	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Totals
Monthly Costs (HE.net, COGENT, NWAX, Transport)	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 42,000
Equipment Depr	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 31,750
Installation Expenses														\$ -
Customer Service Expenses														\$ -
Subtotal - COGS		\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 6,146	\$ 73,750

Gross Margin	\$ 2,824.47	\$ 5,437	\$ 6,873	\$ 8,085	\$ 10,157	\$ 14,229	\$ 16,310	\$ 18,349	\$ 20,347	\$ 22,305	\$ 25,969	\$ 27,846	\$ 27,846	\$ 178,732
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CBX Business Broadband Enhancement
Financial Projections Year 2

Expenses	% Inc. or Flat \$	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Totals
Advertising	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Banking/Merchant Discount Fees	2.00%	\$179	\$232	\$260	\$285	\$326	\$408	\$449	\$490	\$530	\$569	\$642	\$680	\$5,050
Commissions	0.00%													\$0
Computer & Internet Services	0.00%													\$0
Contract Labor	0.00%													\$0
Equipment Replacement	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$31,750
Dues & Subscriptions	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
Insurance	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$1,500
Interest Expense	\$ -													\$0
Licenses, Permits & Taxes	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$900
Office Supplies & Expenses	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Payroll	\$ 13,546	\$ 9,330	\$ 9,330	\$ 9,330	\$ 9,330	\$ 9,330	\$ 9,330	\$ 9,330	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$137,256
PR Taxes, W/C & Benefits @ 64.5% of PR	65%	\$6,018	\$6,018	\$6,018	\$6,018	\$6,018	\$6,018	\$6,018	\$8,737	\$8,737	\$8,737	\$8,737	\$8,737	\$88,530
Professional Fees (Accounting/Audit & Legal)	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Rent	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Repairs & Maintenance	\$2,069	\$2,069	\$2,069	\$2,069	\$2,069	\$2,069	\$2,069	\$2,069	\$2,069	\$2,069	\$2,069	\$2,069	\$2,069	\$24,831
Storage Fees	\$0													\$0
Supplies/Small Tools & Eq.	1.00%	\$90	\$116	\$130	\$142	\$163	\$204	\$225	\$245	\$265	\$285	\$321	\$340	\$2,525
Telephone	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$900
Travel	1.00%	\$90	\$116	\$130	\$142	\$163	\$204	\$225	\$245	\$265	\$285	\$321	\$340	\$2,525
Utilities	0.00%													\$0
Contingency	2.00%	\$179	\$232	\$260	\$285	\$326	\$408	\$449	\$490	\$530	\$569	\$642	\$680	\$5,050
Other	0.00%													\$0
Other	0.00%													\$0
Total Expenses		\$22,001	\$22,158	\$22,244	\$22,317	\$22,441	\$22,685	\$29,746	\$29,868	\$29,988	\$30,105	\$30,325	\$30,438	\$314,316
Net Income/(Loss)		(\$19,177)	(\$16,721)	(\$15,371)	(\$14,232)	(\$12,284)	(\$8,456)	(\$13,436)	(\$11,519)	(\$9,641)	(\$7,800)	(\$4,356)	(\$2,592)	(\$135,584)
Net Income/(Loss) as a % of Income		-214%	-144%	-118%	-100%	-75%	-42%	-60%	-47%	-36%	-27%	-14%	-8%	-54%
Cumulative Net Income/(Loss) Year 2		(\$19,177)	(\$35,898)	(\$51,268)	(\$65,500)	(\$77,784)	(\$86,240)	(\$99,676)	(\$111,195)	(\$120,836)	(\$128,636)	(\$132,992)	(\$135,584)	
Cumulative Net Income/(Loss) Year 1-2		(\$85,902)	(\$102,623)	(\$117,993)	(\$132,225)	(\$144,509)	(\$152,965)	(\$166,401)	(\$177,920)	(\$187,561)	(\$195,361)	(\$199,717)	(\$202,309)	
Remaining Assets to Depreciate	\$149,359													

CBX Business Broadband Enhancement

Financial Projections Year 3

Income Item Description	Hours to Source, Sign, Install	Quantity of Items Sold by Category												Total Billable Units
		Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	
ISP - 1 Gig Standard Rate	0.5	12	12	12	12	12	12	12	10	10	5	5	5	119
ISP - Installation	24	12	12	12	12	12	12	12	10	10	5	5	5	119
ISP - 10 Gig Standard Rate	0.5	0	0	0	0	0	0	1	0	0	0	0	0	1

Totals	24	24	24	24	24	24	24	25	20	20	10	10	10	239
Hours Required to Source, Sign & Install	294	294	294	294	294	294	294	295	245	245	123	123	123	2916

Income	Revenue Per Item	Revenue Dollars by Category												Totals
		Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	
ISP - 1 Gig Standard Rate	\$195	\$26,880.67	\$28,683.05	\$30,449.39	\$32,180.40	\$33,876.80	\$35,539.26	\$37,363.48	\$38,566.21	\$39,744.88	\$39,924.98	\$40,101.48	\$40,274.45	\$423,585
ISP - Installation	\$100	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,000	\$1,000	\$500	\$500	\$500	\$11,900
ISP - 10 Gig Standard Rate	\$1,550	\$7,750.00	\$7,750.00	\$7,750.00	\$7,750.00	\$7,750.00	\$7,750.00	\$9,300.00	\$9,300.00	\$9,300.00	\$9,300.00	\$9,300.00	\$9,300.00	\$102,300
														\$0
														\$0
														\$0
														\$0
														\$0
														\$0
														\$0
														\$0
Gross Income		\$35,831	\$37,633	\$39,399	\$41,130	\$42,827	\$44,489	\$47,863	\$48,866	\$50,045	\$49,725	\$49,901	\$50,074	\$537,785

Cost of Goods Sold (COGS)	Actual \$'s or % of Sales	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Totals
Monthly Costs (HE.net, COGENT, NWAX, Transport)	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 43,080
Equipment Depr	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 31,750
Installation Expenses														\$ -
Customer Service Expenses														\$ -
Subtotal - COGS		\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 74,830
Gross Margin		\$ 29,595	\$ 31,397	\$ 33,164	\$ 34,895	\$ 36,591	\$ 38,253	\$ 41,628	\$ 42,630	\$ 43,809	\$ 43,489	\$ 43,666	\$ 43,839	\$ 462,955

CBX Business Broadband Enhancement

Financial Projections Year 3

Expenses	% Inc. or Flat \$	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Totals
Advertising	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Banking/Merchant Discount Fees	2.00%	\$717	\$753	\$788	\$823	\$857	\$890	\$957	\$977	\$1,001	\$994	\$998	\$1,001	\$10,756
Commissions	0.00%													\$0
Computer & Internet Services	0.00%													\$0
Contract Labor	0.00%													\$0
Equipment Replacement	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$31,750
Dues & Subscriptions	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
Insurance	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,800
Interest Expense	\$ -													\$0
Licenses, Permits & Taxes	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Office Supplies & Expenses	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$900
Payroll	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 9,330	\$ 9,330	\$ 9,330	\$149,904
PR Taxes, W/C & Benefits @ 64.5% of PR	65%	\$10,160	\$10,160	\$10,160	\$10,160	\$10,160	\$10,160	\$10,160	\$10,160	\$10,160	\$6,998	\$6,998	\$6,998	\$112,428
Professional Fees (Accounting/Audit & Legal)	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Rent	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Repairs & Maintenance	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$26,072
Storage Fees	\$0													\$0
Supplies/Small Tools & Eq.	1.00%	\$358	\$376	\$394	\$411	\$428	\$445	\$479	\$489	\$500	\$497	\$499	\$501	\$5,378
Telephone	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$900
Travel	1.00%	\$358	\$376	\$394	\$411	\$428	\$445	\$479	\$489	\$500	\$497	\$499	\$501	\$5,378
Utilities	0.00%													\$0
Contingency	2.00%	\$717	\$753	\$788	\$823	\$857	\$890	\$957	\$977	\$1,001	\$994	\$998	\$1,001	\$10,756
Other	0.00%													\$0
Other	0.00%													\$0
Total Expenses		\$31,999	\$32,107	\$32,213	\$32,317	\$32,419	\$32,518	\$32,721	\$32,781	\$32,852	\$25,455	\$25,465	\$25,476	\$368,322
Net Income/(Loss)		(\$2,488)	(\$710)	\$951	\$2,578	\$4,172	\$5,735	\$8,907	\$9,849	\$10,957	\$18,035	\$18,201	\$18,363	\$94,634
Net Income/(Loss) as a % of Income		-7%	-2%	2%	6%	10%	13%	19%	20%	22%	36%	36%	37%	18%
Cumulative Net Income/(Loss) Year 3		(\$2,404)	(\$3,114)	(\$2,163)	\$414	\$4,587	\$10,322	\$19,229	\$29,078	\$40,035	\$58,070	\$76,270	\$94,634	
Cumulative Net Income/(Loss) Year 1-3		(\$204,713)	(\$205,423)	(\$204,473)	(\$201,895)	(\$197,723)	(\$191,988)	(\$183,081)	(\$173,231)	(\$162,274)	(\$144,239)	(\$126,039)	(\$107,676)	
Remaining Assets to Depreciate		\$117,609												

CBX Business Broadband Enhancement

Financial Projections Year 4

		Quantity of Items Sold by Category													
Income Item Description	Hours to Source, Sign, Install	Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48	Total Billable Units	
ISP - 1 Gig Standard Rate	0.5	5	5	5	5	5	5	5	5	5	5	5	5	60	
ISP - Installation	24	5	5	5	5	5	5	5	5	5	5	5	5	60	
ISP - 10 Gig Standard Rate	0.5	0	0	0	0	1	0	0	0	0	0	0	0	1	
Totals		10	10	10	10	11	10	10	10	10	10	10	10	121	
Hours Required to Source, Sign & Install		123	123	123	123	123	123	123	123	123	123	123	123	1471	
		Revenue Dollars by Category													
Income	Revenue Per Item	Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48	Totals	
ISP - 1 Gig Standard Rate	\$195	\$40,443.97	\$40,610.09	\$40,772.88	\$40,932.43	\$41,283.78	\$41,433.10	\$41,579.44	\$41,722.85	\$41,863.39	\$42,001.13	\$42,136.10	\$42,268.38	\$497,048	
ISP - Installation	\$100	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	
ISP - 10 Gig Standard Rate	\$1,550	\$9,300.00	\$9,300.00	\$9,300.00	\$9,300.00	\$10,850.00	\$10,850.00	\$10,850.00	\$10,850.00	\$10,850.00	\$10,850.00	\$10,850.00	\$10,850.00	\$124,000	
														\$0	
														\$0	
														\$0	
														\$0	
														\$0	
														\$0	
														\$0	
Gross Income		\$50,244	\$50,410	\$50,573	\$50,732	\$52,634	\$52,783	\$52,929	\$53,073	\$53,213	\$53,351	\$53,486	\$53,618	\$627,048	
Cost of Goods Sold (COGS)	Actual \$'s or % of Sales	Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48	Totals	
Monthly Costs (HE.net, COGENT, NWAX, Transport)	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 43,080	
Equipment Depr	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 31,750	
Installation Expenses														\$ -	
Customer Service Expenses														\$ -	
Subtotal - COGS		\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 74,830	
Gross Margin		\$ 44,008	\$ 44,174	\$ 44,337	\$ 44,497	\$ 46,398	\$ 46,547	\$ 46,694	\$ 46,837	\$ 46,978	\$ 47,115	\$ 47,250	\$ 47,383	\$ 552,218	

CBX Business Broadband Enhancement

Financial Projections Year 5

Income Item Description	Hours to Source, Sign, Install	Quantity of Items Sold by Category												Total Billable Units	
		Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60		
ISP - 1 Gig Standard Rate	0.5	5	5	5	5	5	5	5	5	5	5	5	5	5	60
ISP - Installation	24	5	5	5	5	5	5	5	5	5	5	5	5	5	60
ISP - 10 Gig Standard Rate	0.5	0	0	0	0	0	1	0	0	0	0	0	0	1	

Totals	10	10	10	10	10	11	10	10	10	10	10	10	10	121
Hours Required to Source, Sign & Install	123	123	123	123	123	123	123	123	123	123	123	123	123	1471

Income	Revenue Per Item	Revenue Dollars by Category												Totals
		Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60	
ISP - 1 Gig Standard Rate	\$195	\$42,705.00	\$42,825.90	\$42,944.38	\$43,060.49	\$43,174.28	\$43,480.80	\$43,586.18	\$43,689.46	\$43,790.67	\$43,889.86	\$43,987.06	\$44,082.32	\$521,216
ISP - Installation	\$100	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
ISP - 10 Gig Standard Rate	\$1,550	\$10,850.00	\$10,850.00	\$10,850.00	\$10,850.00	\$10,850.00	\$12,400.00	\$12,400.00	\$12,400.00	\$12,400.00	\$12,400.00	\$12,400.00	\$12,400.00	\$141,050
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Income		\$54,055	\$54,176	\$54,294	\$54,410	\$54,524	\$56,381	\$56,486	\$56,589	\$56,691	\$56,790	\$56,887	\$56,982	\$668,266

Cost of Goods Sold (COGS)	Actual \$'s or % of Sales	Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60	Totals
Monthly Costs (HE.net, COGENT, NWAX, Transport)	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 43,080
Equipment Depr	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 2,646	\$ 31,750
Installation Expenses														\$ -
Customer Service Expenses														\$ -
Subtotal - COGS		\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 6,236	\$ 74,830
Gross Margin		\$ 47,819	\$ 47,940	\$ 48,059	\$ 48,175	\$ 48,288	\$ 50,145	\$ 50,250	\$ 50,354	\$ 50,455	\$ 50,554	\$ 50,651	\$ 50,746	\$ 593,436

Expenses	% Inc. or Flat \$	Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60	Totals
Advertising	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Banking/Merchant Discount Fees	2.00%	\$1,081	\$1,084	\$1,086	\$1,088	\$1,090	\$1,128	\$1,130	\$1,132	\$1,134	\$1,136	\$1,138	\$1,140	\$13,365
Commissions	0.00%													\$0
Computer & Internet Services	0.00%													\$0
Contract Labor	0.00%													\$0
Equipment Replacement	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$2,646	\$31,750
Dues & Subscriptions	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
Insurance	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,800
Interest Expense	\$ -													\$0
Licenses, Permits & Taxes	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Office Supplies & Expenses	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$900
Payroll	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$ 13,546	\$162,552
PR Taxes, W/C & Benefits @ 64.5% of PR	65%	\$10,160	\$10,160	\$10,160	\$10,160	\$10,160	\$10,160	\$10,160	\$10,160	\$10,160	\$10,160	\$10,160	\$10,160	\$121,914
Professional Fees (Accounting/Audit & Legal)	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Rent	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Repairs & Maintenance	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$2,173	\$26,072
Storage Fees	\$0													\$0
Supplies/Small Tools & Eq.	1.00%	\$541	\$542	\$543	\$544	\$545	\$564	\$565	\$566	\$567	\$568	\$569	\$570	\$6,683
Telephone	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$900
Travel	1.00%	\$541	\$542	\$543	\$544	\$545	\$564	\$565	\$566	\$567	\$568	\$569	\$570	\$6,683
Utilities	0.00%													\$0
Contingency	2.00%	\$1,081	\$1,084	\$1,086	\$1,088	\$1,090	\$1,128	\$1,130	\$1,132	\$1,134	\$1,136	\$1,138	\$1,140	\$13,365
Other	0.00%													\$0
Other	0.00%													\$0
Total Expenses		\$33,092	\$33,100	\$33,107	\$33,114	\$33,120	\$33,232	\$33,238	\$33,244	\$33,250	\$33,256	\$33,262	\$33,268	\$398,284
Net Income/(Loss)		\$14,727	\$14,840	\$14,952	\$15,061	\$15,168	\$16,913	\$17,012	\$17,109	\$17,204	\$17,298	\$17,389	\$17,479	\$195,152
Net Income/(Loss) as a % of Income		27%	27%	28%	28%	28%	30%	30%	30%	30%	30%	31%	31%	29%
Cumulative Net Income/(Loss) Year 5		\$14,727	\$29,567	\$44,519	\$59,580	\$74,748	\$91,661	\$108,673	\$125,783	\$142,987	\$160,285	\$177,673	\$195,152	
Cumulative Net Income/(Loss) Year 1-5		\$85,591	\$100,432	\$115,384	\$130,445	\$145,613	\$162,526	\$179,538	\$196,647	\$213,851	\$231,149	\$248,538	\$266,016	

Remaining Assets to Depreciate \$54,109

CBX Business Broadband Enhancement

	Year 1	Year 2	Year 3	Year 4	Year 5
# of Subs	25	133	213	224	234
# of Disconnects	0	2	4	4	5
Average Net Income Per Sub	\$ (2,669)	\$ (1,016)	\$ 445	\$ 798	\$ 834

Rates					
Monthly - 1 Gig	\$ 195	\$ 195	\$ 195	\$ 195	\$ 195
Monthly - 10 Gig	\$ 1,550	\$ 1,550	\$ 1,550	\$ 1,550	\$ 1,550
Installation Fee	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Disconnect Fee	\$ -	\$ -	\$ -	\$ -	\$ -

Income	\$ 31,660	\$ 252,482	\$ 537,785	\$ 627,048	\$ 668,266
Less					
COGS	\$ 49,167	\$ 73,750	\$ 74,830	\$ 74,830	\$ 74,830
Gross Margin	\$ (17,507)	\$ 178,732	\$ 462,955	\$ 552,218	\$ 593,436
Gen & Admin Costs	\$ 49,218	\$ 314,316	\$ 368,322	\$ 373,677	\$ 398,284
Annual Net Income	\$ (66,725)	\$ (135,584)	\$ 94,634	\$ 178,540	\$ 195,152

Cumulative Net Income	\$ (66,725)	\$ (202,309)	\$ (107,676)	\$ 70,864	\$ 266,016
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<i>COGS as a % of Income</i>	155%	29%	14%	12%	11%
<i>Gross Margin as a % of Income</i>	-55%	71%	86%	88%	89%
<i>Gen & Admin Costs as a % of Income</i>	155%	124%	68%	60%	60%



GREATER PORTLAND INC
111 SW COLUMBIA ST, #1170, PORTLAND, OR 97201
GREATERPORTLANDINC.COM
503-445-8065

July 30, 2020

Mrs. Frances Sakaguchi
Economic Development Administration
Seattle Regional Offices
915 2nd Ave, Room 1890
Seattle, WA 98174
U.S. Economic Development Administration

Re: CBX Business Broadband Enhancement

Dear Mrs. Sakaguchi,

I write to you in strong support of Clackamas County's grant application for the U.S. Economic Development Administration's FY2020 Public Works and Economic Adjustment Assistance funding opportunity.

Access to reliable, affordable and fast internet is a crucial utility, just as important for economic activity as water and power, and more important during this pandemic than ever. Equitable access to broadband is key to moving our nation forward, and ensuring this access in Clackamas County will have long-term benefits to the Greater Portland region as a whole.

The project involves extension of Clackamas County's successful open access, non-exclusive dark cyberinfrastructure to a substantial number of businesses in an area where the economic impact of COVID-19 has been acutely felt.

The County proposes to build its open access infrastructure to the area and to create opportunity for the renowned municipal internet service provider, SandyNet, to deliver low-cost, high-bandwidth services to businesses in the area as they seek to engage in e-commerce, develop business-to-business relationships, streamline operations, and otherwise participate economically -- all tasks that require robust broadband services.

SandyNet is an established, fiber-based ISP owned by the city of Sandy that is nationally regarded as one of the most successful, industry-leading municipal internet service providers - and that has delivered extraordinary economic value to the city of Sandy when no other internet service provider was willing to invest in comparable infrastructure.

The combination of the Clackamas County fiber network and SandyNet's operational capabilities will transform Clackamas County to one capable of competing with any area in the United States -- a differentiator that will enable local businesses to compete in a twenty-first century economy.

Thank you for your consideration. Ensuring affordable broadband access in Clackamas County will have economic benefits for the entirety of the Greater Portland region, and this investment will continue to pay dividends after this pandemic.

Sincerely,

A handwritten signature in black ink, appearing to be 'MM' or similar initials, written in a cursive style.

Matt Miller
Interim President & CEO
Greater Portland Inc



August 3, 2020

Mrs. Frances Sakaguchi
Economic Development Administration
Seattle Regional Offices
915 2nd Ave, Room 1890
Seattle, WA 98174
U.S. Economic Development Administration

Re: CBX Business Broadband Enhancement

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Sincerely,

Laura Edmonds, CEO
North Clackamas Chamber of Commerce