# Financing of Community Wide Fiber

| | | |
|---|---|---|
| New Build Costs | $17,500,000 | (1) |
| Retire Existing Internal Notes | $3,400,000 | (2) |
| Bond Issue Costs | $100,000 | (3) |
| **Total Bond Issue** | **$21,000,000** | |

## Explanation of Bond Issue components:

(1) Uptown based the new outside plant construction costs on sample of 4 neighborhoods within the city. All other capital costs were determined using actual costs experienced by the city and estimated take rates. A breakdown of the capital costs are listed below.

| | |
|---|---|
| Outside Plant Construction | $13,878,668 |
| Data Center Upgrade | $15,000 |
| Facility Capital Costs | $20,000 |
| Back Office Systems | $25,000 |
| Fixed Equipment | $1,088,561 |
| Vehicles | $225,509 |
| Contract Installation | $1,153,846 |
| FTTP ONTs | $560,929 |
| Fiber Drop and Powering | $606,761 |
| Engineering & Inspection Services | $275,968 |
| | |
| **Total New Build Cost** | **$17,850,242** |
| | |
| Less Interest Earned on Bond Proceeds | ($522,381) |
| | |
| **Net New Build Cost** | **$17,327,861** |

(2) The City currently has $3,400,000 in outstanding internal notes from the Velocity Broadband Business Buildout that will be paid off with proceeds from the bond issue.

(3) The City's Bond Council has estimated bond issue costs of $100,000.

# New Build Cost Recalculations

| Uptown Build Costs (7) | | City Recalculation Based on Average Per Passing | | City Recalculation Based on Overhead Per Passing | | City Recalculation Based on Underground Per Passing | |
|---|---|---|---|---|---|---|---|
| Outside Plant Construction | $13,878,668 | Total Number of Residential Parcels (2) | 7,937 | Total Number of Residential Parcels (2) | 7,937 | Total Number of Residential Parcels (2) | 7,937 |
| Less Contingency (1) | ($1,387,867) | City Per Passing Cost (3) | $1,340 | City Per Passing Cost (4) | $537 | City Per Passing Cost (5) | $1,928 |
| Net Outside Plant Construction | $12,490,801 | Outside Plant Construction | $10,635,580 | Outside Plant Construction | $4,262,169 | Outside Plant Construction | $15,302,536 |
| Data Center Upgrade (6) | $15,000 | Data Center Upgrade (6) | $15,000 | Data Center Upgrade (6) | $15,000 | Data Center Upgrade (6) | $15,000 |
| Facility Capital Costs (6) | $20,000 | Facility Capital Costs (6) | $20,000 | Facility Capital Costs (6) | $20,000 | Facility Capital Costs (6) | $20,000 |
| Back Office Systems (6) | $25,000 | Back Office Systems (6) | $25,000 | Back Office Systems (6) | $25,000 | Back Office Systems (6) | $25,000 |
| Fixed Equipment (6) | $1,088,561 | Fixed Equipment (6) | $1,088,561 | Fixed Equipment (6) | $1,088,561 | Fixed Equipment (6) | $1,088,561 |
| Vehicles (6) | $225,509 | Vehicles (6) | $225,509 | Vehicles (6) | $225,509 | Vehicles (6) | $225,509 |
| Contract Installation (6) | $1,153,846 | Contract Installation (6) | $1,153,846 | Contract Installation (6) | $1,153,846 | Contract Installation (6) | $1,153,846 |
| FTTP ONTs (6) | $560,929 | FTTP ONTs (6) | $560,929 | FTTP ONTs (6) | $560,929 | FTTP ONTs (6) | $560,929 |
| Fiber Drop and Powering (6) | $606,761 | Fiber Drop and Powering (6) | $606,761 | Fiber Drop and Powering (6) | $606,761 | Fiber Drop and Powering (6) | $606,761 |
| Engineering & Inspection Services (6) | $275,968 | Engineering & Inspection Services (6) | $275,968 | Engineering & Inspection Services (6) | $275,968 | Engineering & Inspection Services (6) | $275,968 |
| Total Net Build Cost | $16,462,375 | Total Net Build Cost | $14,607,154 | Total Net Build Cost | $8,233,743 | Total Net Build Cost | $19,274,110 |
| | | Under (Over) Uptown Cost | $1,855,221 | Under (Over) Uptown Cost | $8,228,632 | Under (Over) Uptown Cost | ($2,811,735) |

(1) Uptown included a 10% contingency on Outside Plant Construction.

(2) Total residential parcels currently in the GIS system. The current breakdown is 6,459 (81.4%) of parcels are in a residential subdivision and 1,478 (18.6%) are outside of a subdivision

(3) Based on city staff testing with current costs the average cost per passing was 10.5% lower than Uptowns calculations

(4) The average per passing cost for overhead dense residential lots.

(5) The average per passing cost for underground residential lots.

(6) Capital cost was determined using actual costs experienced by the city and estimated take rates. A breakdown of the capital costs are listed below.

(7) Uptown Build Costs are based on a 40% take rate.