

# **River Oaks Communications Corporation**

## **Colorado Springs Office:**

6 South Tejon, Suite 519  
Colorado Springs, Colorado 80903  
Telephone: (719) 477-6850  
Fax: (719) 477-0818  
E-Mail: tduchen@rivoaks.com

## **Denver Office:**

6860 South Yosemite Court, Suite 2000  
Centennial, Colorado 80112  
Telephone: (303) 721-0653  
Fax: (303) 721-1746  
E-Mail: bduchen@rivoaks.com

## **PROPOSAL OF RIVER OAKS COMMUNICATIONS CORPORATION AND ITS TEAM FOR PHASE III and PHASE IV**

**July 15, 2019**

As a follow up to the Report of River Oaks Communications Corporation and its Team dated June 4, 2019 the following is a Proposal with respect to Phase III and Phase IV for the City of Redmond (the "City"). This work pertains to opportunities for the City with respect to Recovery of Fees and Permit Costs and the City becoming a Smart City.

Here are some pertinent considerations:

1. The proposed work with respect to Permit and Fee Recovery Costs provides significant opportunities for the City for Revenue Enhancement.
2. When the City charges Fees to Providers, the City needs to have extensive documentation to support and back up those Fees. The proposed work would provide such documentation and analysis.
3. The cost for doing this work would be built into the overall Recovery Costs for the City.
4. There is currently a question as to whether the City has a Street Degradation Fee.
5. It does not appear that the City has an Annual Maintenance Fee with respect to Small Wireless Facilities.
6. The current FCC Order would allow the City to recover more than \$270 per pole per year so long as the City can document and support its costs in this regard. The proposed work would provide such documentation and analysis.
7. The Proposal with respect to the Smart City project would provide significant alignment with the Policy Goals of the City as well as provide opportunities for Revenue Enhancement.

## **PHASE III - Fees and Permit Cost Recovery**

### **Opportunities**

The City currently has approximately 25 Inspectors plus another 20 Inspectors who are specifically dedicated to the Microsoft Refresh Project. It would be helpful to Development

Services if better Route Maps, As-Built and GIS Information were provided to the City. Since the City owns street lights at main arterials and other locations, there are opportunities for monetization of those assets.

Currently, the City recognizes that while the conduit is a very valuable asset, the City is not inclined to monetize those horizontal assets since they are currently occupied by the City, CenturyLink and Lake Washington School District. It would take additional City Staff to handle additional Agreements regarding the conduit and to manage the maintenance and operation thereof. The City is experiencing extensive growth with the Microsoft Refresh Project, the Sears area revamping, the Overlake area, the Light Rail and the tearing down of homes to build more homes.

The City owns approximately 1,600 Light Poles. Many are contained in Urban Centers as well as the arterials. With the advent of more 4G and 5G, there will be an increased need for backhaul and fiber to support small cell locations. The City does not have the Staff to manage or respond to small cell outages and issues. However, the City could benefit from increased connectivity to Fire Stations and other locations. The City has approximately 106 traffic signals and cameras. It could be possible and more cost effective to replace a 44 strand count with a 144 strand fiber bundle in existing conduit. This would be much less expensive than new construction given the current fiber construction costs per mile.

The City is interested in obtaining new pricing on its fiber contracts and then bringing some in house. Currently, the City works with the C-3 Consortium. There was a need expressed to have all street lights equipped with fiber and redundancy. Wi-Fi could be located in parks where people gather and where there is City Staff. The City Council is interested in having low income residents having access to Wi-Fi at free or reduced rates. Additionally, there is interest in utilizing fiber technology for security, SCADA and water systems as well as for the IoT and increased GIS mapping

## **SCOPE OF SERVICES AND WORK PLAN- FEES AND PERMITS**

The Team understands that the City of Redmond desires to ensure that all its costs related to ROW use and management activities are fully recovered, including design review, permitting, inspection, construction coordination, addressing ongoing and new ROW management issues (such as new techniques for construction, restoration, common construction, etc.), small wireless facility construction and installation, street life recovery, especially as it relates to newly or recently repaved or reconstructed streets, and other ROW management-related activities.

The Team proposes a two-phase process to determine the level of compensation the City may be able to receive for costs incurred for ROW oversight and management.

The first Phase A will be designed to give the City a high-level understanding of its fee structures and permitting process in place today, as well as the City's enforcement of these fees and permits. The Team will then determine the level of potential for the City to further recover its ROW use and management and oversight costs as well as unrecovered degradation fees that

would apply.

The second Phase B is to document the City's actual costs and how best to allocate these costs to the utilities using the ROW. In addition to setting new rates for ROW occupants, the study will provide the City with the foundational information needed to establish and support a new fee structure.

In the second phase, the Team would develop a number of templates for information gathering, have initial conference calls/meetings with pertinent City departments and then have the departments gather a variety of different data. The City would send the pertinent initial data to the Team, whereupon it would be analyzed and follow-up tasks would be developed and additional interviews scheduled. Then, the Team would also perform activities that would include but would not be limited to gathering cost data through additional meetings (on-site if needed), records research, personnel interviews, activity monitoring, workflow analysis, and other data gathering methods. Once gathered and analyzed, follow-up questions would be asked, and a data set would be used to determine ROW Use application fees, inspection fees, street degradation fees, initial small cell wireless facility fees, and other pertinent ROW use and management fee structures. This phase would require integral participation of the pertinent City departments including Public Works and other pertinent departments such as Economic Development, Environmental and Utility Services, Development Services, and others.

Overall, The Team will work with the City to review the current ROW use and management oversight programs, fee structures and their basis for the City. As part of this review, the Team will review current and projected ROW construction, installation, permitting and inspection procedures, including ordinances, regulations, rules, policies, forms, information flow management, construction and installation oversight, mapping and other documentation related to permitting, inspections and related processes that impact the Rights-of-Way of the City. Ultimately, this will allow determination of how the ROW use and management tasks and corresponding reimbursable costs should best be apportioned and allocated.

We would then review the current and projected directly reimbursable administrative, permitting, and inspection costs, as well as supporting and related costs. This will allow development of a permit fee, an ongoing ROW use and management/inspection fee, street degradation fee, or other applicable fee(s).

After review and discussion, ROW use and management fees would then be folded into an amendment to the current fee structures in the City Code and/or proposed ROW regulatory provisions to be developed or revised. We would revise and fine tune the proposed fee structure as necessary, based upon input during public review activities, including potentially, industry review, City review, etc. after initial development.

More specifically, based on the data gathered, the Team would determine the following ROW use and management cost elements:

- **Directly reimbursable costs** – the Team would use both an analysis of current and proposed operations as well as a comparative and historical analysis to determine the

administrative, design, permitting, inspection, mapping and ongoing management (including costs incurred based on improper restoration, relocation and other post-construction activities) that would be directly attributable to the use of the public right of way by a variety of telecommunications, cable television, utility and other service providers.

- **Indirect costs** – the Team would review the amount of indirect costs attributable to construction, installation and ongoing use of the public right of way including a variety of City administrative and support costs (executive branch, legislative branch, public safety, etc.) that isn't always traditionally factored into the overhead and indirect costs associated with direct cost centers such as Public Works and other pertinent departments. This includes a variety of costs such as facility support services, clerical and other administrative support, and other similar costs that don't directly factor into pertinent cost formulas.
- **Street life recovery costs** – the Team would review both the historical and current impact on street life in the City due to periodic opening of the rights of way and the effect of sub-surface disturbance on surface viability, compare this with the results of street life studies in other jurisdictions and project cost indicators for the member jurisdictions to determine the impact on street life based on the level of ROW construction and maintenance activity. This would then be analyzed versus the City's street surfacing and reconstruction expenditures to determine the associated cost impact. (Please note that this does not include a specific street degradation study for the City. **This can be performed, but it is a time-consuming and costly process involving cataloging all street cuts, ages of the streets, rideability and other factors to determine the relative Pavement Condition Index [PCI] of streets without cuts versus streets with cuts).**

Once costs are fully determined, they then need to be allocated to the ROW user community based on a scientifically defensible methodology. Typically, these are allocated based on per foot usage of the right of way, per hour of staff time per category of activities and department, linear feet or cubic yards of disturbance in the rights-of-way, or consolidated and developed into an overall cost per provider, which can then be assessed quarterly or annually. Overall apportionment of cost is typically directly related to the impact that the provider has on the rights-of-way (for example, those with greater placements in the right of way typically cause the largest ongoing management costs, while those that have the most significant construction during any given period will have the greatest costs associated with permitting and street life degradation).

- **Compensation methodology** – From all the information gathered, the Team would ultimately recommend an appropriate compensation methodology and level of compensation. This could include per linear foot charges, charges based on a level of occupation of the right of way, consolidated cost allocated on a quarterly or annual basis, a sliding fee structure, the provision of in-kind services, and potentially other mechanisms, depending upon findings during the information-gathering phase.

For example, with respect to Small Cells Wireless Facilities, included within the Study would be a cost review associated with the use of the City’s ROW for Small Cell Wireless Facility installation, such as the use of sidewalks for ground mounted equipment, etc. and the activities conducted by City staff to maintain a small cell site in the ROW. Additionally, CBG will review and analyze the City’s costs and activities associated with a small cell licensing agreement, application, permit, inspection, (as stipulated earlier) annual maintenance and other activities found to be applicable related to the design review, provider construction, installation and maintenance of Small Cell Wireless Facilities in the ROW. These costs will then be utilized to update the City’s existing fees and establish new fees (if applicable).

- **Recommendation for implementation/further action** – the Team would provide recommendations for an appropriate right of way fee structure, permits, applications, etc. and a plan for implementation, as well as recommendations for further review and analysis if necessary.
- **Written report** – the Team would provide its recommendations in a thorough but concise written report to the City.

## **FEES FOR PROFESSIONAL SERVICES**

The Team would work with the City to establish a budget for project tasks that meets the City’s project goals and objectives. Our professional service rates and project cost estimates for this type of work are found below.

### **River Oaks Communications Corporation Hourly Billing Rates**

Tom Duchen, President	\$325.00
Bob Duchen, Vice President	\$325.00

### **CBG Communications, Inc.’s Hourly Billing Rates**

Thomas G. Robinson, Executive Vice President	\$175.00
Richard R. Nielsen, Senior Engineer	\$175.00
Krystene E. Rivers, Research Assistant	\$50.00

### **Fortitude Ventures Inc.’s Hourly Billing Rates**

Terry Holmes, CEO and President	\$175.00
---------------------------------	----------

For Phase A and Phase B, where the Team would provide templates, initial meetings, data analysis and fee recommendations, and where a significant amount of member jurisdictions’ human resources will be needed for data gathering, the following task hours range and costs would apply.

<b>Tasks</b>	<b>Task Hours Range</b>	<b>Cost Range</b>
<b>Phase A</b>		
Perform high level analysis of current fee structures and practices	20-41	\$6,600-\$13,500
<b>Phase A Total (before expenses)</b>	<b>20-41</b>	<b>\$6,600-\$13,500</b>
<b>Phase B</b>		
ROW management activity review and cost information gathering	60-80	\$19,500-\$26,000
Directly reimbursable cost analysis	18-24	\$5,850- \$7,800
Indirect cost analysis	18-24	\$5,850-\$7,800
Street life recovery cost analysis	25-40	\$8,125- \$13,000
Compensation methodology and fee structure development	25-40	\$8,125 - \$13,000
Recommendation for implementation/further action	15-20	\$4,875 - \$6,500
Written report	20-30	\$6,500- \$9,750
<b>Just Phase B Total (before expenses)</b>	<b>181-258</b>	<b>\$58,825-\$83,850</b>
<b>Subtotal for Phase A and Phase B</b>	<b>201-299</b>	<b>\$65,425-\$97,350</b>
<b>Expenses at 20%</b>		<b>\$13,085-\$19,470</b>
<b>Total Cost Study Project</b>		<b>\$78,510-\$116,820</b>

The Team will bill one-half the hourly rate for travel time. The City would reimburse the Team for its expenses, including those such as air fare, car rental, hotel, meals, Federal Express, long distance phone, clerical, copies, postage, etc. -15%-20% above the professional services cost is estimated for expenses.

The Team is well versed in holding down costs for its clients. Based on the ultimate and final work plan, the Team would work with the City to develop the most cost-effective Scope of Work in this 3-6 month project **Estimated Payback Period for the City - 12 to 24 months after this initial work is completed depending upon the level of interest shown by the Providers.**

#### **PHASE IV-Smart City Project**

In 2018, more than half the world's population lives in cities. Every week nearly 1.5 million people become urban dwellers, and by 2050, urban population will account for more than two-thirds of the world's population.

It should be noted that most cities were not planned but grew in a dispersed and organic fashion, primarily based on local geography and access to water. In most cities today, urbanization has been strained to a significant degree, affecting both people and local infrastructure. This puts local governments under pressure because of exponential growth in the telecommunications sector.

Smart cities are based on the concept that technology can provide mechanisms to modernize infrastructure, improve efficiencies, improve citizen engagement, improve inclusion and increase the overall quality of life through a combination of technology, connectivity and data. Cities must further learn to utilize technology to more effectively deliver essential city services to its citizens.

Building a Smart City requires investment in infrastructure. Advanced Internet of Things (IoT) technologies can provide sensors that create data insights that can help city leadership make better decisions and take real-time actions to more effectively deliver services to citizens, businesses and visitors alike.

According to McKinsey Global Institute (MGI), Smart City applications are being used to improve some quality of life indicators by 10% to 30%.

- Smart cities driven by data are adding digital intelligence to existing urban systems. This is enabling city leadership to do more with less by making better decisions. Connected applications put real-time information into the hands of leaders to help them make better choices.
- In the MGI study, the three sample cities that were running Smart City applications were able to reduce fatalities by 8% to 10%, accelerate emergency response times by 20% to 35%, shave the average commute by 15% to 20%, lower the disease burden by 8% to 15%, reduce crime incidents by 30% to 40%, reduce the liters of water used by a citizen by 25-80 liters per day and cut greenhouse gas emissions by 10% to 15%.
- According to this research, success requires public-private partnerships. The public sector would be the owner of approximately 70% of the applications in this study, but 60% of the initial investment required to implement these applications could come from private sector.

Many North American cities are already deploying Smart City applications. These applications range from LED lighting projects to infrastructure investments that are unlocking the value of energy savings, water savings or increasing efficiency by providing data insights to key city leadership.

But what does a Smart City really do? A review of Smart City projects worldwide showed that initiatives generally fall into one of the following Smart City categories:

- Government Efficiency
- Sustainability
- Economic Development

- Health and Wellness
- Public Safety
- Mobility
- Quality of Life

Key issues to consider when developing a Smart City plan include at least the following categories:

**Funding** - There are several options that cities can use to finance Smart City initiatives:

- Performance-based contracting model in various assets such as LED lighting, wastewater treatment, and municipal building heating and cooling is well demonstrated that can naturally extend to other applications.
- Public-private partnership (P3) models can be financially, socially, and technically innovative. See, for example, opportunities created by a P3 in Westminster, Maryland (<https://www.westminstermd.gov/419/Westminster-Fiber-Network>).
- Asset privatization (buildings, water/waste treatment, streetlights, marinas, etc.) is a recognized methodology for cities to upgrade outdated or failing infrastructure with funding from private investment groups that develop long-term relationships.
- Opportunity Zones, established by the 2017 Tax Reform Act, were created to revitalize economically distressed communities using private investments rather than taxpayer dollars. Investors are incentivized to invest long-term in return for preferential tax treatment. A recent example of Opportunity Zone investment of Smart City initiatives can be found in Cleveland, Ohio with the intent to make those areas safer and more attractive for investment.

**Data Policy** - Smart cities collect and analyze immense amounts of data from a vast array of sensors and devices. Policies must be aligned to identify what will be made available, citizens privacy protections and public and private use, storage and access of data. Knowing that technology, data and policies will dynamically change, it is critical to stay current. Ongoing education must be provided to all stakeholders.

**Infrastructure Modernization** - Cities must create dependable, modern and efficient infrastructure. Infrastructure modernization is normally associated with the essentials such as streets, water, sewer, gas and electric services, and a common omission when determining critical infrastructure upgrades is connectivity. Fiber and wireless networks are critical for data flow from/to Smart City sensors and devices. A city can rely on the local telephone company, cable company or wireless carrier for sensitive data connectivity, or they can deploy the necessary networks to more fully control their critical data access.

**Smart City Champion** - It is important for a city to designate a Smart City champion with appropriate authority on the City's leadership team. This person can serve as the director and



driver of results, provide direction and governance to the program and deliver a cross-departmental perspective to future Smart City decisions. Ideally, this person would also serve on a regional, multidisciplinary committee Board.

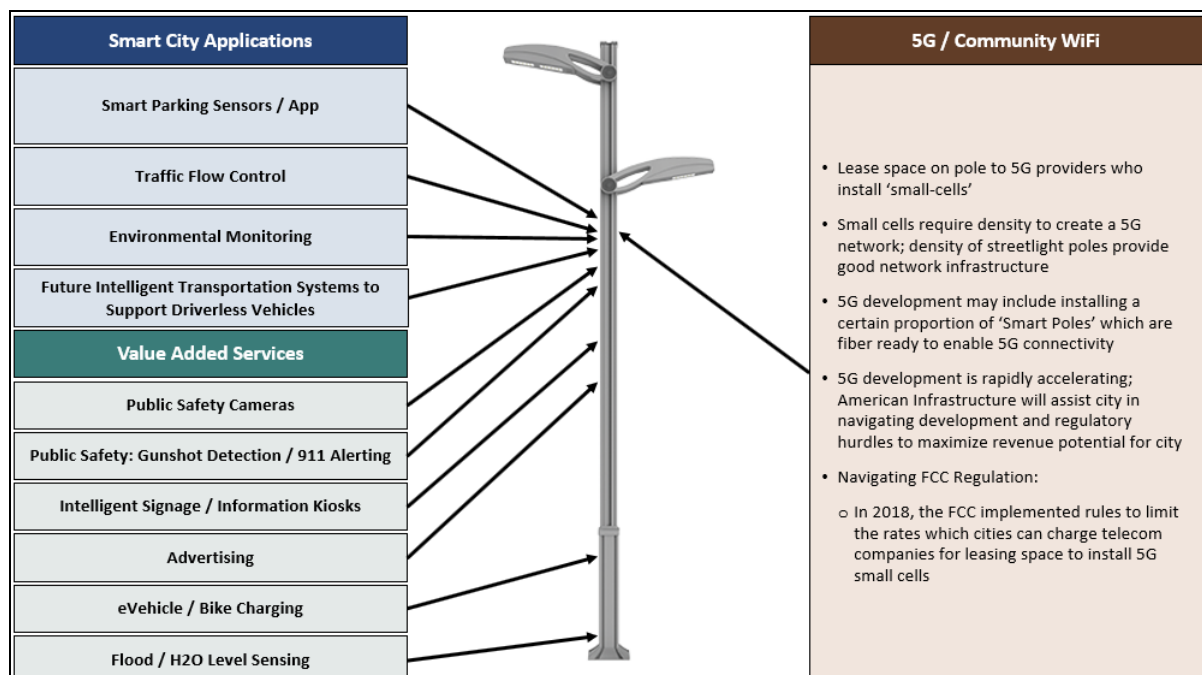
**Develop Metrics** - To quantify results a city should (i) identify metrics to evaluate all Smart City related programs for financial, social and environmental impact; (ii) create dashboards that reveal key performance indicators (KPIs) for every Smart City opportunity; and (iii) then ensure monitoring and feedback that encourage growth and success and hold vendors and/or partners responsible.

**Citizen Engagement** - One of the primary goals of Smart City proponents is to create an interactive social fabric with citizens, so it is vital to adopt a proactive approach in engaging with citizens and their neighborhoods to gain long-term support for their Smart City initiatives.

**Phased-Based Approach** - Initiating any component of a Smart City plan should be a phased-based approach. A city should identify projects that provide quick, measurable wins while longer-term projects should seek incremental and multi-stakeholder support.

Smart City activities that can quickly provide high impact results could include:

**Upgrade Streetlights to LED Streetlights with Smart Network Controllers** - Cities can realize significant and immediate cost savings by retrofitting streetlights with LED lighting systems and controls. Energy costs are typically reduced 50% and dimming features can add an additional 20-30% savings. Controller networks can facilitate 5G deployments, public Wi-Fi, smart parking, automated utility meter reading, atmospheric sensors, public safety devices, Smart utility grids and much more.



**Deploy Digital Kiosks** - Digital kiosks can create revenue streams while enhancing citizen engagement. Kiosk vendors will typically deploy at no charge to the City, plus provide a negotiated revenue share to the City. Additionally, these vendors will work with cities to highlight current events, train/bus schedules, and other important citizen notices. Digital kiosks are recognized Smart City improvements and can be used for wayfinding, brand identity, digital divide access, emergency communications, job searches, local business advertisements and more. Kiosks are designed with multiple cameras that can be fed to public safety, and some units utilize LiDAR technology. Digital policies need to accompany any agreement with these providers.

### **Smart City Applications**

We anticipate increased permit applications from the providers, driven by the latest IoT technology, Smart City applications and/or overall customer demand for enhanced broadband services from more than just one device. Users now have cell phones, tablets, laptops and wearable devices each desiring high-speed wireless access. As part of this work, it is important to consider Best Practices utilized by other jurisdictions. Recommendations can be drafted for Best Practices, taking into account Federally Mandated Requirements and State Requirements. This could include Small Cells, Macro Cell Towers, Conduit and Fiber Optics, Sensors, Digital Kiosks and other Applications from a P3 - Public-Private Partnership Paradigm. See **Exhibit 1** for further detail. It should be noted that implementation of Smart City Applications requires staff and resources - thus goals in this regard need to keep in mind City capacity to undertake and manage Smart City initiatives.

The following are some previously addressed and potential Smart City Applications:

- Carbon monitoring
- Public safety - gunshot triangulation
- Parking information regarding available spaces
- Autonomous vehicles
- Revenue generating opportunities for the City
- Additional current and Smart City applications
- Emergency evacuation routes
- Including sensors in trees to monitor watering

Like other communities across the country, the City is seeking a clear path to becoming a Smart City through broadband expansion. This requires identifying existing vertical City assets that providers can utilize for current and future technology initiatives, doing an inventory of those assets, creating a data base, streamlining regulations to facilitate providers' "speed to market" and implementing a strategy for future technology growth and revenue generation.

If the City would like to facilitate broadband investment in City assets, it will need to address the digital divide and generate new revenue streams to further fund the deployment of Smart

City initiatives. There will be challenges to efficiently address the connectivity infrastructure demands of a growing City population.

Fortunately, there are opportunities to leverage experience, strategic partners and mapping platforms to categorize City assets, streamline the wireless siting application process, implement the deployment of fiber, manage and lease City assets, deploy Smart City infrastructure and benefit public safety, education, healthcare, public services and transportation -- all of which can drive a smart economy.

#### **River Oaks Communications Corporation Hourly Billing Rates**

Tom Duchen, President	\$325.00
Bob Duchen, Vice President	\$325.00

#### **CBG Communications, Inc.'s Hourly Billing Rates**

Thomas G. Robinson, Executive Vice President	\$175.00
Richard R. Nielsen, Senior Engineer	\$175.00
Krystene E. Rivers, Research Assistant	\$50.00

#### **Fortitude Ventures Inc.'s Hourly Billing Rates**

Terry Holmes, CEO and President	\$175.00
---------------------------------	----------

**Projected costs for Phase IV-Smart City: (\$35,500-\$49,500 plus expenses of \$7,100-\$9,900 for a total of \$42,600-\$59,400 for the initial 90-120 day Smart City Project work). Estimated Payback Period for the City - 12 to 24 months after this initial work is completed depending upon the level of interest shown by the Providers.**

#### **CONCLUSION**

The Team has the requisite expertise to competently, efficiently and cost-effectively work with the City of Redmond on Right of Way Management Cost Analysis, Fee Structure Development and the Smart City Project. We hope to be of service on PHASE III and PHASE IV.

## **EXHIBIT 1- INVENTORY AND SMART CITY**

If the City so desires, the Team can develop Smart City strategies and comprehensive broadband master plans that generate new revenue streams while closing the digital divide. This can be achieved through monetization of public assets and modernization of municipal policies, processes and fee schedules. The Team does this by facilitating public-private partnerships with broadband and Smart City providers that rapidly accelerate broadband expansion for businesses, residents and visitors. We consider ourselves to be a partner with the City, with your priorities and community interests as the drivers of our success. We would look forward to working with your local stakeholders to develop Smart City strategies for the future of Redmond.

Our experienced Team is committed to providing a comprehensive and holistic approach. We are focused on the challenges and unique solutions to identify and assess what can become a pivotal infrastructure component that collects and transports data to drive Smart City efficiencies and services.

### **Use Innovative Strategies to Leverage Telecommunications Investments for Public Purpose**

When the City makes its assets available for broadband use, the goal is to reduce costs, streamline deployment and encourage investment. Our Team has created a comprehensive strategy that can accomplish this and much more:

- Establish an inventory of public assets that providers may use to offset deployment costs and enhance time to market, which may include conduit, fiber, vertical assets like poles and streetlights, public structures, real estate, or other assets.
- Evaluate existing telecommunications and cable franchise agreements in the right-of-way and negotiate market rents commensurate with national averages.
- Create a strong set of investment-friendly policies to monetize assets in a fair and equitable manner.
- Encourage service providers to make essential asset choices on City assets, based upon entitlement clarity, available assets and business-friendly policies.
- Provide a single point of contact for City asset marketing, application intake and pre-screening services for streamlining departmental approval with all broadband siting applications on City assets (without tying up valuable resources).
- Utilize the City's mapping platform for available City-owned assets to identify gaps in carrier coverage and capacity. The platform can also be utilized for fiber development and IoT initiatives.
- Provide overall policy guidance consistent with federal, state and local industry standards.

- Provide a success-based program that includes value added oversight on all preconstruction and post-construction site walks to verify consistency with approved, permitted drawings.

Many cities, like Redmond, now recognize the need to organize and design their existing vertical assets and fiber inventories into a comprehensive “Smart City” infrastructure plan. As a technology and broadband asset aggregator, the Team can utilize the City’s mapping technology to survey, inventory, and market the currently available broadband-valued department assets if the City wishes to make their assets available: light/electric poles, water tanks, City-owned telecommunication towers, buildings and land, existing fiber and conduit. Additionally, asset owner data, technical specifications, location details, installation dates, and other pertinent metadata, could be collected and uploaded as part of a centralized database to market and facilitate Smart City initiatives throughout the engagement. Marketing these data points may become increasingly critical towards development and sustainability of an asset “marketplace” where providers contract with the City to offer the latest Smart City sensors and IoT technology.

### **Identify and Inventory City Assets**

- Conduct preliminary meetings with City Staff to provide a checklist of necessary information needed for review and outline a comprehensive scope of work.
- Gather necessary documentation - GIS data collection for existing City assets in acceptable digital format (identification and delineation of fiber, conduit, dynamic signs, closed circuit camera towers and traffic management centers within City-wide asset data set).
- Collaborate with Staff to verify assessment of collected ROW assets and cross-reference types of City infrastructure assets needed to accommodate industry needs.

### **Asset Valuation and Strategic Planning**

To establish the value of the City’s infrastructure for the potential for private use to expand broadband, we can develop a financial pro forma that illustrates the net present value (NPV) of the potential revenues that the assets might generate and the City’s avoided costs, less the City’s long-term operating and maintenance expenses.

Our analysis can focus on developing a market lease value for fiber and conduit, and other municipal assets as defined. We can also consider the value of mounting assets that could support small cell wireless deployment. This latter category can include rooftops, building facades, light poles, street furniture and other outdoor City assets.

As with any financial projections, we can make a series of reasonable assumptions about a range of cost and revenue factors, including:

- Operating Expenses
- Staffing levels
- Maintenance contracts
- Ongoing equipment replacement
- Services offered
- Market rates (current and future)
- Projected revenue for core services currently offered
- Projected revenue for potential future services