



**CITY OF
VALPARAISO**

REQUEST FOR INFORMATION

**ACTIONS AND PARTNERSHIPS TO
DEVELOP VALPARAISO'S FIBER NETWORK**

RFI ISSUE DATE: November 15, 2024

RFI RESPONSE DEADLINE: January 9, 2025

City of Valparaiso – Request for Information

Actions and Partnerships to Develop the ValpoNet Fiber Network

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November 15, 2024

Dear Potential Partners,

The City of Valparaiso strategically installed fiber optic infrastructure all throughout its municipal boundaries. This investment has allowed for increased efficiency and effectiveness in networking municipal facilities and operations.

In addition, this significant investment in fiber optic infrastructure and a spare conduit is providing Valparaiso Redevelopment Commission (VRDC) with an opportunity to leverage this public asset in order to provide residents and local businesses with greater access to high-speed broadband internet technology. The outcome envisioned is that greater access to broadband internet technology will create an economic environment where Valparaiso residents and businesses more choices to affordable, high-speed internet for employment, education, consumerism, and telemedicine needs, which are required to successfully function and compete in today's society.

Therefore, the VRDC is issuing a Request for Information ("RFI") for the purpose of determining whether the VRDC should enter into a relationship with a third-party to capitalize on Valparaiso's built out dark fiber network.

The general idea is for Valparaiso to leverage its assets by providing its fiber optics to a third-party provider so the third-party provider can expand its coverage area and leverage its telecommunications investment to residents and businesses. The types of entities that Valparaiso believes would be successful participants in this project would include: Internet Service Providers ("ISPs"), competitive local exchange carriers ("CLECs"), local exchange carriers ("LECs"), and data centers.

The enclosed document outlines the parameters of the RFI. If you have any questions regarding the material provided in the RFI, please contact me at gdouglas@valpo.us or 219.462.1161 x3342.

Sincerely,

George Douglas

Director of Development

City of Valparaiso, Indiana

I. BACKGROUND & PURPOSE

The City of Valparaiso (the “City” or “Valparaiso”) possesses fiber throughout the Valparaiso landscape (shown on **Exhibit A**) (“ValpoNet”) and owns two conduits – one empty 2” conduit and the other conduit houses two hundred and eighty-eight (288) fibers. Of the two-hundred and eighty-eight (288) fibers, less than thirty-six (36) fibers are being used by current ValpoNet customers. As such, a significant number of these fibers and an empty conduit may be available to a third-party provider(s). The City desires to make these fiber facilities available to third parties, if a suitable arrangement is made. Valparaiso is issuing this Request for Information (“RFI”) for the purpose of determining whether the City should enter into a relationship with a third-party.

There are three current ValpoNet customers. Information related to each customer including contract term and expiration are available in **Exhibit B**, incorporated by reference and attached hereto.

The City seeks ideas and interest from private entities regarding bringing higher speed broadband to current homes and businesses and will explore all opportunities to monetize the City’s network including, but not limited to the following: joint venture, leasing dark fiber, selling fiber, and selling empty conduit. To that end, the City issues this RFI to determine the interest of private entities to collaborate with the City and maximize ValpoNet to expand broadband infrastructure to other parts of Valparaiso.

In responses to this RFI, the City seeks to learn how the respondent’s approach will further the City’s goals of ensuring that residents, businesses, and visitors to our community have access to market-leading broadband services. The City also seeks input from potential partners regarding the terms and conditions under which they would participate in such a project. To that end, the City is interested in all possibilities such as: joint venture with the redevelopment commission, leasing dark fiber, selling fiber, and selling empty conduit.

We are prepared to consider a variety of business models that may share technological and operational responsibilities and financial risk between the partners and the City in innovative ways. We encourage respondents to share their expertise, which may be used to shape the direction and form of this potential initiative. Respondents may work together to respond to this RFI. The City is open to creative solutions that will maximize private investment, as well as state and federal broadband funding, while providing reliable and high-quality services to meet its citizens’ needs.

We welcome the responses of all prospective partners, including traditional ISPs, CLECs, LECs, as well as nonprofit organizations, public cooperatives, and entities that are interested in acting as a partner in offering service under innovative business models. Nontraditional providers may respond as part of a partnership with an ISP or may provide separate responses outlining their approaches.

The City will review responses based on the respondents' experience, how well the responses address the City's objectives, how the proposed business model balances and shares risks and rewards, and other factors. The City may provide more detailed information on available assets to one or more respondents and asks those respondents to refine their responses. Following the evaluation of responses, the City may issue a request for more detail relating to the City-initiated project, cancel or delay plans to monetize ValpoNet, or choose another direction that is deemed in the City's best interest. Responding to the RFI is not a guarantee of a contract award. Further, there is no guarantee an RFP will be developed as a result of this RFI. The City reserves the right to withdraw the RFI or any subsequent RFP, or to decline to award a contract.

Valparaiso's expectation is that it will review responses to this RFI, and subsequently interview the best respondents. The end goal envisioned is to establish a contractual relationship with a third-party provider(s), so that the third-party provider(s) will provide services to Valparaiso residents and businesses, and, in some manner, share that revenue with the City.

II. RFI Questionnaire

Please provide answers to the following questions below. The questions below are not all-inclusive, and we encourage respondents to provide other information it deems relevant to the purpose and intent of this RFI.

A. Providing Enhanced Services to Valparaiso Businesses

One of the primary reasons for the City to seek third-party management of ValpoNet is to allow businesses the ability to access the high-quality services available through ValpoNet. These potential subscribers may not have the ability or the budget to own their own fiber or manage the optical equipment required.

- 1) How would you manage and distribute broadband services throughout ValpoNet?
- 2) What increments of broadband could be sold?
- 3) What additional provider services will these businesses have access to? Disaster recovery, storage, replication, back-up, voice services, etc.?
- 4) What managed or hosted services are available through your operations?
- 5) What "last mile" advantages are available?

B. Providing Carrier Access

- 1) Can you manage the fiber throughout the entire Valparaiso network that would eliminate or postpone Valparaiso's need to build a POP to allow carriers access to ValpoNet?
- 2) How would other carriers access the Valparaiso fiber through your network/facilities?
- 3) How would "Last Mile" connectivity be configured?

- 4) What significant networks does your network/facilities connect to or serve?
- 5) Are there vertical markets or industries that could more easily be accessed by connecting through your network/facilities?

C. Third Party Management Fees, Costs, Revenue Generation

The possibility of Valparaiso generating revenue while enabling third parties to offer enhanced services, at cost effective rates, to businesses is being seriously considered.

- 1) What components will be included in any upfront cost to Valparaiso to set up the services before the first customer is sold and are the costs scalable? Please consider installation, equipment, connections to primary data center, and others.
- 2) What monthly cost components will Valparaiso be responsible for prior to the first customer? As customers are added?
- 3) From what types of monthly service charges to businesses and from what types of fees charged to carriers would Valparaiso be able to generate revenue?
- 4) What would you anticipate paying Valparaiso for access to the ValpoNet?

D. Working with the City

The City intends to work with a third-party provider to:

- 1) Identify existing businesses' telecommunications needs and propose solutions.
- 2) Identify businesses that are considering moving to Valparaiso and determine the telecommunication needs and opportunities of the business.
- 3) Explore opportunities to provide service to the Valparaiso School District.

III. RFI PROCEDURE

A. RFI RESPONSE DEADLINE

Sealed final RFI submissions for Valparaiso's Fiber Network must be received at the office of the City Clerk Treasurer, City of Valparaiso, 166 Lincolnway, Valparaiso, IN 46383, no later than **January 9, 2025 by 1:00 P.M. CST.**

B. KICKOFF MEETING AND INQUIRIES

Following the RFI Issue Date, Respondents may make inquiries regarding this RFI at any time prior to the RFI Response Deadline to George Douglas, Director of Development at gdouglas@valpo.us. Email subject line should reference RFI Valparaiso's Fiber Network.

A kickoff meeting is being planned for early December to answer any questions. Respondents may register for meeting through Debbie Melcic at dmelcic@valpo.us. Details and meeting

invites will be emailed in advance of the call.

C. RESPONSE FORMAT

Please submit RFI documents of no more than fifteen (15) pages that contains the information requested in Section II (“RFI Questionnaire”) above. This is an RFI, and as such, the response may include any additional information or comment that you consider relevant.

D. DISCLAIMER

THIS IS A REQUEST FOR INFORMATION (“RFI”) ONLY. This RFI is issued solely for information and planning purposes – it does not constitute a Request for Proposals (“RFP”) or a promise to issue an RFP in the future. Valparaiso may intend to award a contract on the basis of this RFI. Failure to respond to this RFI does not preclude participation in any future RFP, if any issued.

Although “proposal,” “response,” “respondent, and “offeror” are used in this RFI, your response will be treated as information only and does not constitute a formal proposal. Furthermore, the Government is not at this time seeking quotations and will not accept unsolicited offers. Interested vendors are advised that the City will not pay for any information or administrative costs incurred in response to this RFI. All costs associated with responding to this RFI will be solely at the interested party’s expense.



130 S. Main St., Suite 275
South Bend, IN 46601
574.968.5353
ChoiceLight.org

January 9, 2025

City of Valparaiso
Attn: George Douglas
166 Lincolnway
Valparaiso, IN 46383

RE: Response to ValpoNet Request for Information

Dear Mr. Douglas:

On behalf of ChoiceLight, Inc, I am pleased to submit this response to the City of Valparaiso's Request for Information (RFI) related to actions and partnerships to develop Valparaiso's fiber network.

ChoiceLight (formerly St. Joe Valley Metronet) was created in 2004 through a public-private partnership to improve the South Bend region's **economic development climate** by providing telecommunications infrastructure in the form of a **dark fiber vendor-neutral fiber-optic cable network**. The nonprofit entity was created specifically to provide broadband infrastructure (not internet service) and for two decades, ChoiceLight has constructed, expanded, and continues to operate the dark fiber network. Today, ChoiceLight's fiber extends more than 500 miles, and the organization has more than 300 business and anchor institution subscribers in the most important commercial, educational, medical, and governmental centers across St. Joseph, Marshall, and Elkhart counties.

We have a long history of partnering with other nonprofits, the business community, Internet service providers (ISPs), municipalities, and universities to support broadband expansion. We currently have hundreds of businesses utilizing the dark fiber, either through direct connections (larger businesses and institutions) or through an ISP of their choice who leases dark fiber and then provides services to the business (small and medium enterprises). In addition, we have enjoyed strong cooperative relationships with municipalities through a variety of structures that may be of interest to the City of Valparaiso. For example, our reciprocal agreements with municipalities allow ChoiceLight to use the city or county fiber infrastructure in exchange for maintaining networks on behalf of the municipalities.

More recently, in January of 2023, ChoiceLight and Elkhart County entered a collaborative partnership where the County maintains ownership of their 189-mile fiber network and ChoiceLight operates and manages the day-to-day business and operations on the county's behalf. Leveraging ChoiceLight's experience and expertise has helped the County accelerate the return on their fiber investment, improve efficiencies, connect more Elkhart County businesses and ensure sustainability of the network operations.

Please note that because we are not a traditional ISP, we are not able to answer all specific questions in the RFI. However, we would like to express our sincere interest in opening a dialogue and exploring opportunities to support, partner, consult, and or manage the network with the City of Valparaiso.

A. PROVIDING ENHANCED SERVICES TO VALPARAISO BUSINESSES

- 1) How would you manage and distribute broadband services throughout ValpoNet?

A key ChoiceLight strategy is to leverage broadband as a competitive advantage for regional community and economic development. ChoiceLight's current model is to operate and/or manage dark fiber networks, enabling Internet Service Providers and direct subscribers to lease fiber strands which they would "light" with the amount of internet service level needed by the end user.

- 2) What increments of broadband could be sold?

It is typical to lease dark fiber through circuits, point to points, or single strand sections.

- 3) What additional provider services will these businesses have access to? Disaster recovery, storage, replication, back-up, voice services, etc.?

In a dark fiber model, businesses would have complete flexibility to choose their Internet Service Provider, many of which are also Managed Service Providers (MSPs). These third-party MSP companies are often engaged by small and medium sized companies to manage the businesses' IT infrastructure and end-user systems, providing services such as network, application, infrastructure, risk management, and security.

Additionally, ChoiceLight has its own disaster recovery initiatives with regard to the network infrastructure.

- 4) What managed or hosted services are available through your operations?

As a vendor-neutral dark fiber network, ChoiceLight does not provide any managed or hosted services. Some ISPs provide internet only, several of the ISPs utilizing dark fiber provide a suite of managed services to the end-users.

- 5) What "last mile" advantages are available?

Having the ValpoNet backbone available to ISPs reduces the build cost and enables them to invest more capital in the "last mile" portion of projects. Rather than the ISP constructing from their POP to the subscriber, they can lease ValpoNet fiber to reach the POP and just build the last mile from that connection point.

ChoiceLight currently partners with several regional and national last mile ISPs over its open access network. Regional ISPs include Surf Internet, CozyCloud IT, Interlink Group, Aunalytics, Fourway Computer Products, Network Solutions, Inc, Michiana Fiber and QuantaSi. ChoiceLight also partners with many national carriers including US Signal, Zayo, Great Plains Communications, Lumen, Cogent, and Everstream. These ISPs and carriers lease fiber from ChoiceLight to connect their customers and provide internet services.

In addition to partnerships with the ISPs and carriers, ChoiceLight also leases fiber to institutional and enterprise users as direct subscribers who independently procure Internet services.

B. PROVIDING CARRIER ACCESS

- 1) Can you manage the fiber throughout the entire Valparaiso network that would eliminate or postpone Valparaiso's need to build a POP to allow carriers access to ValpoNet?

The dark fiber model would necessitate a POP to allow additional carriers to access ValpoNet. There may be options to lease fiber providing a connection to a data center where a POP could be established.

- 2) How would other carriers access the Valparaiso fiber through your network/facilities?

Through development of a POP for ValpoNet or a cross connect with the ChoiceLight network.

- 3) How would "Last Mile" connectivity be configured?

If ValpoNet has a POP, you would have the opportunity to hand off a connection to an ISP who would then be responsible for the costs for building, owning, and maintaining the last mile connections to homes, neighborhoods, or subdivisions. For commercial users, ValpoNet could pay for lateral extensions into businesses and would then own these, often requiring a ROI within a certain time covered by the subscription fees. Alternatively, businesses can pay for the cost of the lateral. In this scenario, the business would own the conduit in perpetuity and the city would typically still install and own the fiber in the conduit.

- 4) What significant networks does your network/facilities connect to or serve?

ChoiceLight would be able to manage the ValpoNet independent of the current ChoiceLight network. If ValpoNet were to become part of the ChoiceLight network, a connection would need to be established between ValpoNet and our Network in South Bend.

- 5) Are there vertical markets or industries that could more easily be accessed by connecting through your network/facilities?

While most of the network is focused on servicing commercial users, ChoiceLight has developed a model to provide the hand-off of multiple- and single-strand fiber cables to ISPs that serve residential communities.

C. THIRD PARTY MANAGEMENT FEES, COSTS, REVENUE GENERATION

The possibility of Valparaiso generating revenue while enabling third parties to offer enhanced services, at cost effective rates, to businesses is being seriously considered.

- 1) What components will be included in any upfront cost to Valparaiso to set up the services before the first customer is sold and are the costs scalable? Please consider installation, equipment, connections to primary data center, and others.

This would be dependent on the decision of how to bring a POP for the network.

- 2) What monthly cost components will Valparaiso be responsible for prior to the first customer? As customers are added?

This would be dependent on the partnership model. With some municipalities, ChoiceLight manages the network in exchange for use of the conduit and ChoiceLight

retains subscriber revenue. Another option is for ChoiceLight to operate the network for an annual management fee and then pass all subscription revenue on to the municipality.

- 3) From what types of monthly service charges to businesses and from what types of fees charged to carriers would Valparaiso be able to generate revenue?

Up front Connection Fee and Lateral Construction costs can generate revenue to offset initial construction and connection of customers. Monthly or annual subscription fees generate recurring revenue, typically through a 12- or 36-month agreement.

- 4) What would you anticipate paying Valparaiso for access to the ValpoNet?

If engaged in a network operations management role, we could pass through all subscription revenue earned back to the city.

D. WORKING WITH THE CITY

The City intends to work with a third-party provider to:

- 1) Identify existing businesses' telecommunications needs and propose solutions.

In a consultative role, ChoiceLight could complete a market study of fiber optic infrastructure to determine demand and use cases.

- 2) Identify businesses that are considering moving to Valparaiso and determine the telecommunication needs and opportunities of the business.

In a consultative role, ChoiceLight could work with the economic development parties to identify likely business recruitment targets and outline their typical telecommunications needs.

- 3) Explore opportunities to provide service to the Valparaiso School District.

ChoiceLight has a variety of service relationships with School Districts and is well-versed in the e-rate program used by school corporations. Penn-Harris-Madison school district engages directly with ChoiceLight for dark fiber infrastructure. The South Bend School corporation is engaged with Surf Broadband, an ISP that that uses ChoiceLight's fiber infrastructure.

We appreciate your review of this information and look forward to supporting the City of Valparaiso as you develop the fiber network. If you have any questions or would like more information, please contact me at remberton@choicelight.org or 574-968-9353.

Sincerely,
CHOICELIGHT, INC.

Regina Emberton

Regina Emberton
CEO

PROFESSIONAL PROFILE



JAMIE BRAZEAU

Business Development Manager

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jbrazeau@ChoiceLight.org

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www.ChoiceLight.org

Jamie Brazeau is the Business Development Manager of ChoiceLight, Inc., a public-private partnership providing access to broadband infrastructure through a dark fiber optic network serving commercial, financial, educational, healthcare, and governmental agencies in St. Joseph and Marshall counties.

ChoiceLight is a vital asset in the South Bend-Elkhart region, extending dark fiber infrastructure and improving other facets of our innovation ecosystem that will enable companies to adopt new technologies and compete in the 21st century.

Prior to his role at ChoiceLight, Jamie has been in technology sales, account management, and customer success roles for MSPs and technology integrators along with the digital operations of the regional newspaper. Through these roles, Jamie has continued to learn about the technologies being deployed.

Education & Professional Accreditations

- Bachelor of Science in Management, Krannert School of Management, Purdue University West Lafayette

Achievements

- Over 20 years in technology of successful sales, development, and customer success.

Civic Involvement

- Youth sports coaching (baseball, basketball, and bowling)
- United States Bowling Congress (USBC) Registered Volunteer Program (RVP) member
- Boy Scouts of America Den Leader and Troop Leader
- PTO Member



**REGINA EMBERTON, CEcD,
SIOR, CCIM**

CEO

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South Bend, IN 46601

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Regina Emberton, CEcD, CCIM, SIOR is CEO of ChoiceLight, Inc., a public-private partnership providing access to broadband infrastructure through a dark fiber optic network serving commercial, financial, educational, healthcare, and governmental agencies in St. Joseph and Marshall counties. ChoiceLight is a vital asset in the South Bend-Elkhart region, extending dark fiber infrastructure and improving other facets of our innovation ecosystem that will enable companies to adopt new technologies and compete in the 21st century.

Prior to this role, Regina served as CEO of the South Bend - Elkhart Regional Partnership, catalyzing a culture of inclusive regional collaboration, developing a strategic regional economic development plan, and securing unprecedented investment to the region to advance efforts around workforce, talent, industry, inclusion, and entrepreneurship. Prior to her work with the Partnership, Regina served in a leadership role with a commercial real estate firm, where she was involved in a variety of projects including management, consulting, brokerage, investment, and development.

Education & Professional Accreditations

- Bachelor of Science in Public Administration, Indiana University, South Bend
- Masters of Public Affairs, Community and Economic Development, Indiana University, South Bend
- Honorary Degree of Associates of Science, College and Community Service, Ivy Tech Community College
- Honorary Doctor of Regional Planning, Marian University Ancilla College,
- Certified Economic Developer (CEcD) designation
- Certified Commercial Investment Member (CCIM) designation
- Society of Industrial and Office Realtors (SIOR) designation

Achievements

- Indiana Business Journal: Indiana 250 awardee, 2022 and 2023
- South Bend Regional Chamber of Commerce: 2012 Inaugural Outstanding Young Business Leader, 2009 Michiana Forty under 40
- Class 29 Graduate of Leadership South Bend/Mishawaka program

Civic Involvement

- Community Foundation of St. Joseph County, Board Member
- Indiana University South Bend – Judd Leighton School of Business and Economics, Dean's Advisory Board Member
- Medical Education Foundation, Board Member
- Marian University Ancilla College, Board of Visitors Member
- Regional Development Authority, Former Board Member
- Boys & Girls Clubs of St. Joseph County, Former Board Member and Chair
- Downtown South Bend, Inc., Former Board Member and Chair

PROFESSIONAL PROFILE



JENNIFER KREWSON

Operations Manager

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www.ChoiceLight.org

Jennifer Krewson is the Operations Manager of ChoiceLight, Inc., a public-private partnership providing access to broadband infrastructure through a dark fiber optic network serving commercial, financial, educational, healthcare, and governmental agencies in St. Joseph and Marshall counties. ChoiceLight is a vital asset in the South Bend-Elkhart region, extending dark fiber infrastructure and improving other facets of our innovation ecosystem that will enable companies to adopt new technologies and compete in the 21st century.

Prior to this role, Jennifer served as the Blood Donor Recruitment Coordinator at the South Bend Medical Foundation. Her duties included supporting recruitment and phlebotomy staff, managing donor relations software and data collection, graphic design, and marketing support.

Jennifer Joined ChoiceLight as a Business Development Assistant in 2016 and quickly expanded to provide a much broader range of support, including: creating and maintaining customer network diagrams, managing social media and web presence, graphic design, fiber optic network monitoring set up and maintenance, invoicing, Salesforce administration, scripting, and GIS assistance.

Education & Professional Accreditations

- Bachelor of Arts in Psychology, Indiana University, South Bend
- Cisco Certified Technician

PROFESSIONAL PROFILE



BRANDON LIGGETT

Network Operations Director

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Brandon Liggett is Network Operations Director for ChoiceLight, Inc., a public-private partnership providing access to broadband infrastructure through a dark fiber optic network serving commercial, financial, educational, healthcare, and governmental agencies in St. Joseph and Marshall counties. ChoiceLight is a vital asset in the South Bend-Elkhart region, extending dark fiber infrastructure and improving other facets of our innovation ecosystem that will enable companies to adopt new technologies and compete in the 21st century.

Brandon oversees all fiber optic plant projects, sustaining optimal uptime of ChoiceLight's 320+ mile dark fiber optic network. This includes maintaining subscriber records, ensuring service availability, obtaining build estimates, managing locate requests, and being the point of coordination between sales and external engineering partners. Management of the 24/7 Network Operations Center (NOC) and the network monitoring equipment fall under this role. Prior to ChoiceLight, Brandon was a Senior Project Foreman at an engineering and contracting firm. He brings over 20 years of experience in the industry with expertise in fiber network development, outside plant deployment, colocation center design, and circuit engineering.

Education & Professional Accreditations

- Associates of Applied Science Ivy Tech Community College
- NJATC Telecommunications Program Certification
- BICSI Information Transport Technician
- Corning Cable Systems Fiber Optic NPI
- OSHA-10 Construction Training Program

Achievements

- Data Center/Colocation
 - Design of fiber pathways, circuits, and splicing diagrams for local data centers
 - Engineer optical circuits to meet customer driven specifications
 - Development of standardized logical labeling systems and documentation
 - Coordination between ISP/Carriers to deploy peering connections and cross connects
- Notable Outside Plant Projects
 - SCADA Network topology for Wind Farm/Solar Farm/Wastewater networks
 - TXDOT I-35 expansion Traffic Management Systems
 - MDOT I-196 and US131 Traffic Management Systems
 - Indiana Toll Road 80/90 Ohio to Illinois duct bank and fiber optic
 - CWDM/DWDM optical systems deployment and troubleshooting
 - Fiber Optic CCTV and microwave perimeter security upgrade at nuclear power plant

Stephen Mayo
INTELECONNECT, INC.

Stephen Mayo is one of the leading technology consultants focusing on design and construction of fiber networks and telecommunication strategies for master-planned communities, municipalities, and universities. Over the past 30 years, he has designed and managed the installation of multiple fiber networks and implemented and managed large-scale networks for many universities, developers, service providers, companies, institutions, and communities.

Steve served as Chief Operating Officer for the CLEC, CampusLink Communications Systems, which provided out-sourced information technology systems and services to colleges, universities, and off-campus student housing complexes (MDUs). This included the design, construction, and implementation of fiber/copper infrastructure, PBXs, LANs, and private CATV systems. Prior to its acquisition in 1999, CampusLink was providing triple-play services to over 35 colleges and universities including Tufts, Texas Christian, and more than 40,000 students and administrators across the country.

After the sale of CampusLink, Steve created his current company Intelconnect, Inc. along with several key partners in designing, implementing, and managing private telecommunications companies for large scale, mixed use, residential/commercial developments. As Intelconnect grew, Steve spent two years as the Associate Vice President of Telecommunications at Purdue University, where he developed the strategy and implemented Indiana's iLight Fiber Network which included the award of \$10 million to construct a state-wide fiber backbone interconnecting colleges and universities and the major urban areas across the state.

Steve consulted with the city of South Bend, Indiana and designed and implemented the municipal fiber network, now ChoiceLight, beginning in 2004 and continues to actively advise on the ongoing evolution and expansion of the network. This network provides dark fiber connectivity throughout St Joseph and Marshall Counties and to all of the city's buildings and locations (fire, police, water, sewer, traffic control, administrative network) and many of the businesses (including banks, hospitals, medical centers, schools, libraries, the University of Notre Dame).

Recently he completed the second phase of a "gigabit" community, Avalon, in Alpharetta, Georgia. Taking a page from the Google play-book, the technology strategy is fiber and a "Gig" to every home, office, and retail store with a private telecommunications company providing a "state of the art" technology platform.

Steve developed the expansion strategy for Smart City Telecom, the Lake Buena Vista telephone company serving Walt Disney World and Celebration, which focused on using their CLEC organization to expand their footprint into master planned communities with a triple-play, fiber-to-the-home initiative. Three new developments in Orlando chose Smart City Fiber to the Home solutions for their technology solution. He has provided consulting and design services for the State of Michigan in developing their strategic plan for a statewide broadband network.

Upon request, extensive detail is available for a many additional relevant projects.

Dark Fiber, Bright Future.

At ChoiceLight, our mission is to champion digital equity by building and expanding fiber infrastructure to as many institutions as possible. We believe that access to reliable, high-speed internet is a fundamental need that empowers businesses and organizations to thrive in the digital age.



Types of businesses we serve:

- Advanced manufacturing
- Healthcare
- Education
- Government
- Small business
- Large business
- Office
- Multi-tenant commercial buildings
- Non-profits



www.ChoiceLight.org

Need a connection
or have a question?



Scan to contact us!

ChoiceLight is a local, responsive dark fiber option.

Speed & Capacity

ChoiceLight's network provides all the speed and capacity you demand to meet your - and your customers' - needs. Never worry about running out of bandwidth or running up costs. ChoiceLight subscriptions are not based on how much data you use or the speed of your connection. Direct subscribers may increase as your needs grow without increasing your budget through our service. Our bandwidth-independent pricing also makes for affordable connections with service providers.

Ecosystem & Choice

A growing ecosystem of services thrives on our network. Connect to more vendors, receive more services, have more options. The choice of service provider is yours. Use one for internet, another for voice, and change as needed while being able to choose your length of agreement.

Control & Flexibility

ChoiceLight flexibility gives you choices and puts you in control. Pick providers who will offer exactly the business services you need and will grow along with you. As new customer service technologies come online, you'll have the capacity to stay ahead.

Reliability & Security

Our fiber network delivers the highest standards in reliability. Your choice of joining a private network or creating your own network offers additional security. Optional fully redundant circuits are available.



www.ChoiceLight.org

Need a connection
or have a question?



Scan to contact us!



NITCO
Connected. Always.

205 N Washington Street | P. O. Box 67 | Hebron, Indiana 46341 | www.nitco.com

January 8th, 2025

George Douglas
Valparaiso Redevelopment Commission
166 Lincolnway
Valparaiso, IN 46383

Dear George,

Northwestern Indiana Telephone Co. (NITCO) is pleased to provide the City of Valparaiso with its response to the Request for Information (RFI) concerning the fiber network owned by the Redevelopment Commission known as ValpoNet.

As you know NITCO has a long history of successfully constructing, operating and managing telecommunications infrastructure in Northwest Indiana. Since 1939, NITCO, a local family-owned company, has been providing the kind of customer experience that signifies excellence and best in class.

Today NITCO is a world-class company that provides voice, internet, television services and telecommunications products to residential, business, municipal, commercial and nationwide carriers throughout the region.

NITCO and our team look forward to answering any questions you may have and stand ready to work with the City of Valparaiso on this important project.

Sincerely,

Thomas E. Carroll
Senior Vice President
Sales & Marketing
219-996-2981 office
219-242-2556 mobile
tcarroll@nitco.com



NITCO
Connected. Always.

NETWORK OPERATIONS AND MANAGEMENT FOR VALPARAISO FIBER OPTIC NETWORK (VALPONET)

RFP RESPONSE

Prepared for the City of Valparaiso

January 9th, 2025

205 N. Washington St.
Hebron, IN 46341

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- Authorized Representatives

FINANACIAL STABILITY AND VIABILITY

Northwestern Indiana Telephone Co. (NITCO) has been in business since 1939. We are a family owned telecommunications utility registered with the Indiana Utility Regulatory Commission and the Federal Communications Commission. FBN Indiana, Inc. is a subsidiary corporation that operates similar facilities in the CLEC territory of Northwest Indiana. Covering a territory spanning over 1300 square miles in Northwest Indiana. NITCO and FBN Indiana serve over 8,500 hundred residential and business customers with telephone, DSL/Fiber, wireless and television services. NITCO's offices are located at 205 N. Washington St. Hebron, IN, 575 W. Parks Dr. Rensselaer, IN, 364 Indian Boundary Rd., Chesterton, IN, and 53 Jefferson St. in Valparaiso, IN with central office locations in Lakes of the Four Seasons, IN., Hebron, IN., DeMotte, IN, and Roselawn, IN., and Mt. Ayr, IN.

Local Workforce

NITCO has a local workforce of 101 employees, all based in Indiana. NITCO is proud of its award-winning customer service. Our team can be on call as needed when service level customers need us most. Our installation and repair crews, engineering staff, project managers and administrative support work round the clock to make sure that our customers stay connected.

NITCO employs two full-time construction crews for both underground and aerial fiber installation. This supports a year round new build and maintenance capability. With over 1200 local businesses using NITCO's DSL/Fiber and Wireless service we know how important high quality customer service and quick response times are for business to thrive.

NITCO Executive Overview of Operator Approach

NITCO has created a flexible and proactive 300 square mile telecom network that is continually upgraded and maintained. This approach to regular upgrades in data, voice and central office maintenance allows for premium product and service deployment throughout the NITCO system. The key ingredient is a strong team of individuals that work together to deliver service second to none in northwest Indiana.

NITCO's team is all local and includes NITCO Network Engineering, Central Office, Construction, Installation & Repair, Sales & Marketing, Customer Service Representatives, and the commitment from local company leadership that we will be there when you need us the most. Local telecommunications providers understand the need to provide

maintenance support when a crisis occurs. With a fleet of 90 vehicles and a team of communications professionals ready to respond, NITCO can be at your doorstep within hours or sooner. NITCO understands that when you're offline, you're not in business. It's also a critical support system for E-911, and NITCO works with E-911 providers throughout Northwest Indiana. When disaster strikes NITCO's crews are ready to rebuild infrastructure, support local business and residential customers, and bring the kind of local expertise that is required when bringing a system back on line is critical and time sensitive.

NITCO Professional Qualifications

The NITCO Executive Team is led by **President/COO Tom Long** and **Senior Vice President Tom Carroll** with a combined C Suite level experience of over 60+ years in telecommunications and operations.

NITCO's plant design, construction and engineering leadership team of **Gary Gray, Plant Superintendent, Project Manager Don Schoenbeck, Technology Operations Manager Nate Bennett and Network Supervisor Dan Odle** bring over 100+ years of combined Telecom experience to the table. Their operational leadership and management has helped NITCO become the advanced technology ethernet and telecom provider it is today! Focused on growth, they are leaders in their field.

NITCO Marketing and Support

NITCO Marketing provides specialized support for local economic development efforts. Working with customers to determine their need for voice, internet, and other telecommunications products to further their business requirements is our goal. NITCO is also prepared to design specialized fiber and advanced technology build outs. Our sales engineers work to create the proper fiber architecture that meets or exceeds the needs of new or existing companies that require high grade interconnectivity

The NITCO sales effort is led by **Tom Carroll, Senior Vice President, Director of Sales Heather Dull and Business Implementation Manager Tammy Gray**. All are well known throughout Northwest Indiana in the telecommunications industry and have over 60 years of sales experience combined. Helping local business with their telecom needs is what they do best. They not only sell they are also critically involved in new product development and the design of new fiber networks. VALPONET is more than just a municipal dark fiber network. It will require an on-the-ground local sales and marketing team that regularly works with carriers, businesses, residential customers and can match the product to the customer's needs. The success of VALPONET requires a competent, aggressive and savvy team that will help build and sell VALPONET. With NITCO you have a team ready to hit the ground running.

FIBER OPTIC NETWORK EXPERIENCE

NITCO has been installing fiber since 1985 and has constructed and managed over 300 miles of fiber for its own network needs. In addition, NITCO provides fiber installation and construction services to companies in the region. They include some of the largest communications companies in the nation- AT&T, Verizon and the Indiana Fiber Network. We also build for local companies and municipalities, having provided fiber service and construction to the City of Crown Point, The City of East Chicago, Town of Chesterton, City of Rensselaer, and the City of Valparaiso while having completed a fiber network for Porter County Government.

We also operate and build networks for educational institutions having recently completed fiber optic construction for the School City of East Chicago and Kankakee Valley School Corporation.

We are municipal fiber installation specialists. Whether it's a dark fiber network aimed at supporting local providers and driving down the cost of connectivity or a turnkey RUS build for municipal and private telecommunication providers, NITCO is ready to perform at the highest level. Each member of the team is experienced in Municipal fiber builds.

Operations and Business Support Systems

Billing Process

Our NITCO billing and collections staff is comprised of one billing administrator and 6 customer service representatives. We run a single billing cycle approximately a week prior to the end of the month. Our billing includes all of our customers, and also all of our services (Voice, Data, TV, etc) for those customers on a single bill. Bills are mailed to the customers on or about the first of the month. Due dates for all bills are set at the 17th of the month, or next business day if weekend. Customers have the ability to view, analyze and pay their bill through our online portal at any time 24/7 via credit card. We also accept payments via: mailed check, office walk in (all forms), credit card over the phone, recurring bank draft and recurring credit card payments.

Billing Software

We use a consolidated billing and provisioning system from Innovative Solutions which is hosted in the cloud. We have nightly full backups of our system performed as well as snapshots throughout the day. Wherever prudent, we have redundant connections and backup power (via battery & generator) to ensure uptime.

Accounting

Our accounting staff is comprised of 6 employees working in a variety of roles: Controller, Accounts Receivable/Billing, Accounts Payable, Payroll/Staff Accountant, and Plant Accountant. We handle all accounting processes in-house and produce monthly financials for our managerial use.

Network Management Staff Qualifications

Our network management staff is comprised of our **Technical Operations Manager Nate Bennett** and our **Network Supervisor Dan Odle**. With a combined 60 years of Network and Systems Management experience.

Networks Under Management

NITCO/FBN Indiana, Inc.- These networks are NITCO's ILEC and CLEC ISP networks. They are a combined 300 miles of fiber supporting both DSL and Wireless networks. NITCO's ILEC and CLEC territories cover a combined 1300 square miles of northwest Indiana.

Experience with Similar Projects

NITCO has significant experience with Fiber projects for private Telecommunication companies and municipalities. NITCO has engineered and constructed its own FON of 300 miles.

East Chicago Municipal Fiber Network (ECFON)- NITCO spent 2-3 days visiting East Chicago and talking to local business, communicating with City Government leaders and key stakeholders to determine the interest and need for high-speed broadband capability. Our engineering team worked to develop and in-depth map of existing fiber networks and find key splice points, points of presence and meet points that helped the community determine the current level of fiber optic connectivity with other carriers and potential ISP customers. We then Identified and created mapping for potential drop and alternate legs from the city's existing fiber network through community neighborhoods. Finally, the report discussed how municipal networks operate and suggested successful models for the City's review and discussion.

NITCO is licensed to operate and maintain ECFON and manages all aspects of the infrastructure as well as Sales & Marketing of the network to Carriers and Business.

Revenue is generated for the city by a structured revenue sharing agreement.

Chesterton Fiber Optic Network (CFON)

NITCO was engaged by the Town of Chesterton to design the CFON network. Over 15 miles in length, the network was built in the Town's Tax Increment Financing (TIF) district to

serve primarily business, but also residential customers as needed. Our team has engaged with and signed over 150 business customers and provides significant internet and voice services to the Municipal Government and Duneland School Corporation as well as Urschel Laboratories and the Franciscan Health System.

NITCO is licensed to operate and maintain CFON and manages all aspects of the infrastructure as well as Sales & Marketing of the network to Carriers and Business.

Revenue is generated for the Town by a structured revenue sharing agreement.

Other Managed Projects

NITCO is currently providing consulting and locating services to Merrillville School Corp., Porter County Government and the City of Rensselaer.

NITCO has 3 fiber projects underway and expects to have 3-4 FON projects underway for itself and other customers. Adding the VALPONET operations and management to the NITCO schedule is a normal course of business.

OPERATIONS MANUAL/SLA

Operations Manual

NITCO will create an Operations Manual specific to VALPONET operation and maintenance following the contract award.

VALPONET SLA. Outage Response Times

NITCO Service Level Agreements are available for all categories of service. Residential, Small Business, Commercial/Medical/Governmental/School, Carriers/ISP/WISP. Below is NITCO's response time and criteria related to various service interruptions.

NITCO RESPONSE:

- (a) NITCO shall maintain a twenty-four (24)-hour-a-day, seven (7)-day-a-week point of contact for Customer to report to NITCO system troubles.
- (b) NITCO shall provide an explicitly named list, including direct contact information, of operations management contacts for purposes of trouble resolution escalations.
- (c) NITCO shall perform all trouble maintenance and repair functions on its system and facilities from the end-user's premise to the demarcation point at the Customer facilities twenty-four (24) hours a day, seven (7) days a week.
- (d) In the event of a service interruption, NITCO will use commercially reasonable efforts to have repair personnel on-site within four (4) hours from either the point at which NITCO notices the service impairment or after receiving such notification from Customer, whichever comes first.
- (e) Network is monitored on a 24-hour / 7 days per week basis. In the event of a major service outage, our system alarms automatically notify our Support Staff about the problem. Two fibers will be dedicated for continuous monitoring the fiber ring.
- (f) A customer can report any service problem to our Network Operation Center (NOC) 24 hours a day, 7 days a week. The telephone number is (219) 996-8000.

Annual Performance Review

NITCO is very proud of our highly trained, customer support and technical support teams. Our customers tell us every day how much they appreciate the friendly, informative and passionate service when they speak with NITCO's Infinitely Friendlier service technicians, CSR's and Tech Support staff.

The City of Valparaiso will receive an annual review of VALPONET operation and a reflection of the level of service being provided to the following customer types:

Small Business

Anchors

Commercial/Medical/ Governmental/School

Carriers/ISP's/WISP's

The following indicators will be tracked to provide performance reports to the city and help NITCO review its own performance and management of VALPONET:

Customer Complaints – By service and customer type.

Trouble Tickets- Monthly summary including customer issue and resolution

Service Interruptions- By customer and location, repair time compared to SLA.

Fulfillment – New installations and service upgrades.

Billing- Accuracy and timeliness.

Network Capacity and Performance

Revenue Share- Monthly summary of operator revenues and VALPONET revenue share.

VALPONET REVENUE SHARING MODEL

NITCO/VALPONET Services and Pricing Schedule

There are multiple business arrangements that can be adopted based on the outcome of the agreement between the City and NITCO. The services available to Residential, Small Business, Commercial/Medical and Tier 1 Carriers are varied and reviewed below. The list of potential services is nearly endless, but we would like to provide the following lists as examples:

<u>Residential & Small Business</u>	<u>Commercial</u>	<u>Interconnection (Carriers)</u>
• Phone/Voice Services • Hosted PBX Services • 10 Gbps Internet • Web Hosting • Television Services	• Phone/Voice Service • Hosted PBX Services • SIP Trunking • Up to 40+ Gbps Internet • Web Hosting • Television Services (Large Deployment) • Local TV Broadcasting • Point-to-point secure connectivity • Dark Fiber Services • CWDM/DWDM Wave Services	• Point-to-point secure connectivity • Dark Fiber Services • CWDM/DWDM Wave Services • Wholesale End User Access Services • Meet Me Room (MMR) "aka Carrier Hotel" connections • MMR Rackspace Rental

Pricing, Capacity and Growth

The pricing & cost control of the end user installations will be a key factor in the revenue generation in the early years of the VALPONET operation, as it is easy to become cash poor during the "startup" phase of a network. NITCO will work to develop pricing that is competitive for the market while creating a revenue stream that will offset the capital investment in the long term. Again, aggressive marketing by the NITCO Sales & Marketing Team will be key in signing customers including small business, health and education sectors as well as financial institutions in the community. This is where growth and strong revenue streams will be derived.

The growth projections for VALPONET will be highly dependent upon the final pricing of the services and the competitive environment where VALPONET will be operating. As a new competitor to the area, there have been cases where a company with a superior product and aggressive pricing can acquire a majority share of the residential & business customers over a relatively short timeframe (5-10 years). There have also been cases where stiff competition, cost overruns & high pricing have caused new market entrants to endure hardships in acquiring an even meager market share. The combination of NITCO's extensive experience as a network operator and our industry-focused marketing department will come together to drive customer growth on the VALPONET. NITCO will develop a full pricing array for services that will be based on current NITCO CLEC pricing.

Below you will see a sample pricing model for Small, Medium, Large and Super Users. **Pricing is fluid and can change dramatically when new competitors enter the market.** These prices do not include Service Level Agreements, which can increase the monthly cost by as much as 100%.

Sample Commercial Fiber/Voice Pricing Models

	Service	Qty	Price Per Unit	Totals
Small User	100 Mbps Bandwidth		\$ 99.95	\$ 99.95
	2 call paths	2	\$ 20.00	\$ 40.00
				\$ 139.95
Medium User	500Mbps Bandwidth		\$ 129.95	\$ 129.95
	10 Call paths	10	\$ 20.00	\$ 200.00
				\$ -
Large User	1000 Mbps Bandwidth		\$ 399.95	\$ 399.95
	25 Call paths	25	\$ 20.00	\$ 500.00
				\$ -
Super User	10 Gbps Bandwidth		\$ 950.00	\$ 950.00
	100 Call paths	100	\$ 20.00	\$ 2000.00
				\$ -
				\$ 2,950.00

VALPONET-MMR Colocation

The NITCO Meet Me Room will act as a colocation space for carriers to rent space and connect to other carriers/customers. The facility is to be in the offices at 53 Jefferson St., Valparaiso, IN 46383 or NITCO's Network Operations Center at 301 N. Washington St. Hebron, IN 46341.

Rack spaces and cabinets are in a shared environmentally controlled environment and will feature direct access to VALPONET allowing collocated customers to quickly deploy fiber interconnections. Each fully enclosed cabinet will provide up to 22RU of 19" rack space, 48V DC power via a fuse or breaker panel and a fiber patch panel for cross connects. The provided fiber patch panel will act as a demarcation point between the customer's network or equipment and the VALPONET. Access to each customer cabinet is controlled by a secure electronic combination lock or a key.

Revenue Potential

Revenue is generally acquired through the following service offerings in a Meet Me Room or Carrier Hotel:

1. Rack Space Rental- Recurring (Full Rack- 499.95)
2. Cross Connect Charges – Recurring (\$100-300)
3. Installation Fees – Non-Recurring (\$500)
4. Power and Tel – Expense offset. - Recurring (\$49.95)

VALPONET Business Model and Revenue Sharing Proposal

NITCO believes that a revenue sharing model is the best available Public/Private partnership that can be attained with the development of a municipal fiber network that is a hybrid lit and dark network.

NITCO would license ValpoNet from the Redevelopment Commission for a 25-year period, with a right of first refusal to purchase the network, manage the fiber network to include sales, marketing, break/fix, fiber management and network operations. Locates would remain the responsibility of the Redevelopment Commission.

The model we've chosen would allow for a standard business/ government/ school/ commercial/medical **revenue share of 10 %** of the NITCO Voice/LD/Internet rate structure generated from customers directly connected to ValpoNet.

For Government, ISP's/WISP's and Carriers **the revenue share is also 10%** of the NITCO rate structure. Although residential homes in Valparaiso will not immediately be included in the VALPONET network buildout they are indirectly a part of the network. NITCO proposes to build residential areas using its own funds and VALPONET as its backbone.

NITCO is proposing to share residential income from the NITCO Voice/LD/Internet rate structure with a 3.75% revenue share.

Key Market Development Tools

Online Surveys

To properly assess the current and needed Internet solutions in Valparaiso, NITCO will conduct market research in the city. The goal is to gather feedback on current Internet needs and what prospects want/need. Three main areas are focused on: what do they currently have, what do they want/need, and what are their thoughts on the VALPONET project? This information is collected through a series of surveys focused on key demographics in the city.

There will be three key demographics: city residents, local business owners, local nonprofit and church leaders. City residents will be polled through an online survey that will be dispersed through various multimedia channels: the city's website and social media, an Ideas In Motion Media campaign, a NWI Times ad campaign, and possible additional channels. Local business owners will be polled two ways: through a phone survey conducted by the NITCO Customer Service Representatives, and through an online survey dispersed through the Duneland Chamber. Local nonprofit and church leaders will be polled through a phone survey conducted by the NITCO Customer Service Representatives.

VALPONET Website

A website landing page will be created to provide a touch point for prospects to look up the VALPONET project and learn more. This site will be separate from both Valparaiso's and NITCO's site but will bridge the two together to create a sense of trust about the project for the citizens, as it is a joint effort between the city of Valparaiso and NITCO. The site will also provide an avenue for prospects to request service, whether it be for small business, residential, or commercial. Important information that will be displayed on this website will be mapping of the Fiber routes, timelines, details about the project, and possibly service pricing.

Public Meetings

Public meetings help create momentum and exposure for a community project such as VALPONET. Hosting information meetings for the residents and businesses will be extremely important as it will help the citizens connect faces to the project. It provides a venue for citizens to ask specific questions while giving the press additional material to publish. The plan is to host a series of public meetings in Valparaiso regarding the

VALPONET project in a presentation style format with Q&A time. The NITCO team can perform these presentations and city staff involved in the project are welcome to join as well.

Market Development Plan

The NITCO Sales Team will review the business market first and prepare marketing materials following the online survey. The online survey will be conducted by NITCO Customer Service representatives to collect data about current customer services, pricing and needs. The online survey call, is essentially the first step in customer contact. The information will be provided to the NITCO Sales Team who will then follow-up with a call to the key business point person for telecommunications services.

Sales Team – Tom Carroll SVP and Heather Dull, Director of Sales will oversee the Valparaiso sales effort with support from **Trisha Madura NITCO Sales Account Executive**.

Marketing and Promotion

Public Meetings will held for members of the public and business community. Separate meetings for IT companies and managed service companies will be scheduled to give every segment of the industry knowledge of VALPONET and how it will operate vs competitive carriers in the marketplace.

Direct mail marketing materials will be distributed by mail to local businesses. Four mailers will be done in two-week flights to start.

Local media will be engaged with press releases, editorial requests and ad buys.

Digital media will be purchased to support the business and residential efforts to sell service.

Local involvement in community activities will be a key driver. Participating in local fundraising activities and the local high school sports activities will help with market development as NITCO/VALPONET work together to bring high speed broadband to a wide customer base in the City of Valparaiso.

NITCO anticipates a marketing/promotions budget will be created to support the NITCO/VALPONET partnership that equates to 5% of the net income generated from the NITCO Voice/LD/Internet rate structure generated in Valparaiso annually.

Valparaiso Fiber Market

Valparaiso and surrounding communities should see significant benefits when the VALPONET is built. The current market is primarily Frontier, Comcast, Surf Internet and occasionally Windstream, Indiana Fiber Network, Level 3 and Zayo. The last four primarily provide large fiber and bandwidth to schools and other companies, even NITCO to support downstream and last mile builds. Valparaiso will most likely see competitive pressure from existing local providers, Frontier, Surf and Comcast. These companies own 95% of the current broadband market share in the Town. Wireless internet availability is limited due to topography and tree density. They provide extensive phone, cable and internet packages and are regularly offering promotions to entice business from each other. It is these providers who will most likely drop their prices, offer promotions and offer significant resistance to new players, NITCO and others who will come to the table once they have ready access to fiber.

Here is the biggest difference. The large local providers cannot move quickly enough to satisfy the needs of large and small business. It can take weeks or months to install fiber to companies and customer service is poor at best. Valparaiso's advantage lies with great customer service if partnering with NITCO and a robust and fast fiber network that will be the envy of every community in the country.

This advantage is likely to bring in additional interest from other Towns and Communities who will want to partner with Valparaiso on VALPONET or become a customer. Interest from adjacent municipalities and developers is already growing and the city can expect it to continue.

There are some roadblocks to acquiring market share. Existing provider contracts can be 2-3 years long and termination fees can be heavy creating a scenario where the customer wants to leave their current provider but cannot afford to leave prior to the contract ending. This will likely impact ramping up customers in the first year, however, as contracts end VALPONET would see a regular increase in customer usage until usage peaks in year five.

Business Plan

NITCO is creating a new fiber optic network for the business community and residents in the City of Valparaiso. The key customers include the City of Valparaiso (Anchor), Residential, Small Business, Schools, Commercial/Medical, Governmental, ISP's/WISP's and Carriers. Network design is near completion and the next steps include a marketing campaign, network construction and customer onboarding and porting. NITCO estimates that 285 businesses reside within a drop length of a ValpoNet vault. These are subscribers that would NOT be covered by existing NITCO fiber in the city. A relatively small subscriber base. NITCO estimates a customer take rate of 10% in Year 1 followed by a 5% take rate in Years 2-5 that will peak in Year 5.

VALPONET Revenue Share Projections

ValpoNet Revenue Share Projections

Customer Type	Year 1	Year 2	Year 3	Year 4	Year 5	Total Five Year Revenue
Residential	0	0	0	0	0	0
Small Business	6300	8190	10811	13367	15788	54456
Anchors	1200	1800	2400	3000	3600	12000
Schools	0	0	810	810	810	2430
Commercial/Medical	900	900	1080	1080	1080	5040
IN, City & County Govt	720	1260	1440	1440	1440	6300
ISPs/WISPs (Bandwidth)	810	810	810	810	810	4050
Carriers (Lit Transport)	1200	1200	2400	2400	2400	9600
Dark Fiber	600	600	600	600	600	3000
Full Rack Rental	600	600	1200	1200	1200	4800
Half Rack Rental	360	360	360	360	360	1800
Cross Connects	50	50	100	100	150	450
Utilities	0	0	0	0	0	0

NITCO ValpoNet Revenue from Sales	\$12,740.00	\$15,770.00	\$22,011.00	25,167.00	\$28,238.00	\$103,926
Existing Contract Revenue (2024)	\$130,524.00	\$130,524.00	\$130,524.00	130,524.00	\$130,524.00	
Total Annual Revenue ValpoNet	\$143,264.00	\$146,294.00	\$152,535.00	155,691.00	\$158,762.00	\$756,546

*Calculations based on 10% Revenue Share

**Using existing revenue contracts.

Authorized Representatives

NITCO has authorized Thomas Long, NITCO President and Thomas Carroll, NITCO SVP to act as authorized negotiators for the project and contract.

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