

# Wired West – Tolland Financials

April 14, 2015

Tolland



What will it cost Tolland  
for Fiber to all Homes?

Total Cost to build	\$	2,650,000
MBI Contribution	\$	(840,000)
Net Cost to town	\$	1,810,000
Debt Service at Year 6 (based on 4%; 15 yrs)	\$	1,620,000



## Tax Impact by Assessed Value

Can decrease if fewer towns participate, high subscription rate, lower interest rate  
or increase if mil rate changes for other reasons

Assessed Value	Year 1 Mo/Yr	Year 3 Mo/Yr	Year 5 Mo/Yr	Years 6 – 20 Mo/Yr
\$150,000	\$.23/\$3	\$ 5.98/\$72	\$ 6.66/\$80	\$ 9.86/\$118
\$350,000	\$.55/\$7	\$14.96/\$180	\$16.65/\$200	\$24.65/\$296
\$425,000	\$.74/\$9	\$18.95/\$227	\$21.09/\$253	\$31.23/\$375
\$500,000	\$.79/\$9	\$19.94/\$299	\$22.20/\$266	\$32.88/\$395
\$650,000	\$1.02/\$23	\$25.92/\$311	\$28.86/\$346	\$42.74/\$513

## Tolland Assessed Values

\$272,656 Avg. Improved Property

\$261,500 – Median Improved Property

Assessed Value – \$ Range	Number (%)
110,000 – 150,000	55 (9%)
151,000 – 260,000	175 (34%)
251,000 – 350,000	151 (29%)
351,000 – 450,000	60 (12%)
451,000 – 550,000	34 (7%)
Over 550,5000	31 (6%)

**50% will pay between \$9 and \$20 a month at max rate in 6 years. Less in years 3 - 5**

2012 Market Research Commissioned by  
WiredWest revealed:

### Avg Costs of Stand-Alone Services



**Internet Service**

- ▶ Residents pay average of **\$51 per month**
- ▶ 36% pay \$60 or more

**Cable and Satellite TV Service**

- ▶ Residents pay average of **\$81 per month**
- ▶ Amount paid varies widely
  - Residents are equally likely to pay \$100 per month as they are to pay less than \$60 per month

**Landline Phone Service**

- ▶ Residents pay average pf **\$55 per month**
- ▶ Amount paid varies (could have more than one line)

Total Average Stand Alone Cost for All Three Services = **\$187**



## Tolland Tax Impact vs. Savings

House Value	monthly tax	annual tax
\$ 150,000	\$ 8.86	\$ 118.00
\$ 295,000	\$ 19.44	\$ 233.30
\$ 425,000	\$ 31.23	\$ 375.00
\$ 600,000	\$ 42.74	\$ 513.00



Worst case yr 6 scenario – assumes network pays none of debt service.

Service	Monthly			Annual
	AVG	WW	Savings	Savings
<b>Internet</b>	\$ 51	\$ 49	\$ 2	24
<b>Phone</b>	\$ 55	\$ 25	\$ 30	360
<b>TV</b>	\$ 81	\$ 65	\$ 16	192
	\$ 187	\$ 139	\$ 48	576

Note: TV pricing not yet finalized

## The more subscribers, the better...

- \* The higher the “take rate” of subscribers..
  - \* The higher Tolland’s priority in scheduling network installation
- \* The more and faster money comes back to the town to reduce bond debt
- \* Early subscribers get fiber strung to the home at no charge