

Executive Summary

Incubating Driverless Corridors

\$25 million over 3 years for building 3 scaled models that incubate a \$250 million Consortia that markets billion-dollar corridors. Goal is 500% profit in 3 years



Business Plan

To Build a \$25 Mil Sales Model that
incubates a \$150 Billion new industry

[If video does not load click here.](#)

Summary

This is a \$25.3 Million Joint Venture payable over 3 years

- The First Incubator is in Colorado
- The Sales Model is a one mile operating system with 6 stations and a Control Hub. The $\frac{1}{4}$ mile test track grows into the Command and Control Hub with maintenance and storage facilities plus a Sales office.

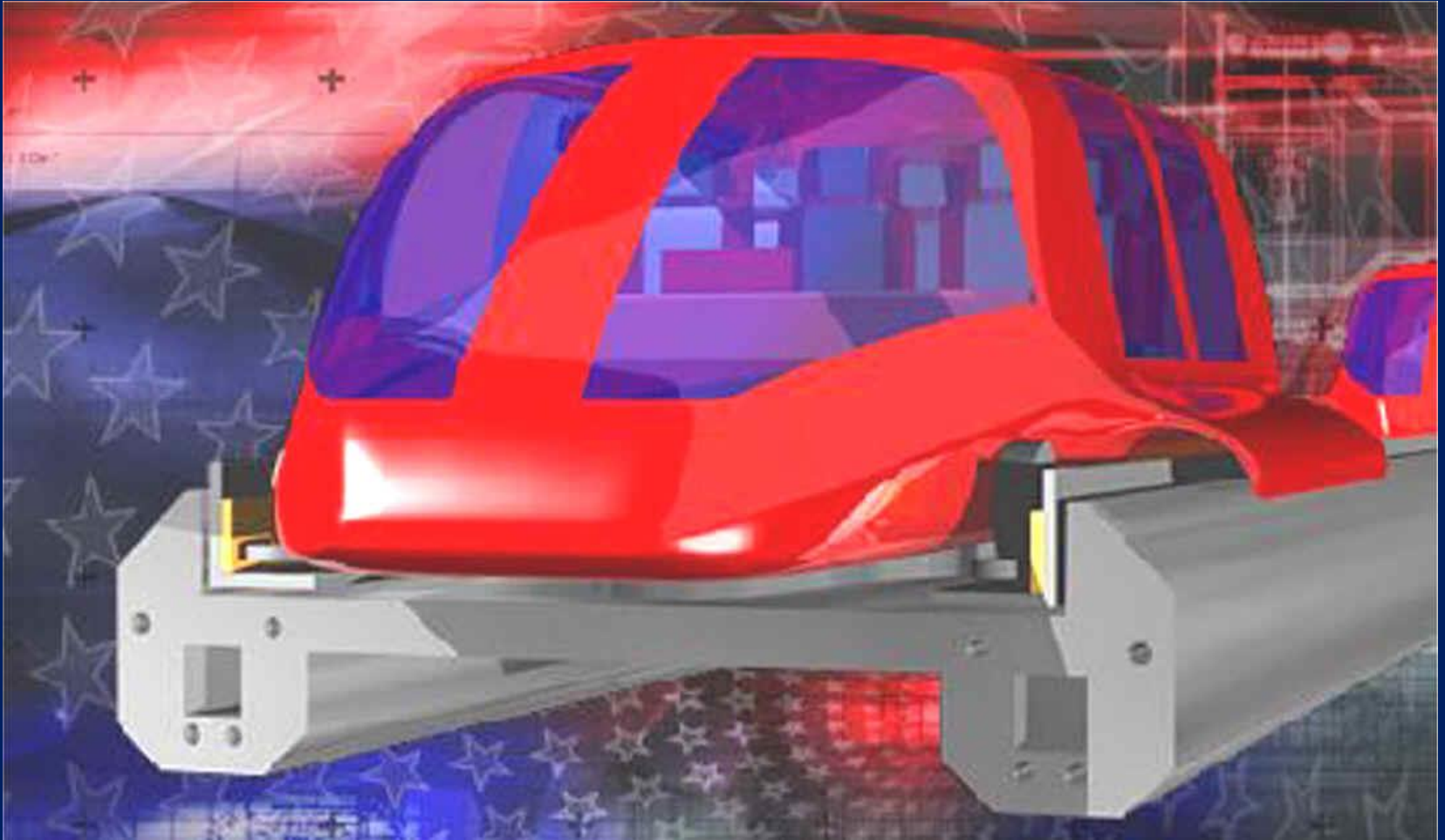
Why Is This Important?

The transportation systems around which the modern world has been built, are on the verge of a significant transformation. Intelligent transportation systems (ITS) are making driving and transport cheaper, more options and safer for everyone. Transportation typifies the Future- Structure framework. Soft infrastructure the realm of concepts, Uber, legislation and policies are rapidly evolving. They are ready to accommodate the demand for global investment in the new infrastructure for automated transport. We are at a tipping point for change in this industry. In addition, global warming, energy insecurity, and anxiety about economic competitiveness are all converging. The size of the opportunity is trillions of dollars.

Narration



A New Type of Driverless Transport



Narration



PURPOSE- Build a \$25 Million Sales Model

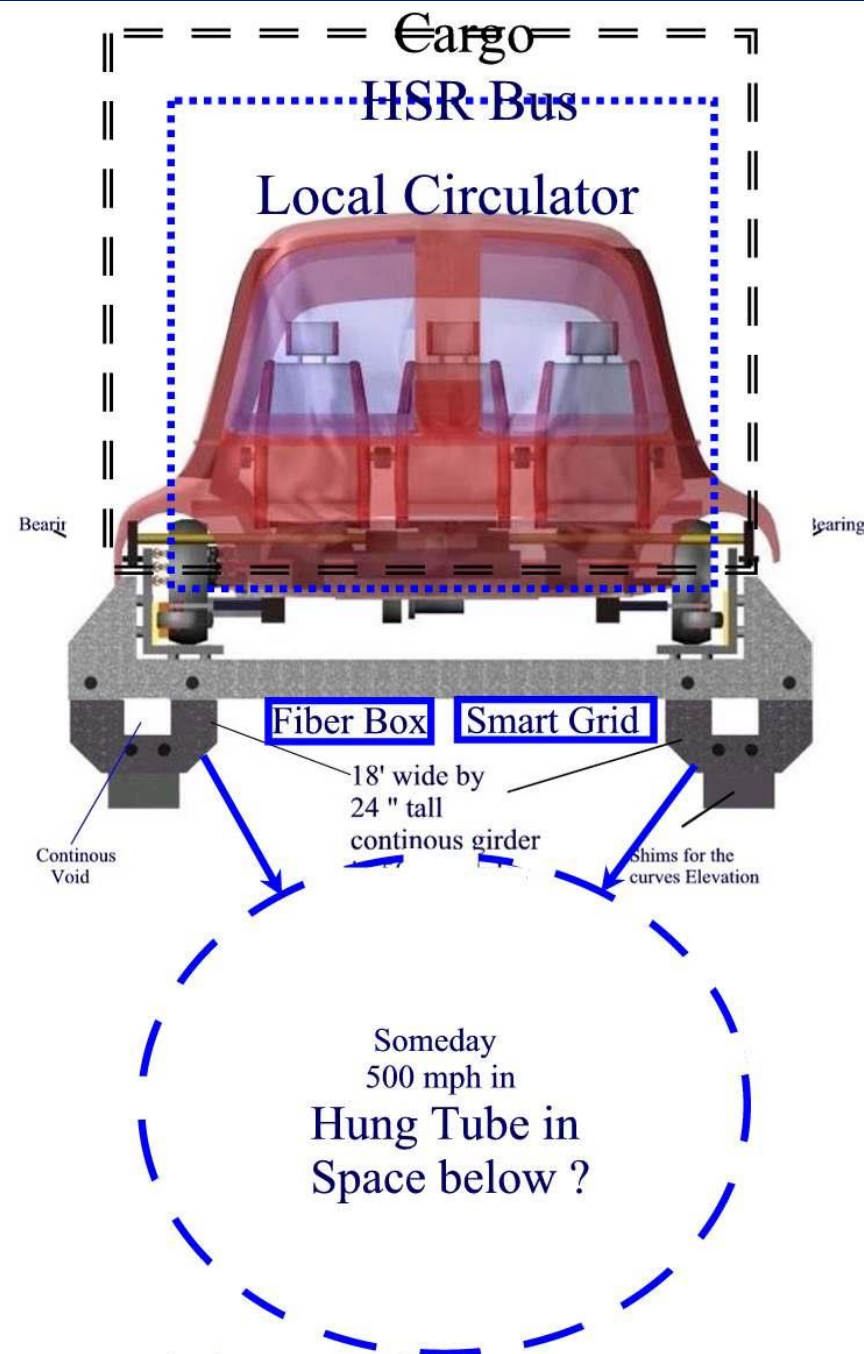
This includes 3 steps from scaled models, to ¼ mile test track and then linking to a one-mile operating sales model. This is planned over 3 years and requiring \$25 million



Our Technologies Share A Multi-Modal Aerial Easement

Stacked Pay Zones

- * High Speed Rail
- * Driverless connections
- * Cargo
- * Mail
- * Fiber/HDTV
- * Smart Grid (Super Conducting)
- * Water carrier
- * Futuristic High Speed



Multi Modal Easement

Investment Parameters

- \$50,000 Earnest Money for 2 months negotiations and docs
- \$1,250,000 To Close and Mobilization for 12 months build 1/10 scale
- \$4,000,000 Purchase Site to build various models
- \$6,000,000 Builds $\frac{1}{4}$ mile test track for 12- to 24 months
- \$14,000,000 Builds 1-mile operating Demo from 24 to 36 months

\$25^{.3} Million for Phases 1 to 4



Phase I Startup Lab

* \$1.3 Million for Mobilization as Labs

1. Closes on Venture and Starts biz,
2. Working Drawings for 1/10 scaled model,
3. Build 1/10th scaled model indoors
4. Create Software Lab- Evaluate softwares and customize to our needs
5. Build Video Labs for conferencing and marketing in Virtual Reality
6. Draft Customer contract as Public/ Private Partnership Template
7. Draft Brazil Proposal

Phase II Acquire site

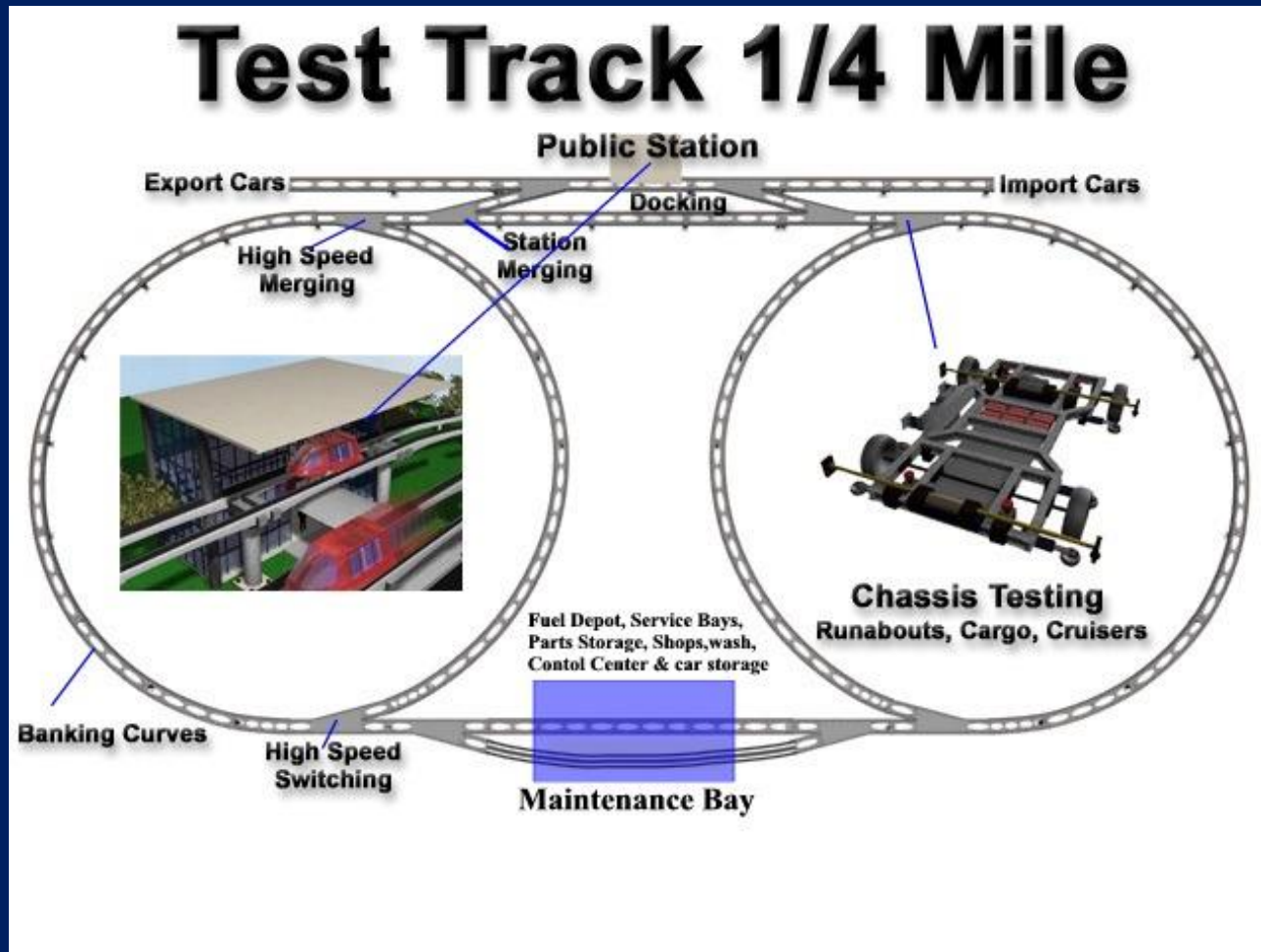
* \$4 Million for a development site

This can be land or an empty big box for an indoor site

There are over 20 technology Parks in Colorado that have land 'For Sale or Lease. We have insider information on one such Park we owned

PHASE III –

\$6 Million to build Test Track and Hub At Airpark



Phase IV - The Third 12 Months Builds a \$14 Million One Mile Operating Sales Model

An adequate site is to be purchased as a part of the one Miles sales Model. This will need 12 months to build and test with several stations. The test track will become the operations center (Hub). Then a one-mile sales model with 6 stations will be built. Also included in this phase is a proposal to Brazil and Rio de Janerio to build a \$250 million incubator about 10-mile long around the 2016 Olympic site



The Driverless Components

Guideway configured in 70' sections

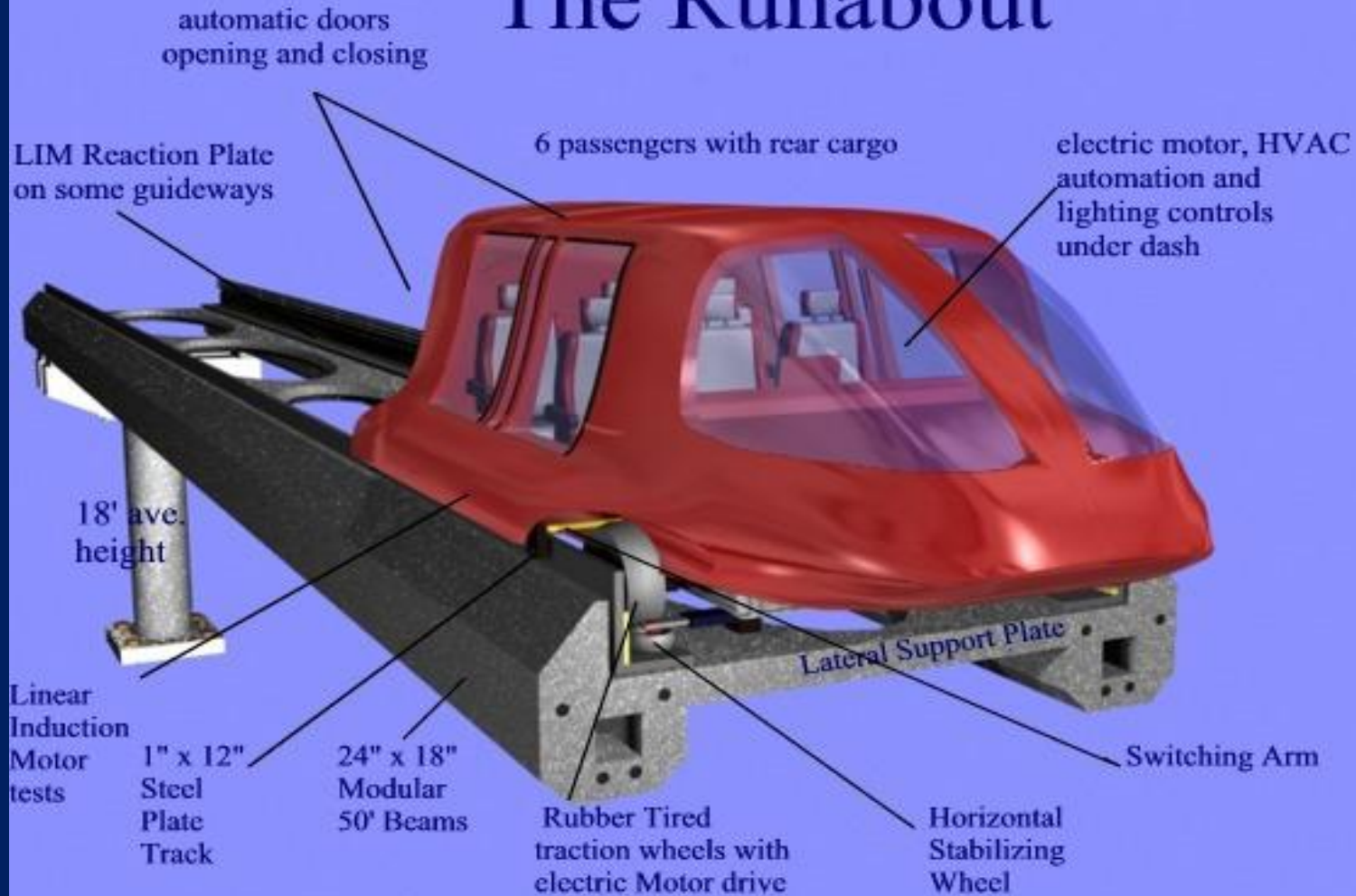
Chassis with control software and propulsion

Software for docking, merging and speeds

Cabins for 6 passengers and 18 passengers

Stations every $\frac{1}{2}$ mile in urban areas

The Runabout



Driverless, electric, all weather transport at \$15 Mil p/mile

See how the pieces all fit

Additional Features

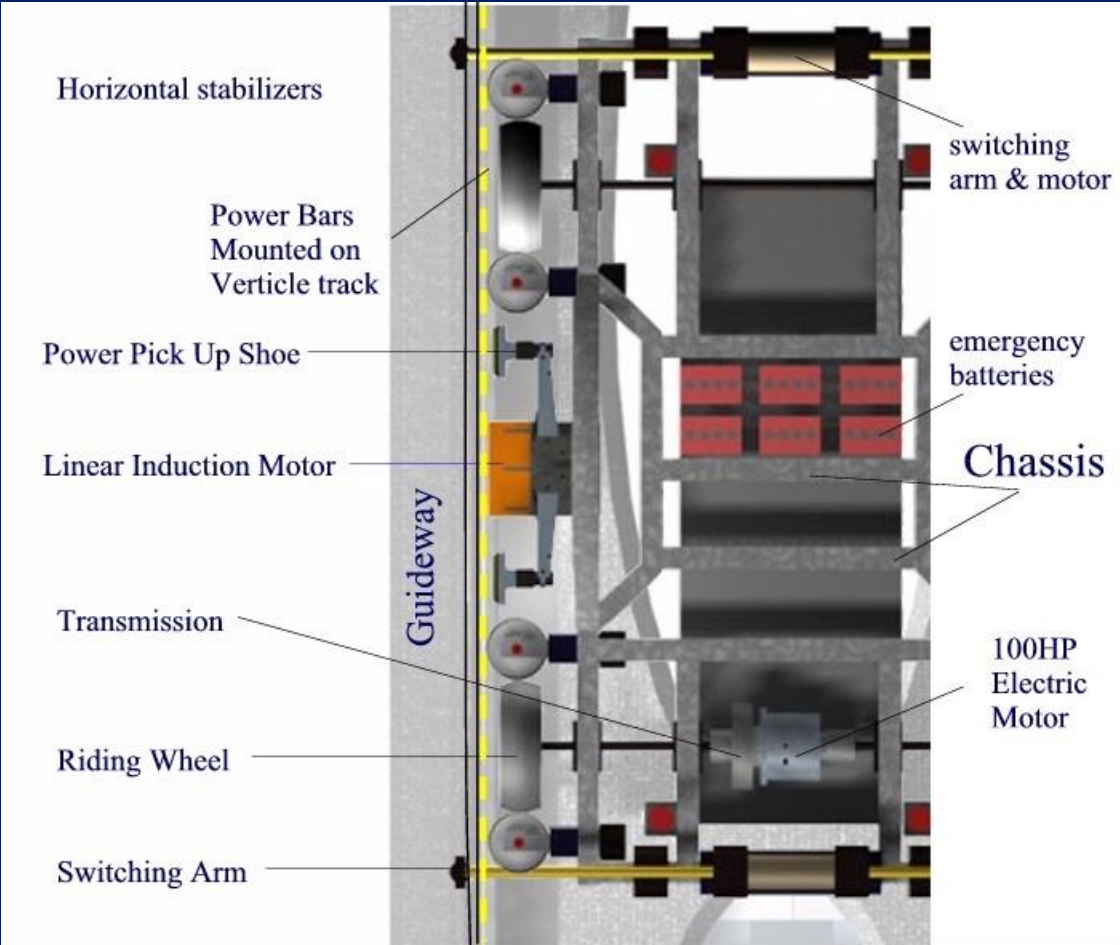
An 18 Passenger Cruiser



Highway Cruiser



U shaped Seating



Add Linear Induction Motor for Highway Speeds

Our Guideway Sections Are Modular

This allows for expansion, replacement, precasting and even relocation.

Ice, snow and rain have little place to build up.



Straight



Curved

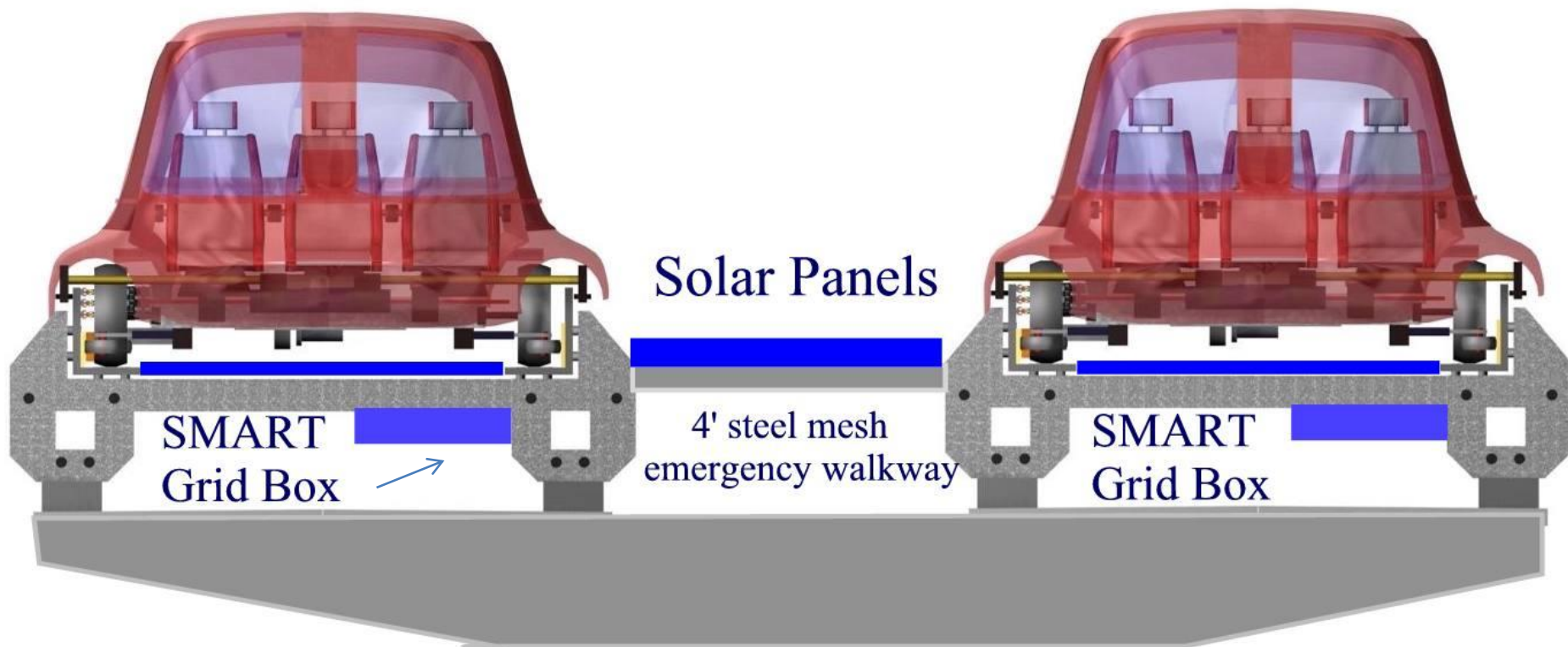


Switch



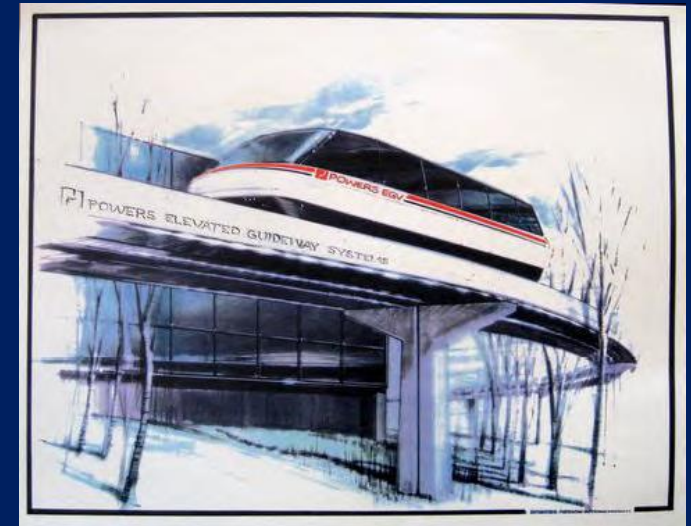
Solar Powered Guideways and Stations

A variety of power sources will be used for generation and a smartgrid will transmit this energy underneath (Blue Box) the guideway to where it is needed along the route



High Speed Rail Technology

Ron Powers, one of the partners in Smartskyways is a prototype builder for GM, Amtrak, NASA, Ford, Kia, Boeing, etc. and he also owns a High Speed Rail Prototype as shown here. This vehicle will cruise up to 125 mph, seats 20 and cost \$500,000. It will also operate on the same guideway as the Smartskyways 6 passenger cars.



A Smart Grid

More than 1,300 GW of wind and solar energy are expected to come online in the next 10 years. This variable generation will create an unprecedented amount of instability on the grid —As grid operators adapt to increasing levels of variable generation on their systems from wind and solar, stricter connection requirements and narrower compensation schemes will prompt them into energy storage solutions and smartgrids which carry the intelligence to mix forms of energy. This will power the cars, stations and new villages.

Types of Stations



Free Standing

Costs \$250,000 and uses solar windows



Linked by Walkway

Stations can be linked with nearby building or parking



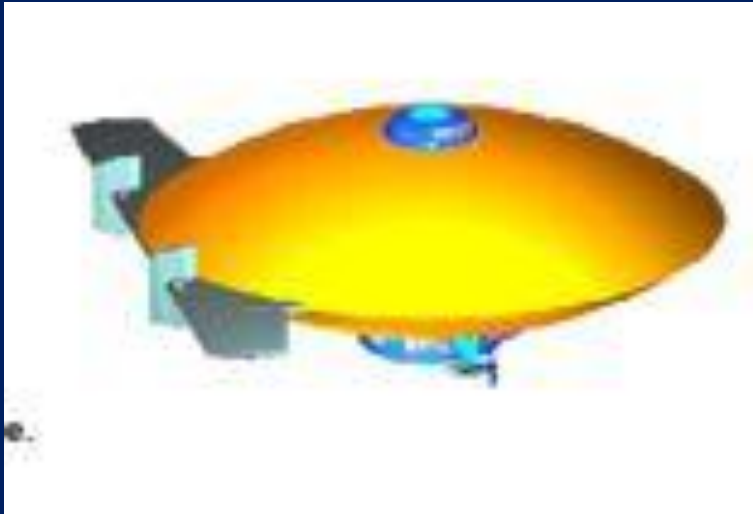
In Between Buildings/ Parking

Each station has at least one bay loading while another unloads. Activity centers may have many bays



Built Into Buildings

Alliances with Additional Transport



Airships –We are discussing an alliance with an LA based company that has many patents and a plan for Brazil's multiple uses of their airships for passengers, cargo, telecom and sky-stations .

Trolleys- Kent Bingham owns an interest in the Trolley company that offers the Disney's high brass look. These feed and distribute the station traffic within a mile or so. They cost about \$1 million each and can run on a fuel cell for two days for an additional cost. In a dedicated street path they could be driverless.

[TIG-Trolleys](#)



OUR MAIN SERVICE IS IMAGINEERING

This is the marriage of imagination and engineering.
Smartskyways Inc. will grow as a professional
development firm coordinating services in:

VISUALIZATION

STRATEGIC PLANNING

COST ANALYSIS

DESIGN

ENGINEERING

LEGAL

PERMITS AND APPROVALS

FUNDING DOCS

BIDDING

Who Manages The Imagineering

We each have more than 50 years experience in “Imagining the Engineering”



Lloyd Goff – President
with 52 years experience in Real Estate Development

www.lloydgoff.com



Kent Bingham - Technology Engineer - Developer and
former Disney chief engineer for EPCOT- recently deceased



Ron Powers- the prototype Builder for GM, Amtrak, others

[resume](#)



Mike Barrett- the Guideway Engineer [resume](#)

www.martinmartin.com

The “Business Model” for this project is:

*“INCUBATE IN COLORADO AND MARKET OTHER
INCUBATORS AS OPERATIONS CENTERS IN
MULTIPLE CITIES*

Economics

Feasibility studies show that combining revenues from Transit, Cargo, Fiber Optics, Energy and Water will yield a superior market return that increases annually against a one-time construction costs

We have studied a budget for a 1/4 Mile Test Track and Hub

Admin, Staff, legal, CPA, Docs & broker fees	Mobilization	\$400,000
Economic Feasibility Modeling	Mobilization	\$100,000
Civil, soils, alignment and grounds prep	Mobilization	\$200,000
Design Engineering, Construction Bids	Prototype Track	\$1,500,000
Build 1/4 mile Prototype Track	Prototype Track	\$1,800,000
Automation Command and Control	Prototype Track	\$600,000
Power Distribution	Prototype Track	\$250,000
Station, maintenance bays, fuel depot, operations	Prototype Track	\$400,000
Build 10 chassis with propulsion, switches	Prototype Track	\$350,000
Mock up 6 and 15 passenger cabs	Prototype Track	\$225,000
6 switches		\$175,000
Multimedia marketing/tools		<u>\$150,000</u>
Test Track		\$6,000,000...

We have studied a budget for a One Mile Sales Model

One Mile Sales Model		
Technology Engineering and Software	Sales Model	\$1,000,000
Planning	Sales Model	\$250,000
Guideway engineering @ 8% of Construction	Sales Model	\$1,000,200
Conc Guideway 70' Beams at \$10,000 each x 2	Sales Model	\$1,500,000
Steel Roadbed track	Sales Model	\$528,000
Columns and footings at \$ 8,800	Sales Model	\$660,000
Crossbeams every 70' at \$5,300 each	Sales Model	\$397,400
Shipping to job site at 25 mi	Sales Model	\$187,500
Erection of sections at \$5,000 each	Sales Model	\$375,000
Electric power Distribution	Sales Model	\$1,100,000
Control Systems	Sales Model	\$1,700,000
6 stations	Sales Model	\$1,500,000
Maintenance facilities	Sales Model	\$200,000
Vehicles: assumes chassis to start	Sales Model	\$250,000
Prototype vehicle cabins	Sales Model	\$1,000,000
Administration Mgmt., legal, CPA, travel, office	Sales Model	\$500,000
Working Capital and Contingency	Sales Model	<u>\$850,000</u>
Sales Model		\$12,998,100

5 Mile Construction Costs

DIRECT COSTS	Per Mile	Unit	5 Miles
Engineering at 7% of Construction	1,006,200	job	\$5,031,000
375 Conc Guideway 70' beams at \$13,333 each	\$1,000,00	mile	\$5,000,000
Steel Roadbed track	528,000	mile	\$2,640,000
375 Columns & footings at \$8800 each	660,000	mile	\$3,300,000
375 cross beams every 70' at \$5300 ea	397,400	mile	\$1,987,000
Shipping to Job Site at 25 miles 375 units	187,500	mile	\$937,500
Erection 375 sections at \$5,000 each	375,000	mile	\$1,875,000
Electric Power Distribution	1,100,000	mile	\$5,500,000
Control Systems	1,700,000	mile	\$8,500,000
8 Stations	1,733,000	stations	\$15,597,000
Maintenance Facilities	200,000	min	\$1,000,000
Vehicles assume 100 to start \$77,720 ea	1,554,000	mile	\$7,770,000
2 Bridges (100') over River	200,000	mile	\$1,000,000
Off site civil at 5%	800,000	mile	\$4,000,000
Contingency at 10%	<u>1,500,000</u>	mile	<u>\$7,500,000</u>
Subtotal Construction	<u>\$14,327,500</u>		<u>\$71,637,500</u>
INDIRECT COSTS			
Administration (5.% project cost)	716,375		\$3,581,875
Underwriting Fees at 3% of Total	528,000		\$2,640,000
Reserves at 13% of Total	<u>2,288,000</u>		<u>\$11,440,000</u>
Subtotal Direct and Indirect	<u>3,532,375</u>		<u>\$17,661,875</u>
TOTAL COSTS	<u>\$17,859,875</u>		<u>\$89,299,375</u>

Operating Assumptions

Revenues: (\$100 p/mo for subscriptions unlimited ridership

Operating Expenses at 25% for

Maintenance

Insurance

Cleaning

legal / CPA

Security

Inspections

Administration

No taxes levied

Replacements at 3% of gross

Reserves at 3% of gross

Note: these numbers do not try to anticipate growth beyond 3% per year inflation

Operating Projections

<u>Category</u>	<u>year 1</u>	<u>Year 23</u>	<u>Totals for 23 years</u>
Revenues: (daily pass)	\$1.00	\$2.28	
Day Workers that drive	4,200	13,416	
\$1 Parking share Day Workers	3,300	10,541	
Commuters RTD	750	2,396	
Event Visitors Nights	600	1,917	
\$1 Parking for Events	200	639	
Hotel tourists	900	3,575	
Business Visitors	1,800	5,750	
\$1 Parking for Business Visitors	450	1,153	
Cargo and Advertising	500	1,613	
\$1 Residential Subscriptions	300	968	
Total Weekday traffic	13,000	41,968	
Weekend traffic at 12.5%	<u>650</u>	<u>2,098</u>	<u>-</u>
Total Revenues (000)	\$13,650	\$44,945	\$649,316
Costs and Expenses:			
Operating Costs @ 25%	3,413	11,017	162,329
Replacement	546	1,763	25,973
reserves @ 3%	<u>410</u>	<u>1,322</u>	<u>19,479</u>
Total Costs and Expenses	<u>4,368</u>	<u>14,101</u>	<u>207,781</u>
Net Income	\$9,282	\$29,965	\$441,535



9.7% ROI

31.4% ROI

18.5% ave

What can we incubate from our sales model?

\$150 Billion of business over 15 years

Prospective Customers

- \$25 Mil - Olympics (PACT Model) Phase V
- \$250 Mil – Barra-Rio (Rio Urban Loop model) Phase VI
- \$250 Mil -Albuquerque (Metro Model) Phase VII
- \$150 Mil - Branson (Resort model) Phase VIII or
- \$100 Mil - Platte Valley (Urban Core Model) Phase IX
- \$ 2.5 Billion Interstate 70 Mountain Route) if available
- \$550 Mil - Rio de Janeiro (Metropolis Model)
- \$ 17 Billion – Brazil Sao Paulo to Brasilia

Phase 5 CONSORTIA

We have to find larger partners to build the actual routes we design and market. For example the Olympic Park 10-mile demo needs approximately \$250 million including all the add-ons. That requires many large companies to engineer, construct and operate. If we take them on as 5 partners investing \$50 million each, then we have the funds to build the first operating incubator and the revenue to support the investment. But the real attraction is the market opportunities that can result from a subsequent PACT backbone from the Olympic Park Incubator.

Handing off To A Consortium

Five new members at 10% ownership for \$50 Million each.....
If 10,000 miles is the goal here are the sizes of the development potential. Targets are:

- Software driverless 10% for \$15 billion market
- Car manufacturing 30% for \$45 Billion market
- Systems Integration 10% for \$15 billion market
- Telecom over fiber 10% for \$15 Billion Market
- User travel manag't 5% for \$ 7 Billion Market
- Construction 30% for \$50 Billion Market

Planned Dilution

Offering 50% for these additional funds would be selling each 1% for 5 times the original \$25 Million investment. Each new 1% will then be worth 2,500,000. If we close a deal of this size the original investment will have made 500% and you're the ownership would then be worth \$125 million. Moreover we would have in place a Consortia to deliver the business deals we market without further dilution.

Green Bonds

100% financing of routes can be obtained from International flight capital at 3.0 % interest with 30-year amortization and 50% of the surplus. And there will be huge surplus over the years. Ten \$trillion has flown into the USA over the last few years and even more is expected over the next 5 years. A credible financial institution could market these bonds and manage the treasury on behalf of each country.

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