



Special lamps from Cruzio member Om Gallery have been hung for its 25th anniversary party.



Cruzio co-founders Peggy Dolgenos and Chris Neklason take a morning break together at work.



Co-working member Rich Bergland works for a company called Nature Footage from his desk at Cruzio.

CRUZIO REACHES SILVER MILESTONE

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PHOTOS BY SHMUEL THALER — SANTA CRUZ SENTINEL

Chris Neklason and Peggy Dolgenos started Cruzio a quarter of a century ago to connect Santa Cruz County to the rest of the world.

By Jondi Gumz

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SANTA CRUZ » Peggy Dolgenos and Chris Neklason, co-founders of Cruzio Internet, never expected they would outlast Borland and Santa Cruz Operation, but they have.

They teamed up with

Ecology Action and developer Joe Appenrodt in 2009 to acquire and renovate the former Sentinel building downtown. They've grown to 35 employees and 9,000 customers and offer a fiber connection the couple says is just as fast as at Apple or Google.

It's been 25 years since the couple started the business

in their garage on the Westside, ordering phone lines, advertising service in the classifieds of MicroTimes and catering to engineers working at places such as Lockheed and Hewlett Packard who wanted the Internet at home.

"This is a huge milestone for the independent," said April Josephson, who is on

the board of the California Internet Service Providers Association with Dolgenos, noting hundreds have disappeared, unable to keep up with bigger competitors.

At their downtown office, Dolgenos and Neklason, who have three children, looked back and made some predictions about the future.

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Cruzio

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They met at a party in San Francisco. Both worked at an answering service. Neklason, who had been at Santa Cruz Operation, was equipment manager. Dolgenos was the night bookkeeper.

"I spent all night talking to her," Neklason said.

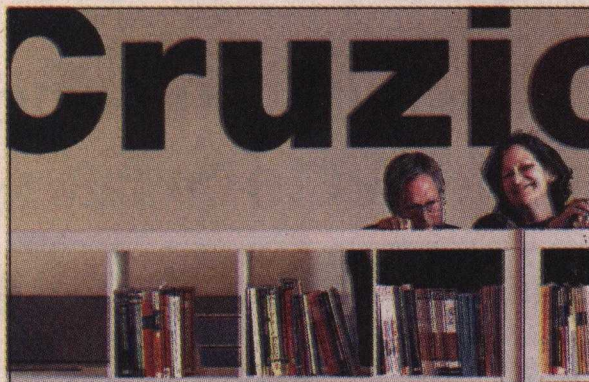
Soon they were at SCO in Santa Cruz, soaking up the welcoming environment.

Neklason found email in use at SCO had other applications, such as organizing a paintball outing without a lot of phone calls.

In those days before spam and the National Security Agency, Dolgenos was idealistic, seeing the Internet as something that would change the way people communicate.

"When the World Wide Web was invented, we jumped on it," she said. "I thought my mom would like it, that instant communication."

After the couple had 20 phone lines at home, piquing their installer's curiosity, they moved to Pacific



SHMUEL THALER — SANTA CRUZ SENTINEL

Cruzio co-founders Chris Neklason and Peggy Dolgenos.

Avenue downtown, formed a co-op and got a T1 line for speedier service.

Dolgenos recalls putting up a "corral" around her desk for her toddlers, cradling one while taking a tech support call.

A Yale grad, she went back to college, earning a computer science degree at UC Santa Cruz to catch up with her husband's knowledge in the field.

As the industry evolved, the couple invested in ever more expensive equipment to keep pace.

Investors offered them money to go national, but they decided to stay local, a choice that helped them

survive the dot-com bust.

By not going public, Cruzio doesn't have to answer to Wall Street or shareholder demands for higher profits.

Dolgenos, who drives a 1991 Corolla, emphasizes her desire to get that 100 times faster fiber connection to everybody in Santa Cruz County.

"To bring it to everybody, the price point has to be low," she said. "We think the community wants it."

Over the years, Cruzio has been a training ground for 200 to 300 employees and an incubator for startups such as MakersFactory, X2Engine, Lightspeed and

CRUZIO'S 25TH ANNIVERSARY CELEBRATION

What: Salute to Cruzio's 25 years of contributing to technology in Santa Cruz, searchlight, glow toys, red carpet, photo booth, music by Zombie Coffee Collective and SoundScape.

Where: Cruzio Internet, 877 Cedar St., Santa Cruz.

When: 5:30-9 p.m. Friday.

Cost: Free admission; free beer from Santa Cruz Mountain Brewery; food for purchase from Zameen and Low 'n' Slow Food Trucks.

Details: www.cruzio.com

Looker, all of which grew and moved to larger spaces.

Last year, the couple set a goal of helping 3,000 people stop commuting over the hill. They foresee their fast fiber line will make Santa Cruz attractive to tech companies, noting Unify picked Santa Cruz over Palo Alto for a 20-person sales office.

They expect the future will bring telemedicine, more teleworking, more 3-D manufacturing and less pollution as fewer commute.