

Municipal sponsored digital access strategies

Speakers:

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Municipal Service Corporations: Experiences in Service Delivery – Halton's 5G Approach

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Introduction

- ▶ Halton Digital Access Services Corporation (“**HDASC**”) is a corporation incorporated under the *Business Corporations Act* (Ontario) in accordance with Section 203 of the *Municipal Act, 2001* (Ontario).
- ▶ Each of the Region of Halton, the City of Burlington and the Towns of Oakville, Halton Hills and Milton are 20% shareholders
- ▶ HDASC has a nine-person Board of Directors for governance, and a general manager for operations:
 - ▶ The Board of Directors consists of the CAOs of each of the municipalities plus a senior executive from each of the local hydro companies of Burlington, Oakville, Halton Hills and Milton;
 - ▶ Although the local hydro companies are not shareholders in HDASC, they are key stakeholders, and the cooperation of all nine stakeholders is required to make the operation work.

Introduction

- ▶ HDASC's purpose is to provide “one-window” shopping to telecommunication companies (“**Telecoms**”) for the deployment of 5G throughout Halton Region:
 - ▶ Telecoms have indicated they would like to access Halton Region's streetlights and hydro poles (“**Vertical Assets**”) to place microcell transmitters on the Vertical Assets to increase 5G bandwidth;
 - ▶ **How it works:** Telecoms approach HDASC. HDASC coordinates with the municipalities and hydro companies to provide access to Vertical Assets.

The 5G Challenges

- ▶ **Telecoms perspective:** How to roll out 5G in a way that is quick, efficient and cost effective:
 - ▶ Telecoms repeatedly emphasized that a “one-window” coordinated approach would make it easier for them to plan and execute 5G deployment across the entire Halton Region (as opposed to a piecemeal approach of dealing with each of Burlington, Oakville, Milton, Halton Hills and Halton Region individually).
- ▶ **Municipal perspective:** How to encourage 5G rollout (and gain its benefits) while both maintaining some control over the process and protecting vital municipal Vertical Assets:
 - ▶ License agreements between the municipalities and HDASC and the Telecoms and HDASC are key for finding the balance of giving Telecoms access to Vertical Assets, yet making sure these Vertical Assets are protected.

Cooperation is Key!

- ▶ “One-window” approach requires the cooperation of five municipalities and four local hydro companies:
 - ▶ Through this cooperation, the Telecoms can plan and execute larger scale, inter-municipal 5G deployment;
 - ▶ Provides one-stop shop for all municipal and hydro permits and fees no matter where in Halton the project is located (even across municipal lines).
- ▶ Creating HDASC allows the key stakeholders to approach this in a business-like manner (e.g. hire a dedicated general manager, set attachment rates that permit the corporation to be self-sustaining, etc.).

HDASC is Born

- ▶ Reports to each of the 5 municipal councils in late spring – authority to create the corporation and delegation of authority to execute all required documents.
- ▶ Inaugural board meeting held July 21, 2023.
- ▶ Board is comprised of senior staff members of each of the 9 key stakeholders.

Lesson Learned & What Happens Next

- ▶ Setting up an MSC can take a long time:
 - ▶ In Halton's case, a little over two years from project conception to incorporation;
 - ▶ Significant staff time from each of the key stakeholders.
- ▶ Although intended to be mostly self-sufficient, significant ongoing support is required:
 - ▶ Needs a champion from each of the key stakeholders and commitment from stakeholders' senior leadership. Needs ongoing resources (staffing).
- ▶ HDASC is continuing the process of negotiating license agreements with Telecoms.
- ▶ HDASC is working to design a permitting process that will allow Telecoms efficient and cost-effective access to Vertical Assets anywhere in Halton Region.

Questions & Discussion

Thank You

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Municipal sponsored digital access strategies broadband as a utility

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Broadband as a utility

Outline

- What is broadband as a utility
- DIG broadband as a utility model
- What is the role of a municipality
- What is the role of a project developer
- What is the role of the project entity

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Broadband as a utility

What is broadband as a utility

- Fibre optic cable high speed internet
- Broadband backbone and user connections
- Backbone project developer and internet service provider
- Public service provider or private service provider
- Regulated or unregulated

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Broadband as a utility

Digital infrastructure group broadband as a utility model

- Municipality facilitates and Project Developer designs, builds, finances, operates, maintains and owns an open access fibre optic cable network to provide high speed internet to households and others in the municipality
- Federal and/or provincial government funding to support construction in some underserved areas

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Broadband as a utility

What is the role of a municipality

- Develop a Digital Strategy, usually with the assistance of an internal or external information technology advisor
- Issue a Request for Proposals to design, build, finance, operate, maintain and own a fibre optic cable broadband network to bring high speed internet to households and others in the municipality, usually with the assistance of internal or external engineering, financial and legal advisers
- Select and negotiate project agreements with a successful Project Developer proponent to support the project by
 - Securing federal and/or provincial funding for the project
 - Licencing and permitting facilitation
 - Community outreach and customer acquisition
- Establish a municipal services corporation to hold any municipal equity interest in the project
- Apply for federal funding (Universal Broadband Fund) and provincial funding (e.g. Improving Connectivity for Ontario) to support construction in underserved areas and enter into contribution/transfer payment agreements

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Broadband as a utility

What is the role of a project developer

- Promote the Broadband as a Utility model to municipalities with underserved areas
- Form a consortium to respond to a municipal RFP consisting of
 - Project developer
 - Equity investors
- With support from
 - Constructors
 - Operators
 - Suppliers
 - Advisors
- Support municipality in applications for federal and/or provincial funding
- Form a project entity and negotiate a project agreement between the municipality and the project entity
- Negotiate construction, maintenance and internet service provider agreements between the project entity and service providers
- Secure financing for the project and negotiate financing agreements between project entity and financial institutions
- Form project entity and enter into partnership agreements between project entity and project entity partners

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Broadband as a utility

What is the role of the project entity

- Enter into partnership agreements and project agreements on or before financial close
- Oversee the implementation of the project

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Thank you

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