



# The Corporation of the Town of Milton

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Report To: Council

From: Andy Scott, Director, Strategic Initiatives & Business Development

Date: 9/12/2022

Report No: ES-013-22

Subject: Halton Digital Access Strategy Implementation Plan

Recommendation: THAT this report be received for information;

THAT staff are directed to develop a one-window approach to support the implementation of 5G technology across Halton as outlined within this report;

THAT staff report back to council in early 2023 for final approval;

THAT the Town Clerk forward a copy of this report to the City of Burlington, the Town of Halton Hills, the Town of Oakville and Halton Region. & Burlington Hydro Inc., Halton Hills Hydro Inc., Milton Hydro Distribution Inc. and Oakville Electric Distribution Inc. for their information.

## EXECUTIVE SUMMARY

- Digital connectivity is essential to individual residents for business, education, health, interacting with local government and social connectivity.
- In December 2021, Halton Region Council endorsed advocacy to request a commitment from the Provincial Minister of Infrastructure and the Federal Minister of Rural Economic Development to deliver affordable broadband service speeds of 1 Gbps across all of Halton Region by 2026.
- The rollout of 5G technology provides an opportunity to improve digital connectivity across the Town.
- The implementation of 5G technology is expected to support economic growth and development over the next decade, with potential to generate significant economic growth.
- 5G network implementation requires the attachment of wireless transmitting devices to vertical streetlights and hydro poles (vertical assets) typically located along road right of ways. The Region, Local Municipalities and Hydro Companies

## EXECUTIVE SUMMARY

own approximately 80,000 vertical assets, a significant portion of which would already be suitable for the installation of 5G attachments.

- Staff from The Region and Local Municipalities are proposing the creation of a new Municipal services Corporation which would provide a 'one window' service to telecommunication service providers permitting them to apply for the necessary permits to attach 5G equipment on any vertical asset located in Halton without having to deal directly with the individual owner of the vertical asset.
- To operate a 'one-window' service, the Region, the Local Municipalities and the Hydro Companies would enter into necessary agreements and with the new Municipal Services Corporation to grant access to their vertical assets and permit the Municipal Services Corporation to provide a centralized permitting process for all vertical assets across Halton.
- The Report seeks authority for staff to take preparatory steps, including the negotiation and preparation of the agreements required to establish, govern and operate the new Municipal Services Corporation.
- Staff would seek final authority in early 2023 to execute these agreements.

## REPORT

### Background

In April 2021 Halton Regional Council endorsed staff to develop a strategy to attract widespread 5G rollout across Halton under the direction of the Halton CAOS. Since that time staff from Halton Region and Local Municipalities have worked in collaboration on the development of a strategic approach which would increase the likelihood of expedient 5G and maximize 5G coverage across the wider Halton geography. In December 2021 a Strategic Plan was presented to Halton Regional Council (Halton Region Report ST-08-21) and received endorsement.

This Strategic Approach aligns with a number of deliverables outlined within the Town of Milton's Council Staff work plan. Increased access to high speed internet will support a digital first approach to Town service delivery, it will support business attraction and expansion, make the community a more attractive and desirable place to live while also creating opportunities to explore new municipal revenue opportunities.

This report recommends a shared governance and operating model for the delivery of 5G infrastructure across Halton in which Local Municipalities and local Hydro Companies would work collaboratively to create conditions which promote the rollout of 5G technology using small cell attachments affixed to municipal infrastructure.

5G infrastructure would be deployed by telecommunications companies who would leverage a one-window approach offered by a newly created Municipal Service Corporation. This model is a similar approach to one previously suggested by the Halton Utilities Group (HUG). The key difference being the creation of a jointly owned Municipal Services Corporation which would allow for a more streamlined governance and operating process.

## Discussion

There are significant socioeconomic benefits for Milton residents, and all of Halton, through the accelerated deployment of the telecommunications services providers' 5G networks and these benefits are outlined in the Halton Region Digital Access Strategy (Appendix A).

Amongst the five Halton Municipalities and the four Halton Hydro Companies, no one organization currently owns more than 17 per cent of the total amount of vertical streetlights and hydro poles in Halton. To date, telecommunication services providers have generally implemented their networks across all poles and right of ways throughout Halton, regardless of ownership. With respect to 5G, if Halton municipalities and the Hydro Companies undertook to provide permitting individually and only with respect to their own vertical streetlights and hydro poles, the telecommunications services providers would have to approach each party separately, facing varying permitting and licensing requirements, as well as varying processes and timelines.

A "one-window" permitting service model whereby the telecommunications services providers would apply through a centralized permitting service has the potential to help the telecommunication services providers expedite their 5G implementation plans across Halton.

### The Municipal Services Corporation Opportunity

Given the distributed ownership of vertical streetlights and hydro poles (i.e. that no party owns more than 17 per cent of the total assets), it will be important to establish the appropriate governance to deliver a "one-window" approach to support 5G deployment.

These are some of the key principles considered for developing a governance structure:

- ownership of the poles is not transferred;
- municipalities and Hydro Companies will license rights to the one-window service to manage telecommunications service providers' access to vertical streetlight and hydro poles;
- 5G equipment and maintenance must not interfere with the primary purpose of the vertical streetlight or hydro pole;
- each vertical streetlight or hydro pole owner will be represented; and,
- fees charged to telecommunication services providers should be based on rates that at a minimum must cover all operating costs associated with one window service and allow for full cost recovery for the owner of the vertical streetlight or hydro pole.

A Municipality can create a Municipal Services Corporation through the provisions of the Municipal Act, 2001. The shares of a Municipal Services Corporation can only be owned by a municipality or a group of municipalities. A Municipal Services Corporation can only provide a system, service or thing that a municipality is entitled to provide, which would include the 5G pole attachment permitting service described in this report.

## Discussion

Through the provisions of the Municipal Act, 2001, a Municipal Services Corporation, owned by the municipalities of Halton, could be established to operate the “one-window” services consistent with the above key principles.

A Municipal Services Corporation can provide these centralized 5G permitting and management services, including:

- initial permit application and on-going access licenses for telecommunication services providers’ use of poles for 5G attachments;
- municipal and Hydro Company licenses to manage 5G pole attachment rights to the Municipal Services Corporation; and,
- Services to the telecommunication services providers including engineering, installation, maintenance and removal of cell attachments.

In addition, the proposed structure could allow the Municipal Services Corporation to provide additional services beyond 5G, including a “one-window” approach for all non-5G telecommunications permits. By delegating the authority to the Municipal Services Corporation to issue non-5G permits, the Municipalities would gain the benefit of offering a “one-window” approach to a broader range of telecommunications permitting.

Overall, a Municipal Services Corporation approach should create favourable conditions for the rollout of 5G across Halton Region. This will accelerate the delivery in benefits in connectivity for local residents and businesses with the associated economic and social benefits.

## Next steps

Upon approval of this report, in order to implement Recommendation #1 staff, working jointly with the other Halton municipalities, will do the following:

- finalize the business case to confirm the benefits of the approach described in this report;
- confirm the participation of the City of Burlington, the Town of Halton Hills (Halton Region and the Town of Oakville have confirmed their participation);
- confirm participation of the Hydro Companies;
- determine the operating model and governance structure for the Municipal Services Corporation and in conjunction with that:
  - negotiate necessary governance agreements between the Region, the Local Municipalities, the Hydro Companies and the Municipal Services Corporation
  - Negotiate the license agreements and other necessary operating agreements amongst: (a) the Region, the Local Municipalities and the Municipal Services Corporation; and (b) the Hydro Companies and the Municipal Services Corporation

## Discussion

- develop the permit and licensing agreements between the Municipal Services Corporation and telecommunication services providers;
- develop any required agreements with service providers who will assist in the installation, maintenance and removal of 5G attachments;
- ensure the statutory requirements for establishing a Municipal Services Corporation are met, including:
  - Business case study - A municipality must adopt a business case study before it establishes a municipal services corporation either alone or with one or more other municipality. The business case will be finalized based on the benefits of accelerating the deployment of 5G technology in Milton. There are many factors that will influence the business case including the speed of deployment of 5G technology in each municipality and in Halton generally, the extent to which the telecommunications services providers choose to use the existing municipal pole infrastructure (versus infrastructure they build), the market rate for services, and status of Provincial and Federal legislation related to the deployment of 5G.
  - Asset transfer policies - A municipality must adopt and maintain policies on asset transfers to corporations. It is anticipated that the asset transfer policies with respect to the Municipal Services Corporation will be fairly simple given that one of the key principles recommended above is that the ownership of the pole infrastructure would remain with the individual municipalities and the Hydro Companies. The asset transfer policy will address the potential for the transfer of financial assets to address start-up costs, but otherwise will be general in nature.
  - Public participation – a municipality must consult with the public about the proposal to establish the municipal services corporation prior to such corporation’s establishment. There are no specific rules governing the nature of the public consultation. Given the scoped focus of the proposed Municipal Services Corporation and the low risk involved, it is anticipated that the public consultation will focus on notification of the availability of the business case, when available, and an opportunity for the public to submit comments related to the business case. It is expected that this consultation will occur in late 2022 or early 2023.

Following the satisfactory completion of statutory preparations and negotiations of documents, as outlined in this report, for the creation, operation and governance of a Municipal Services Corporation, and the confirmation of business viability through stakeholder discussions and analysis, a report to establish a Municipal Services Corporation to support a “one-window” service model is expected to be forwarded to participating Local Councils and Regional Council by early 2023 with recommendations for next steps.



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## Financial Impact

The costs associated with the formation of the Municipal Services Corporation have been budgeted by Halton Region. Through the development of governance structure and agreements, fees are intended to be established that would be charged to telecommunication service providers to provide for full cost recovery of the service.

Respectfully submitted,

Andy Scott  
Director, Strategic Initiatives & Business Development

For questions, please contact: Andy Scott

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## Attachments

Appendix A – Halton Region Digital Access Strategy

Approved by CAO  
Andrew M. Siltala  
Chief Administrative Officer

## Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.