

Staff Report 2020-0409

Meeting Date: November 17, 2020

Subject: Mayfield West Phase 2 Ubiquitous Wi-Fi Proposal

Submitted By: Erin Britnell, Director, Corporate Strategy and Innovation, Office of the CAO

RECOMMENDATION

That Option 1 to enter into further discussions with the Mayfield West Phase 2 Landowners Group and Rogers Telecommunications on the Ubiquitous Wi-Fi Proposal provided in Schedule A of Staff Report 2020-0409 be approved; and

That staff report back on the result of these discussions for a final decision on the proposal in 2021.

REPORT HIGHLIGHTS

- As part of the Financial Agreement for the Mayfield West Phase 2 Community, there was a requirement for the Mayfield West Phase 2 Landowners Group (“Landowners”) to make commercially reasonable best efforts to provide ubiquitous wi-fi throughout the community at no cost to the residents, businesses or the Town.
- The proposal received from the Landowners provided for a ubiquitous wi-fi system using streetlight infrastructure connected to fibre, however it will require the Town to cover the monthly costs for operation at a cost of approximately \$5,500 per month, as well as long term maintenance and replacement of the assets.
- As the existing Financial Agreement asks that this provided at no costs to residents, business or the Town, it requires Council approval to accept these amended terms
- Several terms and conditions are unknown and would need to be discussed with Rogers Telecommunications, the provider the Landowners have secured to provide ubiquitous wi-fi. The Landowners group has indicated that contract details would come after indication from Council on their intentions to move forward or not.
- At this time, Council could:
 - accept the proposal and move forward, and the report highlights the options for moving in this direction,
 - enter into further discussions in an attempt to seek further clarification on the risks identified before making a final decision; or,
 - decline the proposal and choose to proceed with the Mayfield West Phase 2 Community development without it.

DISCUSSION

Background on Ubiquitous Wi-Fi for Mayfield West Phase 2

Ubiquitous Wi-Fi means that wireless internet is available in all areas. The intention is that this would be available for residents and visitors to use in common areas, as well as government/agencies, such as the Town or Schools could utilize this technology to enable more smart technology as it would have a built-in connectivity network. This smart technology could include sensors on equipment and infrastructure that alert staff to leaks or malfunctions. There are limited examples of where this has been successful, however the Town of Stratford is one where it has been successful in their commercial cores.

According to the Financial Agreement, the requirement specific to Mayfield West Phase 2 Community was for the Landowners to complete “commercially reasonable best efforts to facilitate the installation and construction, information technology and communications infrastructure required to deliver ubiquitous internet via wireless internet technology throughout the Community”. This was in addition to a requirement in the agreement for the Landowners to also install fibre optic cable to each dwelling and building so that residents and businesses within the community may have access to high speed internet service. Statement 17 of the Financial Agreement goes on to say that “The Owners shall use their commercially reasonable best efforts to source a service provider to provide ubiquitous Wi-Fi internet services to residents and businesses within the Community at no additional cost to the residents, businesses, or the Town of Caledon.”

To date, the Landowners have received acceptance from Information Technology on their satisfactory proposal for conventional high-speed access for homes and businesses in Mayfield West Phase 2 Community.

Proposal Received from Landowners Group

On October 8th, the Landowners submitted a proposal to the Town regarding the ubiquitous wi-fi requirement (Schedule A). This proposal meets the technical requirements to provide ubiquitous wi-fi to all areas of Mayfield West Phase 2 Community, however it does not meet the requirement to do so at no cost. As such, it requires Council's approval to amend the requirements.

The proposal submitted by Glen Schnarr and Associates on behalf of the Landowner Group provides a timeline of events beginning in 2016 to meet all terms in the Financial Agreement. The result of the efforts is the following proposal:

- A Rogers owned and operated ubiquitous community wi-fi network and infrastructure
- The wi-fi equipment would be connected through streetlight luminaries and poles and will be installed as homes are constructed and activities as they are occupied in phases
- The service will utilize a dedicated 100 Mbps Fibre Internet Circuit
- The Town would be required to pay for the operation of the system upon Assumption of the Subdivision, including the electricity costs
- The Town would be responsible for the replacement of the technology on the poles as part of regular streetlight maintenance

- The Town would be responsible for providing a location for a 10 ft X 15 ft room or structure for the main distribution centre for the system

Analysis of Proposal

The following is a summary of comments from staff's review of the proposal:

- The intention in the original proposal was this service be provided at no cost to the Town, residents or businesses, and as such funding operations would need to come from the Town's operating budget and future capital budgets for equipment maintenance.
- In order to approve the technology, the Telecommunication Protocol would need to be waived for the Landowners as the system depends on a series of antennas on the street light standards.
- Without having a contract from Rogers, there are unknowns in terms of the ongoing costs for maintenance of the equipment and how often it is expected the technology would need to be upgraded, including the operations of the main distribution centre that land is being sought for.
- There is an unknown regarding the future implications as a result of 5G technology and if this type of service would become a duplication through cellular plans.
- The Town would be foregoing revenue from Rogers for the "ongoing pole fees" for having their infrastructure on Town assets in addition to assuming the risk for the infrastructure and operation of the system.
- By approving this proposal, is the Town creating a standard for all future developments to include ubiquitous Wi-Fi. In order to do so, it is proposed that this be included as a draft condition as part of Draft Plans of Subdivision and Condominium moving forward. With the various demands on the Town's operating and capital budgets, the Town will need to determine if this is an appropriate service-level standard.
- There is potential duplication of service in areas where Town facilities will be located as free wi-fi would be provided to residents as part of the Public Sector Network connection to the facility. The connection is primarily used for the purposes of maintaining Town facilities and services in the area and could not be serviced adequately by the ubiquitous wi-fi.
- The broadband workplan has highlighted that Caledon already has have and have-not areas regarding connectivity. Approving this may create a further divide with this area (and potentially future urban developments) have high speed fibre as well as ubiquitous wi-fi and other areas not having either.

In summary, there are both additional costs to the Town that haven't been accounted for in the proposal as well as a number of unknowns that would need to be clarified in a contract with Rogers in order to have a full understanding of the impact to the Town. Staff have requested a copy of the contract; however, nothing has been received from the Landowners to date in this regard.

Options for Next Steps

Option 1: Enter into further discussions

With the number of unknowns that need clarification and additional costs to the Town aside from what is outlined in the proposal, staff could be directed to enter into further negotiations and come back to Council with the results of these negotiations before a final decision is made. While it is understood that this may cause some delays for the

Landowners, it would ensure that the Town has all necessary information to make a decision on a service level that has long term financial and liability implications. Town staff would report back in January on the result of this discussions.

Option 2: Accept the Proposal

Council does have the option of accepting the proposal and enter into negotiations with Rogers and the Landowners on the details of the contracts. In order to do this, the Town would need to:

- Make a commitment to incorporate the financial implications into future budgets.
- Exempt Rogers and the Landowners from proceeding through the Town's Protocol for Establishing Telecommunication Facilities for the purposes of installing this equipment. Recognizing the established Official Plan policies with respect to ubiquitous wi-fi and also that the neighbourhood is not yet established, Planning staff are comfortable waiving the requirement to proceed through the Protocol provided that clauses be inserted in both Subdivision Agreements and Purchase and Sale Agreements notifying prospective landowners that ubiquitous wi-fi will be provided throughout the community.
- Identify a location for a 10ft X 15ft room/structure for the Main Distribution Frame (MDF) to be provided to the landowners for the purposes of the operation of the ubiquitous wi-fi system.

Furthermore, if Council intends on making this a standard for future subdivisions, staff would need to be direction to place a draft plan condition on all Draft Plan of Subdivision and Draft Plan of Condominium applications which are not yet draft approved, which requires the developer to provide fibre and ubiquitous wi-fi to the development in accordance with Town standards.

Option 3: Proceed with the development without ubiquitous wi-fi

The Financial Agreement states that the Landowners were to make a best effort to provide this service at no cost to the Town, residents or business owners. This proposal indicates that the Landowners were not able to meet this request. Council does have the option to have the Landowners proceed with the development without the inclusion of ubiquitous wi-fi and have Town staff focus on providing free wi-fi wherever possible through Town fibre infrastructure (such as parking lots and Town-owned facilities in alignment with the current service level).

FINANCIAL IMPLICATIONS

According to the proposal submitted by the Mayfield West Phase 2 Landowners:

- the cost for the supply and installation of the system is estimated at \$747,100.00 and would be the responsibility of the landowners.
- the first 5 years of monitoring, management and maintenance of the system until it is turned over to the Town would be the responsibility of the developers as well at approximately \$2,500 per month.
- Rogers will operate the system, including maintenance services and the resolution of equipment issues at a value of approximately \$2,400 per month.

If the decision were to accept the proposal, the Town would be responsible for the ongoing system monitoring, management, maintenance and internet connection upon developer turnover. This cost is estimated at \$5,500 per month or \$66,000 per year (subject to inflationary increases and utility increases). The Town has not been presented with a draft agreement to confirm terms, payments, cost escalations, termination provisions, etc.

Additionally, the Town would be foregoing potential revenue from any provider wishing to use/rent space on Town infrastructure for antennas or fibre installation. This is a common practice across telecommunications to charge a “pole fee” for installation of equipment, such as hydro poles. The Town would also be responsible for the costs of upgrading the equipment as technology changes, which would have additional financial implications not listed in this proposal. These capital and operating costs would be included in future budgets to be funded by the broadband levy or the general tax levy.

COUNCIL WORK PLAN

Connected Community: Enhance high-speed connectivity

ATTACHMENTS

Schedule A: Proposal from the Landowner’s Group