

BUILDING YORK REGION'S BROADBAND FUTURE

2019 Annual Report





- **YorkNet** is the foundation of York Region's digital infrastructure

Incorporated in 2017, YorkNet is a York Region-owned corporation established to maintain and expand York Region's dark fibre infrastructure. A municipal services corporation, it builds, operates and maintains a dark fibre network across the Region.

In the simplest terms, YorkNet installs backbone dark fibre all across York Region which, in turn, enables internet service providers to deliver high-speed internet to new areas in the Region. The Region's dark fibre network is bringing the potential for high-speed internet to thousands of businesses and households.



YorkNet is primed to lead York Region's Innovative Broadband Network

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Message from the 2019 Chair of the Board

In its second year as an official corporation, YorkNet made considerable strides in the expansion of its dark fibre network for York Region’s facilities, the broader public sector and other public- and private-sector entities.

Most significantly, YorkNet successfully secured \$2 million from the federal government’s Connect to Innovate Program in May 2019. Together with the Region’s \$3 million contribution, this funding will result in the expansion of the network from East Gwillimbury to Georgina Island and Udora. Once complete in 2021, this expansion will enable internet service providers to offer high-speed broadband internet connectivity to thousands of residents and businesses for the first time in these areas.

In 2019, YorkNet made great progress as it expanded its dark fibre network by 85 kilometres and made over 100 new connections to Regional facilities and assets such as water towers, bus terminals and traffic controls. YorkNet also established many new relationships with municipal- and private-sector organizations and internet service providers, and laid the foundation for a secure and direct connection between Mackenzie Richmond Hill Hospital and the new Mackenzie Vaughan Hospital.

2020 will be another significant year for continuing our expansion efforts. We plan to increase the network by nearly 150 kilometres that will see 175 new connections come on board. We will also continue to explore funding opportunities offered by all levels of government.

For 2020 and beyond, the future remains bright for broadband in York Region. We are excited to deliver on an ambitious 10-year capital plan that will see the investment of \$49.1 million in dark fibre expansion to our most underserved areas of the Region; an investment that will enable us to deliver today while planning for tomorrow.



2019 Chair of the Board, YorkNet
Mayor of Georgina

Governance

YorkNet is one of three York Region-owned corporations. Funded solely by the Region, YorkNet is governed by the Ontario Business Corporations Act, the Municipal Act Regulation and Shareholder Direction.

2019 Board of Directors

Reporting to the Shareholder (Regional Council), Directors of the Board are required to oversee the Corporation’s business and affairs, approve the annual business plan and budget, appoint or hire officers of the Corporation and delegate day-to-day management to officers. Board meetings are held at the York Region Administrative Centre located in the Town of Newmarket.

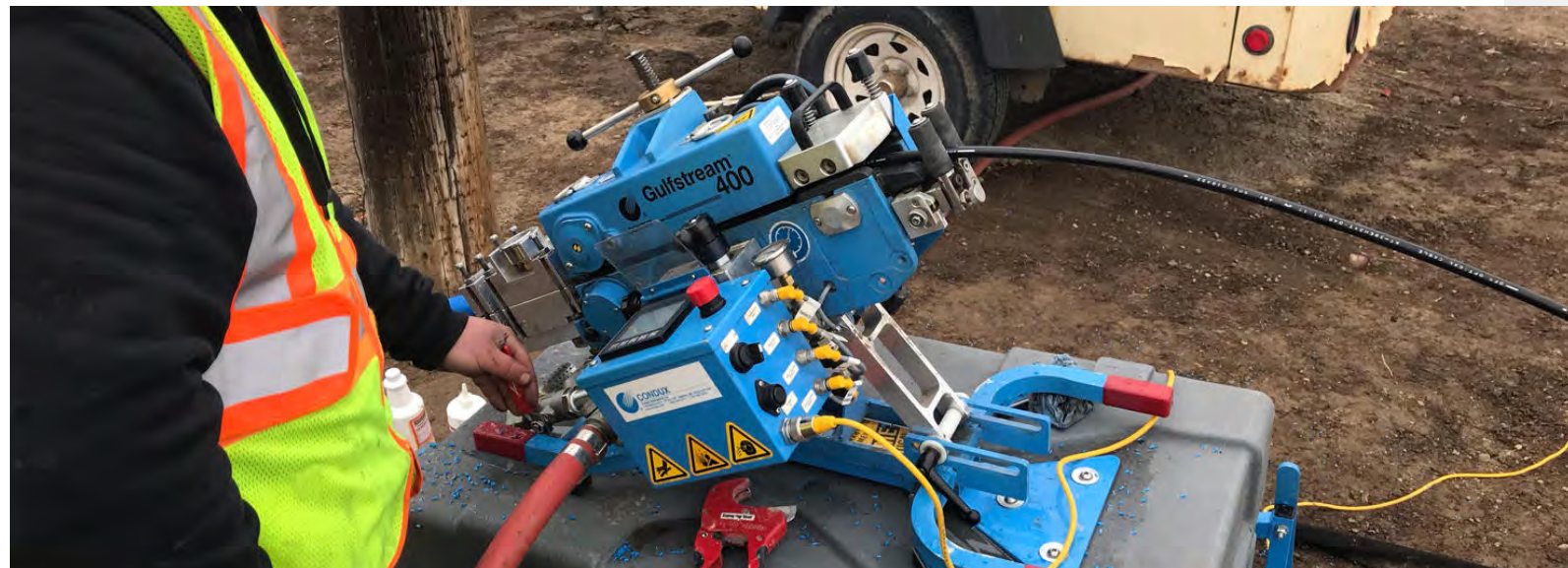


Executive Leadership Team

Reporting to the Board of Directors, the Executive Leadership Team is comprised of three key positions: Vice President, General Manager and Chief Financial Officer.

About YorkNet

Incorporated under the *Ontario Business Corporations Act* in 2017, YorkNet was established to maintain and expand York Region's dark fibre infrastructure.



What we do



Grow York Region's fibre network

Continuing to grow the Region's fibre network to improve the delivery of Regional services, such as traffic management, transit, water-quality monitoring systems and policing



Providing internet service providers with open access to the network

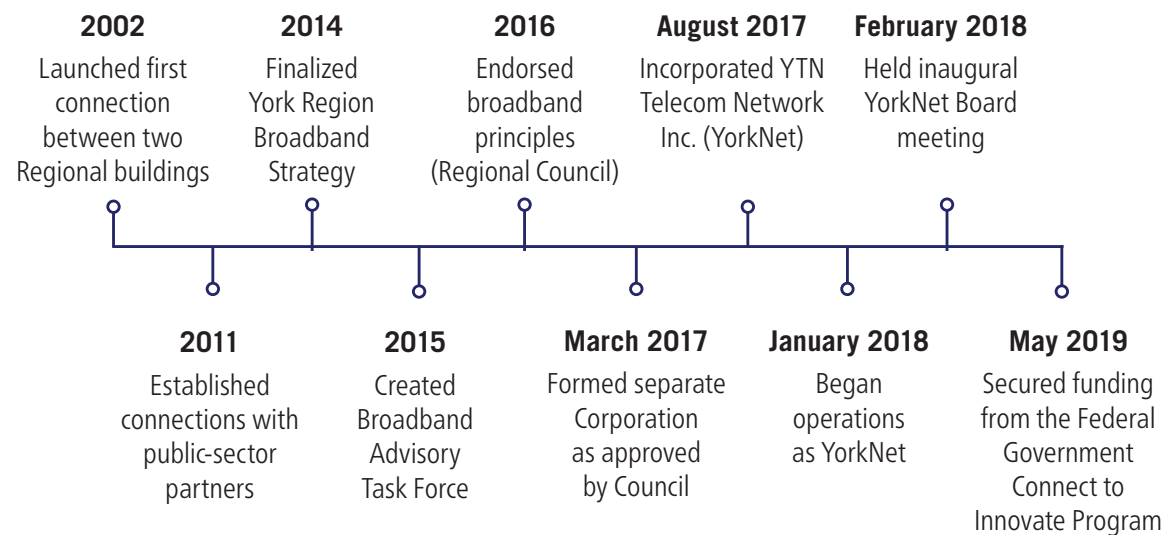
Working with municipalities, schools, hospitals and other public-sector organizations in the Region to leverage the network to improve broadband services



Collaborating with public sector to improve high-speed internet service

Providing private sector open access to the network to drive economic and social benefits that will give residents, businesses and public-sector customers enhanced broadband service, particularly in rural areas of the Region

The Evolution of YorkNet



It's not just what we do; it's why we do it

Vision

Helping create equitable access to high-speed internet

Mission

Expanding open access to high-speed internet throughout York Region

Mandate

Planning, building and operating an affordable, reliable and sustainable dark fibre network across York Region

Fibre is the 100-year solution

Fibre is the only long-term, scalable asset that can secure communities for the future



Project of the Year

Connect to Innovate

Connect to Innovate (CTI) is a federal government program developed to help enable communities to take advantage of the opportunities afforded by the digital age.

In May 2019, York Region successfully secured up to \$2 million to expand its dark fibre network to improve connectivity for under-served communities. Together with York Region's financial contribution of \$3 million, this investment will result in the expansion of YorkNet's broadband network through the community of Udora and up to its ultimate destination of Georgina Island. Along the way, YorkNet will also connect to important Regional facilities and assets, and to other public sector organizations.

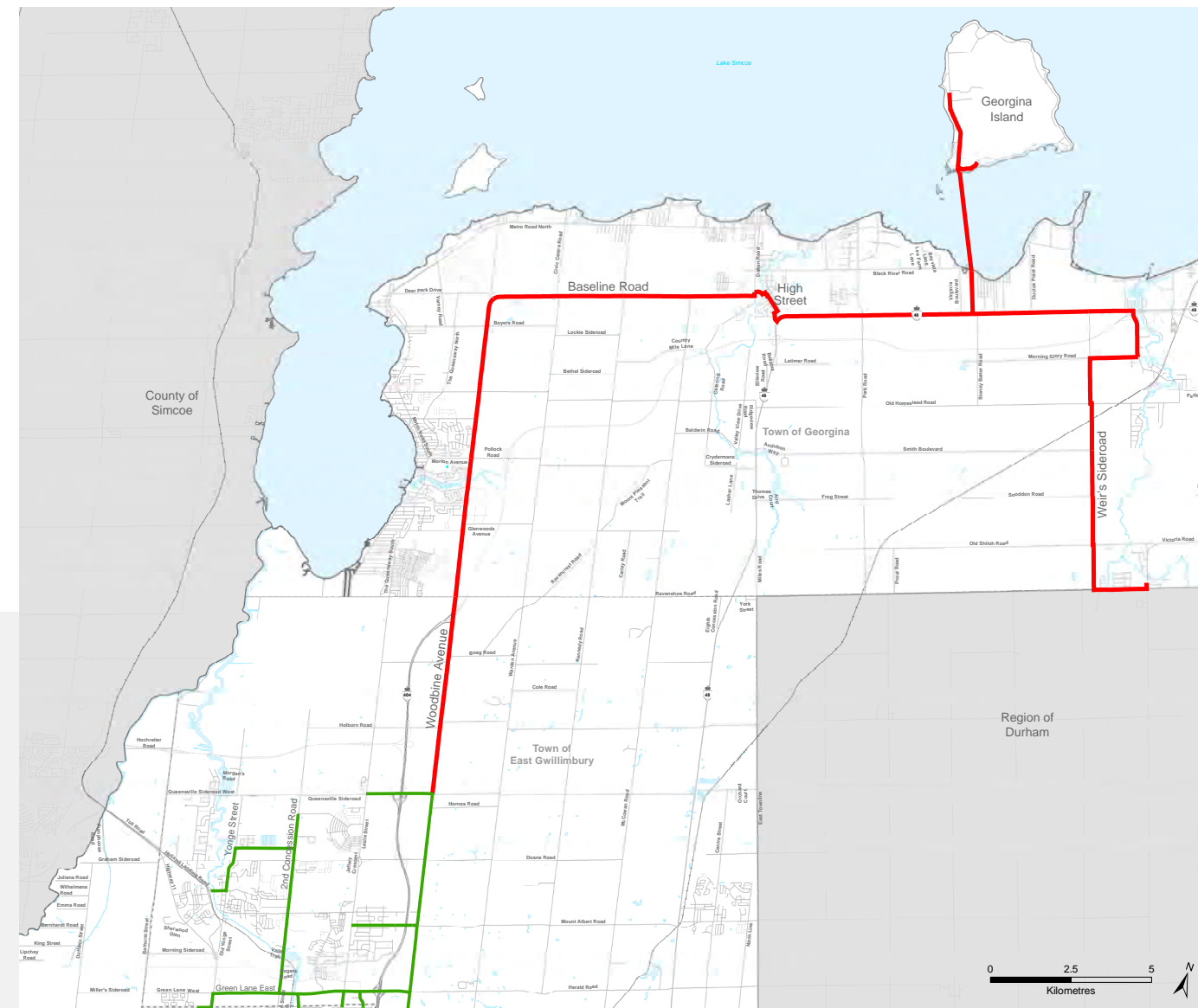
The CTI route will be a driving force to bring high-speed internet to residents in East Gwillimbury and Georgina. Once the CTI section of the network is complete in 2021, YorkNet will make fibre connectivity available to internet service providers, who can in turn offer services to residents and businesses in these areas.

Together with the Towns of East Gwillimbury and Georgina, YorkNet hosted three information sessions in the fall of 2019. The sessions provided an overview of YorkNet's role in implementing the CTI Program and facilitated opportunities for residents to speak directly to internet service providers about future connectivity opportunities.

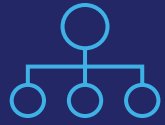


Fibre Network

- Connect to Innovate
- Complete



2019 Accomplishments



We continued to build a foundation for success

- Continued to advance the 10-year capital plan by establishing priorities and timelines; upon implementation of the plan, more than 90% of Regional facilities will be connected to the network
- Developed corporate financial structure and funding process with the Region as per the *Ontario Business Corporations Act*



We constructed and maintained an expanding dark fibre network

- Expanded the dark fibre network by 85 kilometres and connected over 100 additional facilities and assets, bringing the total number of connections to 453 over the 285 kilometre network



We secured critical infrastructure funding and advanced initiatives with the public and private sectors

- Secured federal government funding through the Connect to Innovate (CTI) program to improve connectivity for rural communities in Georgian and East Gwillimbury and started design and construction for the CTI fibre installation
- Initiated design for over 50 kilometres of network in Markham that will connect City of Markham facilities and Regional facilities
- Executed Memorandum of Understanding for fibre ownership with Mackenzie Health
- Expanded partnership agreements with local municipalities by way of adding new connections for current customers and welcoming agreements with new municipalities

2020 Key Priorities



We will expand by...

- Delivering on key projects in the 2020 capital plan including the connection of Regional and municipal facilities and the expansion of the network through the CTI Program



We will focus on financial management and partnerships by...

- Continuing to transition York Region facilities onto YorkNet dark fibre to establish cost-savings and help ensure network reliability
- Finalizing a cost-benefit analysis that will compare investment in fibre to paying carriers for fibre services
- Developing long-term fiscal plan, investment strategy and a reserve and surplus policy
- Continuing to secure revenue agreements with third-party providers to increase revenue for the Corporation and to support availability of broadband in underserved areas of the Region



We will centralize information by...

- Focusing on data collection, maintenance and reporting
- Introducing improved reporting and visual tools to best report operational data and asset information for the network
- Creating network asset reporting, long-range planning and trend analysis to better manage the assets

10-Year Capital Plan

Our long-term vision is to fully expand and construct the Region's broadband network, which when complete, would quadruple from its current size of 200 kilometres (in 2019) to 800 kilometres of dark fibre by 2034. Over the next 10 years, we plan to invest \$49.1 million to construct the next phase of the broadband network that would result in 450 kilometres of installed fibre.

Once the full network is in place, there will be redundancy within the Regionally-owned network, enabling York Region to significantly reduce its reliance on third-party providers. The network will also support the Region's ability to meet the growing demands of sending and receiving data across a vast array of connected devices.



As defined in the capital plan, YorkNet will focus on the following priorities over the next 10 years:

- Continue connecting Regional, municipal and other public sector facilities
- Increase network bandwidth
- Enhance service delivery and operations for Regional and municipal partners
- Facilitate connectivity in underserved areas
- Raise revenue from outside parties

The YorkNet dark fibre network map illustrates completed fibre in green. The future network that will be built between 2020 and 2029 is in blue.

- Completed Network
- Network to be built 2020-2029

