



Broadband Finance

As one of the top law firms in the nation for public finance, Chapman is a go-to firm for state and municipal critical infrastructure modernization, including broadband finance.

Government funding programs aimed at increasing broadband service are expanding across the country, and Chapman is at the forefront of broadband finance. We bring a wealth of resources and experience, providing uniquely comprehensive advice and innovative financing structures that help our clients upgrade and expand broadband service and access, particularly in underserved rural communities.

From inception to construction to ongoing operation, we help both public and private entities navigate the complex legal and regulatory issues surrounding broadband services financing. We take a holistic approach to critical infrastructure finance, bringing together attorneys with regulatory, environmental, real estate, and taxation experience to every transaction as needed. Our extensive breadth and depth of experience in the public sector have uniquely positioned us to provide commercial lenders, underwriters, investors, placement agents, and other credit providers with comprehensive advice across a wide spectrum of broadband and communications infrastructure financing transactions.

Chapman's in-depth industry segment knowledge and our comprehensive financing experience spanning public offerings of municipal securities, 144A offerings, 4(a)(2) private placements, bank loans, and lease-backed finance, combined with our thorough understanding of privatization strategies and experience working with governmental entities, makes us a go-to firm for broadband and communications infrastructure financing transactions.

Representative Transactions

- **California:** Chapman served as counsel to a broadband telecommunications company in structuring a municipal network

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access and use agreement between the company and a California municipality, pursuant to which the company will build and operate advanced fiber optic networks to give residents and businesses convenient and competitively priced access to high speed, broadband fiber optic services, including voice, video, high speed data transmission, and internet access, on an open access basis. The municipality will act as the service provider and actively market the services on a retail basis to potential customers. The underlying payment obligation was structured with abatement features based on concepts of fair value for beneficial use and availability of access from the Offner-Dean line of cases in California.

- **Montana:** Chapman served as underwriter's counsel for a broadband financing in Gallatin County, Montana, named The Bond Buyer's 2022 Small Issuer Financing Deal of the Year. This \$65 million transaction—referred to as the Bozeman Fiber project—was a first-of-its-kind limited public offering, the proceeds of which were used to support commercial and residential broadband expansion in Bozeman and surrounding areas. The financing was issued as an industrial development revenue bond under Montana law and provided critical capital to a local 501(c)(3) corporation that operates an open access fiber optic network. The expanded network will provide access to competing internet service providers who will utilize the network to connect to historically underserved end-customers. The financing is supported solely by system revenues expected to be generated from the operation of the expanded fiber network.
- **Utah:** Chapman served as underwriter's counsel in a series of bond transactions that financed the expansion of business and residential broadband access in Utah, particularly in underserved suburban, exurban, and rural areas, by a community-owned open access fiber optic network. The bond financings provided the community-owned network with the funds to build the fiber infrastructure, which is then accessed by independent internet service providers in a competitive marketplace. This innovative open access network model helps new service providers enter the market, lowers high-speed internet costs for users, and promotes economic development. Future expansion within Utah is planned.

Engagements

The Bond Buyer 2022 Small Issuer Financing Deal of the Year

Innovations in Broadband Access

May 28, 2021

Broadband Finance Record Updates

December 2022

The Bond Buyer 2022 Small Issuer Financing Deal of the Year