



**CITY OF HAMILTON**

**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**

<b>TO:</b> Mayor and Members General Issues Committee	<b>WARD(S) AFFECTED:</b> WARD 13
<b>COMMITTEE DATE:</b> November 14, 2011	
<b>SUBJECT/REPORT NO:</b> Licence Renewal Agreement with Rogers Wireless Inc.(Licensee) – Suter Crescent, Dundas – Dundas Water Tower (PED11204) (Ward 13)	
<b>SUBMITTED BY:</b> Tim McCabe General Manager Planning and Economic Development Department	<b>PREPARED BY:</b> John Hamilton (905) 546-2424, Ext. 7045
<b>SIGNATURE:</b>	

**RECOMMENDATIONS**

- (a) That the renewal of an existing licence agreement with Rogers Wireless Inc. (Fido Solutions Inc.) over the land described as Part of Lot 46, Concession 1, Ancaster Township, known as PIN 17448-0002, and Block 47, Plan 62M-440, Town of Dundas, known as PIN 17448-0020, (Dundas Water Tower) as shown on Appendix “A” attached to Report PED11204, for a term of five (5) years be approved with the following conditions:
  - (i) **Rental Rate:** From the date of commencement, being January 1, 2012, Rogers Wireless Inc. shall pay rent based on \$25,000 per year net, plus H.S.T. in the first year of the term. The initial annual rent of \$25,000.00 will increase by 2.5% each subsequent year throughout the term, plus H.S.T.
  - (ii) **Operating Costs:** The tenant will be responsible for paying all operating costs and property taxes, in addition to the rent.

- (iii) **Options:** The licensee will have the right to three (3), five (5) year renewal options.

Both Rogers Wireless Inc. and the City have the right to terminate the agreement upon 365 days written notice.

- (b) That all rent proceeds from the licence described in Recommendation (a) be credited to the former Dundas Capital Reserve Account 108031.
- (c) That the Mayor, General Manager of Finance and Corporate Services, and City Clerk be authorized and directed to execute the licence renewal agreement in a form satisfactory to the City Solicitor.

### **EXECUTIVE SUMMARY**

The proposed 5 year extension, until December 31, 2016, at \$25,000 per year represents almost a doubling of the rent from 1½ years previous. The new rent will escalate at 2.5% per year. Continuation of the licence will allow Rogers Wireless Inc. to continue coverage in the Dundas area and, more importantly, it will enable Rogers Wireless Inc. to handle the increased capacity it has experienced from users. The Dundas Water Tower location is the best in Dundas for a cell tower; the City's Telecommunication Protocol now permits cell towers to be permitted on water towers. This extension will also allow telecommunication service to the Dundas area to continue without interruption.

*Alternatives for Consideration - Page 4*

### **FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

**Financial:** Proceeds from the licence to be credited to the former Dundas Capital Reserve Account 108031.

**Staffing:** Staff will take the necessary steps to complete the licence.

**Legal:** Legal Services Division has been involved in the development of the licence agreement and will continue its involvement until the transaction is completed.

### **HISTORICAL BACKGROUND**

In 1998, the former Region entered into a five (5) year licence agreement with Microcell Connections Inc., the predecessor of Fido Solutions Inc. and Rogers Wireless Inc. for the use of the subject property as a communications installation. The original

agreement at \$1,000 per month also included a five (5) year licence extension which expired January 31, 2008. On February 1, 2008, the licence was extended until July 31, 2008, at \$1,100 per month and was later extended to August 31, 2010. The Licensee was unable to find an alternative freestanding tower site location in Dundas; therefore, on September 1, 2010 the licence was extended until December 31, 2011 based upon an annual rental rate of \$20,000. On February 24, 2010, the City approved the Telecommunication Tower and Antenna Protocol Follow-up Report, which governs the location and make-up of new cell towers. The Protocol now permits cell towers on top of water towers.

### **POLICY IMPLICATIONS**

The recommendations are consistent with the City's Real Estate Portfolio Management Strategy Plan, as approved by City Council on November 24, 2004, and Procedural By-Law No. 04-299. On June 29, 2005, City Council approved the Delegation of Authority to staff for the acquisition, disposition or licence of properties as follows:

General Manager or designate not exceeding \$150,000; and,  
City Manager or designate not exceeding \$250,000,

Although the amount of the annual licence payments is below the foregoing limits, Council approval is required for licences having a term or commitment of more than five years, as mandated by Council.

### **RELEVANT CONSULTATION**

- City Manager's Office, Legal Services Division
- Public Works, Environment and Sustainable Infrastructure Division

### **ANALYSIS / RATIONALE FOR RECOMMENDATION**

With the licence recommendation being adopted, the City will have secured a long term revenue stream commitment at an escalating net rental rate that is 25% above past market levels. Approval of the licence renewal with Rogers Wireless Inc., as well as the licence (PED11203) with Bell Mobility Inc., will enable the City to earn \$50,000 per year in net rent. The cell tower has existed for 13 years on the Dundas Water Tower and it is barely noticeable to nearby residents. The cell tower adheres to the guidelines set out in the Telecommunication Tower and Antenna Protocol. The tower provides cell phone coverage in the Dundas area and allows Rogers Wireless Inc. to handle the increased capacity of its customers. In Canada, each household now averages four (4) telecommunication devices. Demand is growing exponentially.

## **ALTERNATIVES FOR CONSIDERATION**

If this licence renewal recommendation was not adopted, Rogers Wireless Inc. will need to search for an equivalent alternate location in the area to accommodate its local cell phone coverage. It has been unable to do so for several years.

### **Pros:**

- Long term income stream secured for the City.
- No need for a freestanding 35 metre high cell tower in the area.
- Makes use of the Water Tower location which is by far the best in Dundas for cell carriers.

### **Cons:**

- If this compliant application was arbitrarily declined, it would cause the Telecommunication Tower and Antenna Protocol to lose credibility thereby decreasing our ability to serve an expanding industry.
- The City will lose a reliable source of revenue from a financially credible licensee.

## **CORPORATE STRATEGIC PLAN**

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

### ***Skilled, Innovative & Respectful Organization***

- ♦ The existing cell tower has served the Dundas area since 1998 area and is a compromise solution offered by Rogers Communication Inc. to retain the parkland character of the site.

### ***Financial Sustainability***

- ♦ Net rental rate escalates annually over the proposed term by 2.5% per year. Lessee has a strong covenant.

### ***Intergovernmental Relationships***

- ♦ The cell tower application must adhere to Industry Canada Standards.

### ***Growing Our Economy***

- ♦ Rental rate is 25% higher than previously obtained and almost double from 1½ years ago.
- ♦ Approval of the proposed licence will create similar revenue opportunities for other water towers within the City.

***Social Development***

- ◆ It is understood that funds generated from cell towers will remain for use within the ward.

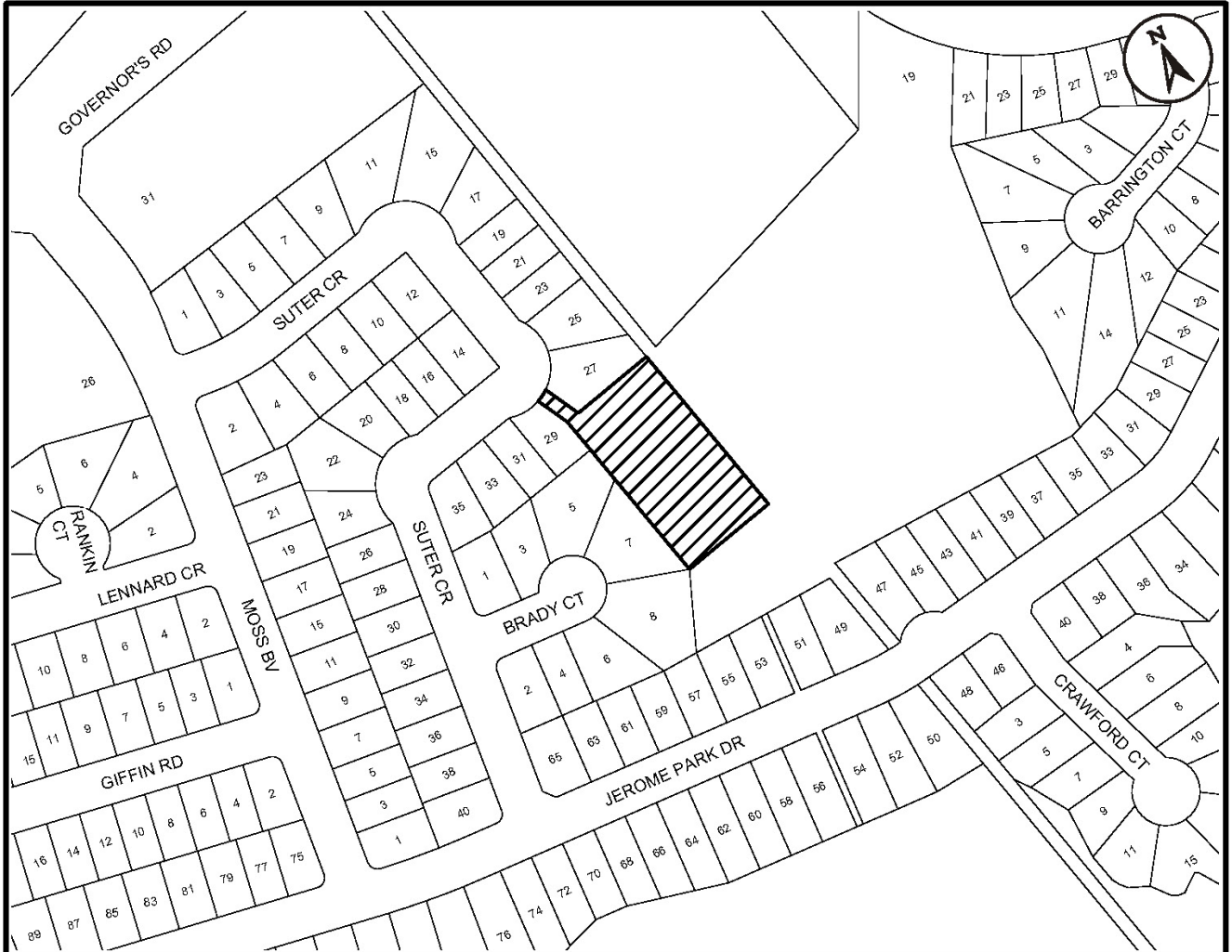
***Environmental Stewardship***

- ◆ The cell tower is innocuous and not directly noticeable to nearby residents. It makes use of the existing Water Tower facility. An alternate tower would not blend with the surrounding parkland.

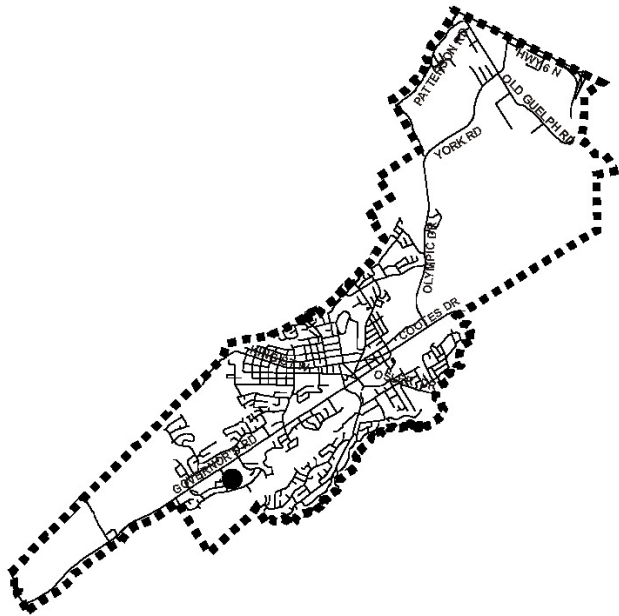
<b>APPENDICES / SCHEDULES</b>
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Appendix "A" to Report PED11204 – Location Map

JH/sd



● Location Map



Ward 13 Key Map

N.T.S.



# Location Map



**Hamilton**

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:  
1998-002

Date:  
August 17, 2011

Appendix "A"

Scale:  
N.T.S.

Planner/Technician:  
JH/AL

### Subject Property



Dundas Water Tower Suter Crescent  
PIN #'s 17448-0002 & 17448-0020