

CITY OF HAMILTON

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: WARD 13
COMMITTEE DATE: December 12, 2011	
SUBJECT/REPORT NO: Licence Agreement with Public Mobile Retail Inc. (Licensee) – Dundas Water Tower, Suter Crescent, Dundas (PED11212) (Ward 13)	
SUBMITTED BY: Tim McCabe General Manager Planning and Economic Development Department	PREPARED BY: John Hamilton (905) 546-2424, Ext. 7045
SIGNATURE:	

RECOMMENDATIONS

- (a) That a Licence Agreement for a term of five (5) years with Public Mobile Retail Inc. on property described as Part of Lot 46, Concession 1, Ancaster Township, also identified as PIN 17448-0002, and Block 47, Plan 62M-440, Town of Dundas (Dundas Water Tower), as shown on Appendix "A" attached to Report PED11212, be approved with the following conditions:
- (i) **Rental Rate:** From the date of commencement, being January 1, 2012, Public Mobile Retail Inc. shall pay rent based on \$25,000 per year net, plus H.S.T. in the first year of the term. Rent will increase by 2.5% in 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 Licence Agreement provides for three (3) five (5) year renewal options. Both Public Mobile Retail Inc. and the City have the right to terminate this 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 Agreement in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

The City's Telecommunication Protocol now permits cell towers to be placed on water towers. Public Mobile Retail Inc. wishes to install a new cell tower on top of the Dundas Water Tower and co-locate its service equipment in the enclosed fenced compound at the base of the Water Tower.

The proposed Licence will allow Public Mobile Retail Inc. to provide improved coverage in the Dundas area and, more importantly, it will enable Public Mobile Retail Inc. to handle the increased capacity it has experienced from users since the advent of smartphones.

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

To cell providers, the Dundas Water Tower represents an optimal location for installation of communications equipment. Since 1998 there has been a presence of cell providers on this water tower including Rogers Wireless Inc. which is currently in the process of renewing its Licence with the City (PED11204) to secure its telecommunications space.

The Rogers Communications installation predated the existing Telecommunication Tower and Antenna Protocol which, until recently, prohibited cell towers on municipal water towers. On October 26, 2011, Council approved PW11033(a), amending the Telecommunication Tower and Antenna Protocol to permit cell towers on municipal water towers.

If this Report is approved, Rogers Wireless Inc., Bell Mobility Inc. and Public Mobile Retail Inc. will co-exist on the Dundas Water Tower, each with their own equipment. Having shared sites in other municipalities, these three carriers have established an installation format by which their communications equipment co-exists without interference.

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

By adopting Recommendation (a), the City will have secured an additional long term revenue stream at an escalating net rental rate 25% above past market levels. Together with other cell providers (Bell Mobility and Rogers Communications) the City will earn \$75,000 per year in net rent from the Dundas Water Tower.

Existing equipment on the Water Tower, in place for 13 years, is barely noticeable to nearby residents; the new cell tower proposed by Public Mobile Retail Inc. should be equally innocuous and will adhere to the guidelines set out in the City's Telecommunication Tower and Antenna Protocol.

This tower will provide cell phone coverage in the Dundas area and allow Public Mobile to handle increased capacity. In Canada, each household averages four (4) telecommunication devices. Demand for broadband is growing exponentially since the advent of smartphones.

ALTERNATIVES FOR CONSIDERATION

If Recommendation (a) is not adopted, Public Mobile Retail Inc. will need to search for an alternative location in the area to accommodate its local cell phone coverage. It should be noted that Rogers Communications Inc. has been unsuccessful in finding an alternate location of equal merit.

Pros:

- Long term income stream secured for the City;
- No need for a freestanding 35 metre high cell tower elsewhere in the area;
- Makes use of the Water Tower location which is by far the best in Dundas for cell carriers;
- Cell phone coverage for Public Mobile Retail Inc. customers will improve in Dundas.

Cons:

- If this request for space on the Dundas Water Tower was declined, the Telecommunication Tower and Antenna Protocol would lose credibility and may decrease the City's prospects in serving an expanding industrial sector;
- The City would forego 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 Water Tower has provided space for cell providers in the Dundas area since 1998.

Financial Sustainability

- ♦ Net rental rate escalates annually over the proposed term by 2.5% per year. Lessee has a strong covenant. Rent will be adjusted at the end of each five (5) year term.

Intergovernmental Relationships

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

Growing Our Economy

- ◆ Together with the proposed Rogers Wireless Inc. Licence renewal, and proposed Licence to Bell Mobility Inc., revenue will increase to \$75,000 per year by January 1, 2012.
- ◆ Approval of the proposed Licence will create similar revenue opportunities for other Water Towers within the City.

Social Development

- ◆ Funds generated from cell towers will remain for use within the Ward.

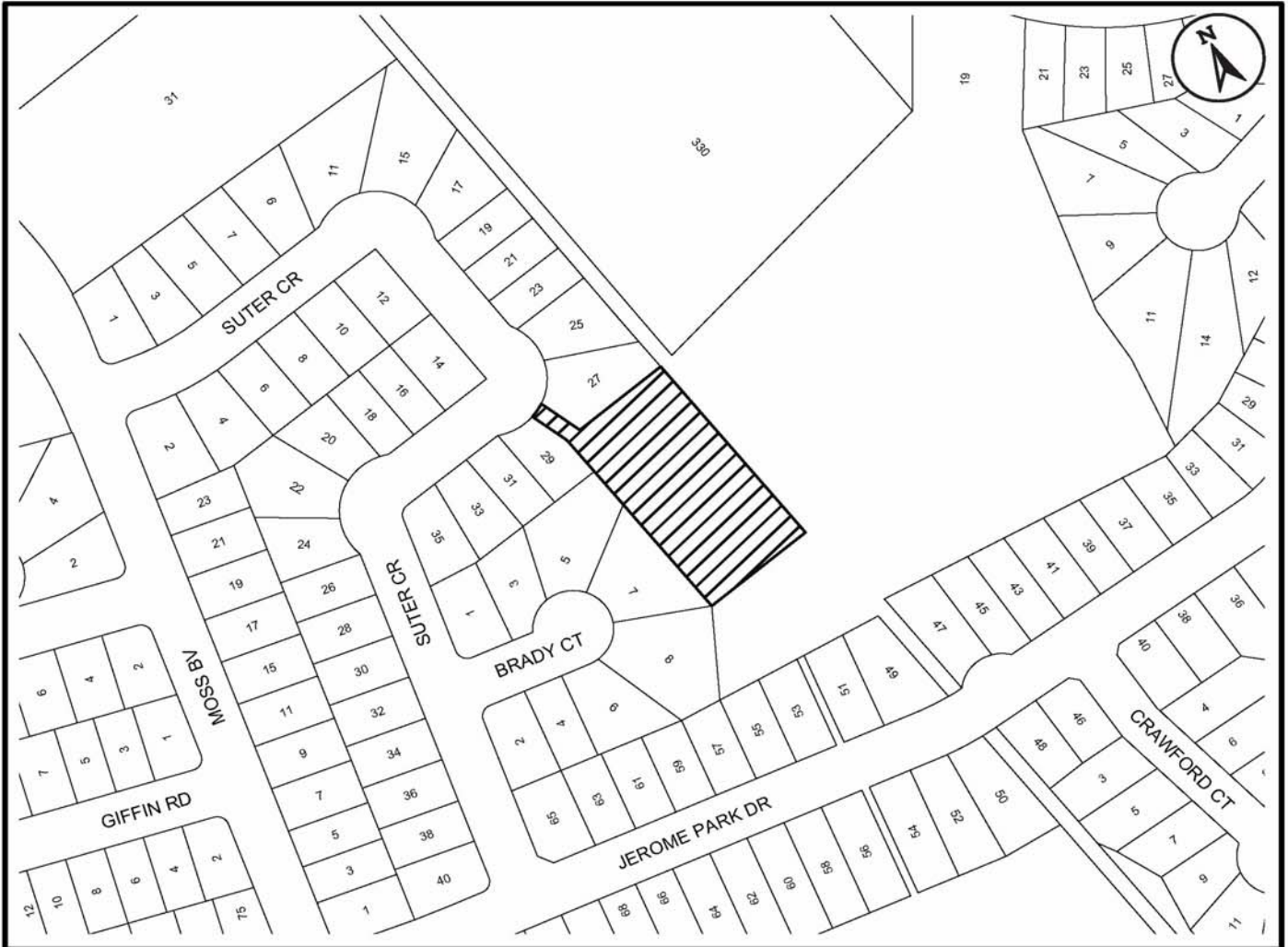
Environmental Stewardship

- ◆ The cell tower is innocuous as compared to a land based communications tower which would stand out against the surrounding parkland.

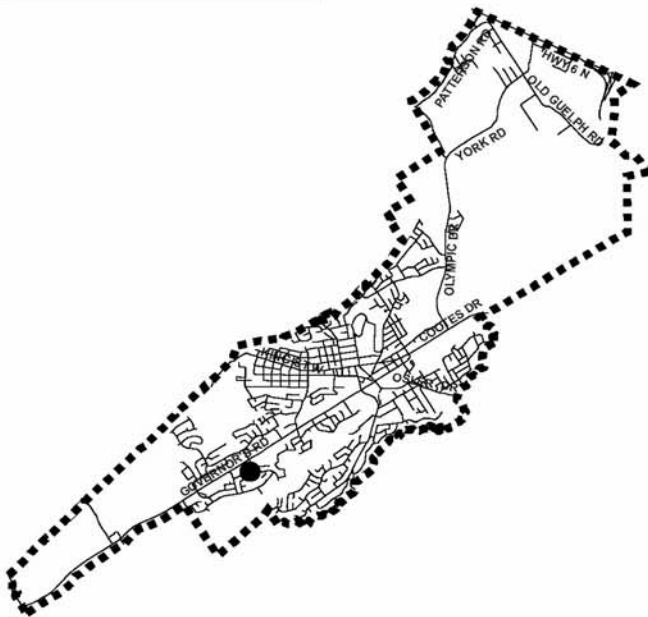
APPENDICES / SCHEDULES

Appendix “A” to Report PED11212 – Location Map

JH/sd/dkm



● Location



Ward 13 Key Map

N.T.S.

Location Map



Hamilton

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:
2011-106

Date:
Nov. 14, 2011

Appendix "A"

Scale:
N.T.S.

Planner/Technician:
JH/MS

Subject Property



Dundas Water Tower
Suter Crescent, Dundas
Cell Tower Licence
PIN #s 17448-0002 & 17448-0020