

CITY OF HAMILTON

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: WARD 15
COMMITTEE DATE: March 21, 2012	
SUBJECT/REPORT NO: License Agreement with Bell Mobility Inc. (Licensee) – Waterdown Water Tower, 115 Cole Street, Waterdown (PED12024) (Ward 15)	
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 new license agreement with Bell Mobility Inc. over land described as Block 169, Plan 62M-1125, Town of Flamborough, identified as PIN 17511-0343, (Waterdown Water Tower) as shown on Appendix “A” attached to Report PED12024, for a term of five (5) years be approved with the following conditions:
- (i) **Rental Rate:** From the date of commencement, being April 1, 2012, Bell Mobility Inc. shall pay rent annually in advance based on \$25,000 per year net, plus H.S.T. Subsequently, annual rent will increase by 2.5% each year throughout the term, plus H.S.T.
 - (ii) **Operating Costs:** Tenant will be responsible for paying all operating costs, utilities and property taxes.
 - (iii) **Options:** Tenant will have the option to renew another three (3) five (5) year terms.

- (b) That all rent proceeds from the license described in Recommendation (a) be credited to the Flamborough Capital Reserve Account 108032.
- (c) That the Mayor, General Manager of Finance and Corporate Services, and City Clerk be authorized and directed to execute the license 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. Bell Mobility Inc. wishes to install a new cell tower on top of the Waterdown Water Tower and co-locate its service equipment within the fenced compound at the base of the Tower.

The proposed license will allow Bell Mobility Inc. to provide improved coverage to the Waterdown area and, more importantly, it will enable Bell Mobility Inc. to handle the increased capacity it has experienced from users since the advent of smartphones.

Alternatives for Consideration - Page 3

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial: Proceeds from the license to be credited to the Flamborough Capital Reserve Account 108032.

Staffing: Staff will take the necessary steps to complete the license.

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

HISTORICAL BACKGROUND

On October 26, 2011, Council approved PW11033(a), which amended the Telecommunication Tower and Antenna Protocol to permit cell towers on top of municipal water towers. The Waterdown Water Tower was built in 2010, and the proposed Bell Mobility cell tower will be the first to locate on this facility, which should accommodate up to three carriers, ultimately. Located at the periphery of future growth within Waterdown, this facility offers the best location in Waterdown for a cell tower.

The proposed five (5) year license will commence on April 1, 2012 and finish on March 31, 2017, starting at \$25,000 net rent per year. This represents a rate equal to three

such licenses on the Dundas Water Tower, and is above rates achieved in nearby municipalities. Rent will escalate at 2.5% per year after the first year.

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 license 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 license payments is below the foregoing limits, Council approval is required for licenses 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
- Ward Councillor

ANALYSIS / RATIONALE FOR RECOMMENDATION

With the license recommendation being adopted, the City will have secured a long term revenue stream commitment at an escalating net rental rate that is equal to recent licenses approved by Council and above levels obtained in nearby municipalities.

ALTERNATIVES FOR CONSIDERATION

If this license recommendation is not adopted, Bell Mobility Inc. will need to search for an alternate location for a freestanding tower in the area to accommodate its local cell phone coverage.

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 Waterdown for cell carriers.
- Cell tower on top of water tower is innocuous and not noticeable to public.
- Cell phone coverage for Bell Mobility Inc. customers will improve in Waterdown.

- Cell coverage should improve for much of the Flamborough area which is critically underserved.

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 location is not unsightly and the proposed cell installation will hardly be noticed by the public.

Financial Sustainability

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

- ♦ The rent rate is 25% higher than previously obtained a year ago and almost double from 1½ years ago.
- ♦ Approval of the proposed license will create similar revenue opportunities for at least two (2) other carriers on the water tower.

Social Development

- ♦ Funds generated from cell towers will remain for use exclusively within the ward.

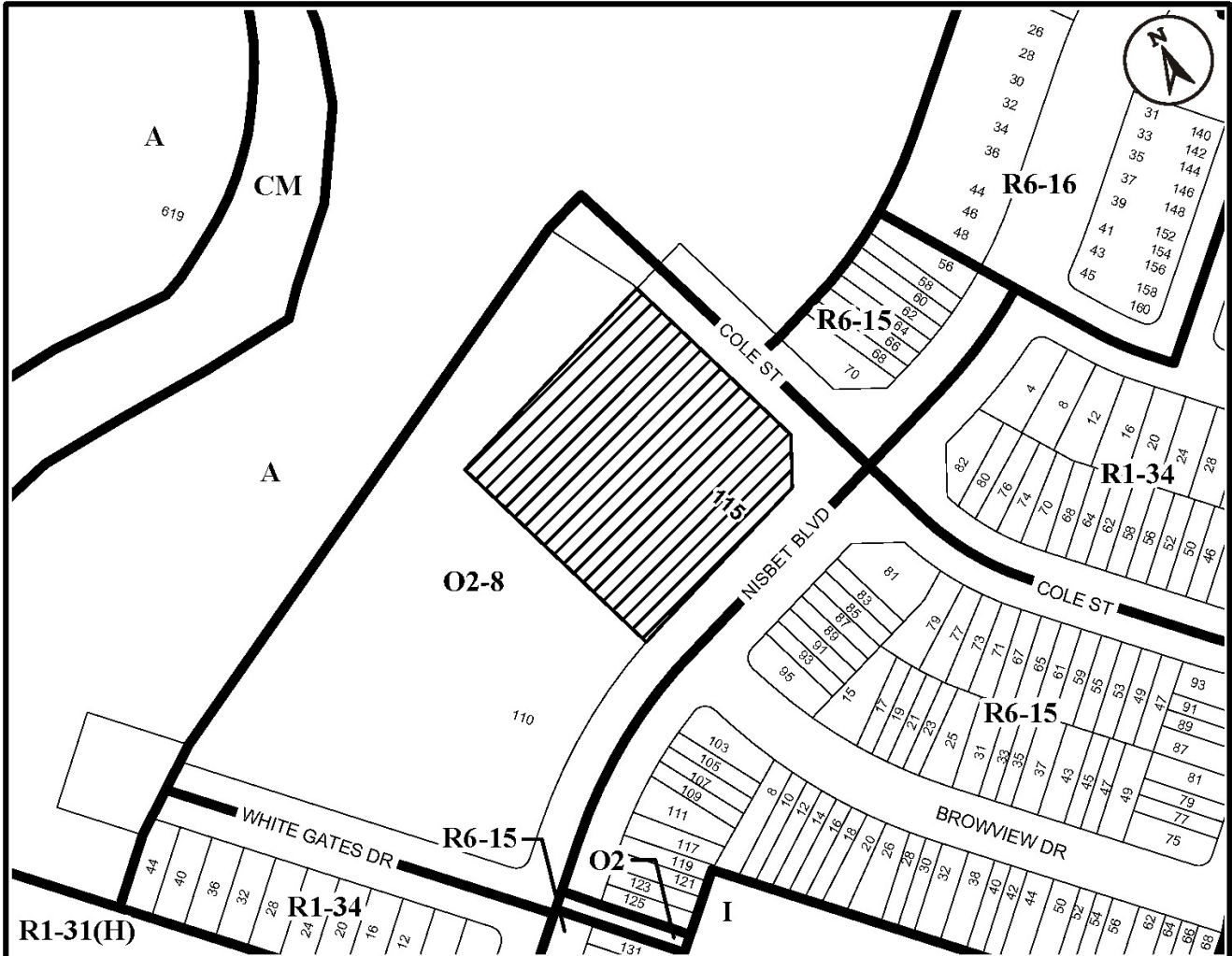
Environmental Stewardship

- ♦ The cell tower is innocuous and not directly noticeable to nearby residents. It makes use of the existing water tower facility.

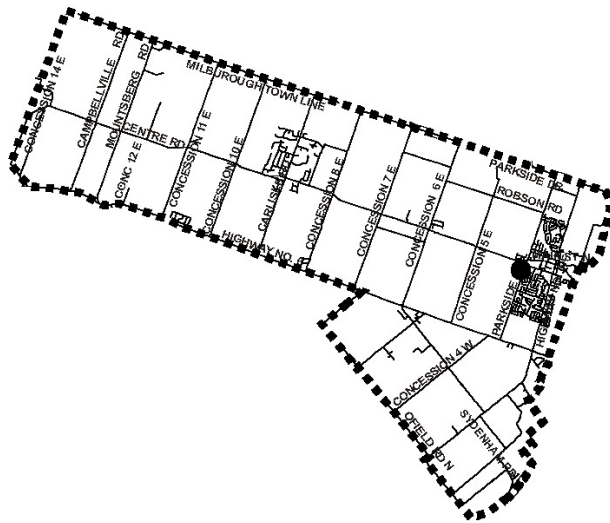
APPENDICES / SCHEDULES

Appendix “A” to Report PED12024 – Location Map

JH/sd



● Location Map



Ward 15 Key Map

N.T.S.

Location Map



PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:
2011-095

Date:
Jan. 17, 2011

Appendix "A"

Scale:
N.T.S.

Planner/Technician:
JH/AL/XX

Subject Property



Waterdown Water Tower
Pin# 17511-0343
Block 169, Plan 62M-1125
Bell Mobility Inc. - Proposed cell tower location