



City of San Antonio

Agenda Memorandum

File Number:14-2667

Agenda Item Number: 47.

Agenda Date: 6/18/2015

In Control: City Council A Session

DEPARTMENT: ITSD

DEPARTMENT HEAD: Hugh Miller

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Master license agreement with Verizon Wireless ("Verizon") for the use city rights-of-way ("ROW") for the installation of small cell equipment on utility and traffic light poles.

SUMMARY:

The License Agreement would grant Verizon Wireless the use of city ROW for the purpose of installing small cell antennas on poles to address capacity gaps in its network. Verizon would pay the City a license fee for every small cell installation regardless of who owns the pole.

BACKGROUND INFORMATION:

Verizon is looking to small cell antenna technology as a less intrusive way (compared to towers) to address network gaps and improve broadband capacity for its customers throughout San Antonio. About a year ago, Verizon approached ITSD with the idea of accessing city traffic light poles for the deployment of small cell antennas. Through a series of monthly meetings, Verizon worked with ITSD and the Office of City Attorney to develop a legal framework to achieve this goal. The result of these efforts is the proposed License Agreement that will benefit Verizon, the City, and the Community.

Under the License Agreement, Verizon would pay the City an annual license fee of \$1,500 for every small cell antenna installation on a pole located in city ROW, regardless of pole ownership. The license fee will increase by 3% annually. The License Agreement would give Verizon access to city traffic light poles. In addition, Verizon would have access to utility poles owned by CPS Energy pursuant to a separately negotiated agreement.

At each small cell antenna site, Verizon will receive a license for the use of a 36 square feet area to accommodate the dimensions of the equipment and entry of personnel to install, operate, and maintain the

equipment on a pole. The License Agreement is for a 25-year term. The License Agreement also includes flexibility to adopt new wireless technology without the need to amend contractual terms.

Although Verizon has not disclosed the extent of its small cell antenna deployment plans, it could be voluminous requiring significant processing time from ITSD personnel. Each proposed small cell site will be subject to an application review process that will require coordination between several City departments. To account for the administrative expense of this program, Verizon has agreed to pay an application processing fees of \$700 per small cell application.

Consistent with the FY 2015 budget, the annual license and application fees will be deposited to benefit ITSD in order to cover the expense of additional personnel necessary for administration of the small cell site applications, technical review of engineering design documents, development of an online application processing tool, and contract administration. The remaining funds will be allocated to meet outstanding technology priorities.

Other significant provisions of the License Agreement call for Verizon to comply with historic preservation regulations, respect the aesthetics of the downtown commercial district, comply with ROW management regulations, pay applicable ROW permitting fees, coordinate its installation activities with appropriate city departments and with CPS Energy, and indemnity protection for the City.

ISSUE:

Approval of the License Agreement will make available to Verizon City ROW for the installation of small cell antennas on poles in order to address network gaps and improve the delivery of broadband data service to its customers throughout San Antonio in a manner that is less intrusive compared to towers. Verizon will also compensate the City for access to ROW and traffic light poles.

ALTERNATIVES:

If the License Agreement is not approved, Verizon will not be able to access City ROW for small cell antenna deployments and will likely turn to private property and traditional towers to try to meet its network capacity needs. It will also result in the City passing on a revenue opportunity.

FISCAL IMPACT:

This ordinance approves a license agreement with Verizon to install small cell antennas on City Row. Revenue generated from the annual license fees and application fees will be deposited into the Information Technology Service Fund. Verizon anticipates installing 100 within the first year after approval of the contract by Council. The estimated income would be \$150,000 for those initial 100 sites (\$1,500 per site).

RECOMMENDATION:

Staff recommends approval of the License Agreement.