



Legislation Details (With Text)

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Title: Adopt the Resolution authorizing the City Manager to enter into a license agreement for the installation of small cell antennae and ancillary equipment on a City-owned light pole at 1125 E. Gartner Road

Sponsors:

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| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|---------|--------|
| 8/15/2017 | 1 | City Council | adopted | |

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Adopt the Resolution authorizing the City Manager to enter into a license agreement for the installation of small cell antennae and ancillary equipment on a City-owned light pole at 1125 E. Gartner Road

DEPARTMENT: Legal Department

SUBMITTED BY: Mike DiSanto, City Attorney

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

In 2011, City Council approved revocable licenses between the City and AT&T, permitting AT&T to mount small cell cellular equipment on four City owned utility and light poles in various locations within the City.

On August 16, 2016, City Council authorized the City Manager to enter into a license agreement with Verizon Wireless for seven specific light pole locations, for the installation of small cell antennae and ancillary equipment. On May 16, 2017, Council authorized an additional Verizon location on the light pole located at 485 Diehl Road.

Recently, Verizon submitted to the City an application seeking a license a City-owned light pole at 1125 E. Gartner Road to mount equipment similar to the equipment it previously received approval to mount on economic terms similar to the economic terms in the licenses Council recently authorized.

DISCUSSION:

Verizon's equipment provides additional coverage in areas that experience capacity shortages and allows Verizon to keep pace with the growing demand for cellular phones with streaming data capabilities, which tax Verizon's capacity limits. Verizon is currently a tenant on three other City-owned locations where Verizon has installed macro cellular equipment (a City water tower, the Carillon and the City's tower located at 1800 S. Washington). Availability for appropriate new macro cellular sites is limited.

Verizon has installed similar small cell equipment in other municipalities. Additionally, Verizon has entered into licenses with Commonwealth Edison at four (4) locations within the City of Naperville. The City does not receive licensing fees from Verizon's licenses with ComEd.

As set forth in Verizon's petition, the City's residents will benefit from improved cellular and data service.

The essential terms of the proposed tentative agreement are as follows:

- Verizon will pay the City a monthly licensing fee in an amount comparable to the amount paid by it and AT&T for other locations (\$3,200 monthly per license);
- The initial term of the license is five (5) years and Verizon will have the option to renew the license for four (4) additional terms;
- The licenses are revocable, subject to a 180-day notice provision;
- Verizon will provide a security escrow in the amount of \$7,500 per site, in the event Verizon fails to pay the monthly license fee and in the event Verizon fails to remove its equipment upon termination of the license;
- Verizon will procure insurance in the amount of \$3,000,000, and name the City as an additional insured under the applicable insurance policies;
- Verizon will conform to all applicable construction standards during the installation of the equipment.

FISCAL IMPACT:

Final economic terms are currently under discussion. Verizon has proposed that it will pay license fees comparable to those paid by it and AT&T for similar licenses. Presently, Verizon pays the City approximately \$3,275 per year per site. If the City licenses the proposed site to Verizon in this amount, total revenue generated will be \$3,275 per year.