



Legislation Text

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File #: 17-370, Version: 1

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**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 the City's light pole located at 485 Diehl Road.

**DEPARTMENT:** Legal Department

**SUBMITTED BY:** Robert Wilder, Senior Assistant 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 (4) City owned utility and light poles in various locations within the City.

At the August 16, 2016 meeting, City Council authorized the City Manager to enter into a license agreement with Verizon Wireless for seven (7) specific light pole locations, for the installation of small cell antennae and ancillary equipment. Since then, Verizon has petitioned to enter into one additional license for the light pole located at 485 Diehl Road.

**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 including St. Charles and Chicago and has reached agreements with Hoffman Estates and Schaumburg. 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 an annual license fee of \$3,275;
- 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 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:**

Verizon has agreed to pay an annual license fee of \$3,275.00. If the City licenses this site to Verizon, total revenue generated will be \$3,275.00 per year.