

Staff Report

REQUEST TO INSTALL CELLULAR ANTENNA ON CITY PROPERTY

April 22, 2014

BACKGROUND:

In March of this year, a company representing AT&T Wireless contacted City staff to express interest in locating a cellular antenna on City property along Billy Sunday Road in southeast Ames. The City owns three large properties in that area: a parcel on which the Animal Shelter is located, the Dog Park, and the land on which the Hunziker Youth Sports Complex (HYSC) is located.

The City has existing agreements with several wireless providers to use City property for cellular antennas. Several wireless providers have antennas on City water towers. A freestanding antenna is located on City property at Homewood Golf Course. Typically, these agreements take the form of a five-year lease, renewable for a total of 30 years. An up-front payment or site improvements are agreed upon, and the wireless provider pays monthly rent. In the case of freestanding antennas, additional providers can sublease space and the rent is split between the antenna owner and the City. Staff should note that it is currently negotiating two additional agreements with cellular providers for new antenna installations. One is on the Bloomington Road water tower, and the other is for a freestanding antenna behind the Iowa DOT equipment yard on S. 4th Street.

The current value of the Homewood antenna lease is \$1,520 per month in base rent plus \$900 per month in sublease rent, for a total of \$2,420 per month. **City staff believes that the market value of a new antenna installation is higher than the existing Homewood lease, and should also include upfront payments for several thousands of dollars in cash or site improvements.**

The new proposal by AT&T raises three key questions that require City Council direction:

1. Is the City Council interested in pursuing any agreement with AT&T?

This report has outlined the compensation that could be expected with installation of a cellular antenna on City property. However, a cellular antenna would interrupt the aesthetics of this area and would limit the City's future use of the area in which it is placed. If the City Council chose not to pursue any agreement with AT&T, then AT&T would need to find another suitable location to locate its antenna.

2. If an antenna is pursued, which areas are preferred to site it?

Staff has identified three potential areas in which to locate an antenna:

Locate Antenna near Animal Shelter

The area behind the Animal Shelter contains approximately 13 acres of natural space. This area provides the maximum flexibility for locating an antenna where it would minimize disruptions to the adjacent properties and to City operations. It is likely that a site could be found that would minimize the removal of existing trees on this parcel.

Locate Antenna on Dog Park Property:

The Dog Park parcel contains 16 acres and has substantially more open space. An antenna on this parcel may be more visible, but also creates an opportunity to require the wireless company to install lighting or other improvements to benefit Dog Park users.

Pursue Partnership to Locate Antenna at Hunziker Youth Sports Complex:

Because of a long-term lease of City property to the HYSC, the HYSC Board has the ultimate authority to decide if, and where, an antenna can be sited on this leased property. City staff contacted the HYSC Board to determine if there was interest in locating an antenna on HYSC leased property. The HYSC Board has indicated that it would be interested in exploring the concept of a cellular antenna at the complex, but HYSC would expect some benefit from having an antenna on that site.

A substantial portion of the HYSC property lies in the floodway, which would require the antenna equipment structure to be elevated. It may be challenging to find a location that is suitable to both AT&T and the HYSC board.

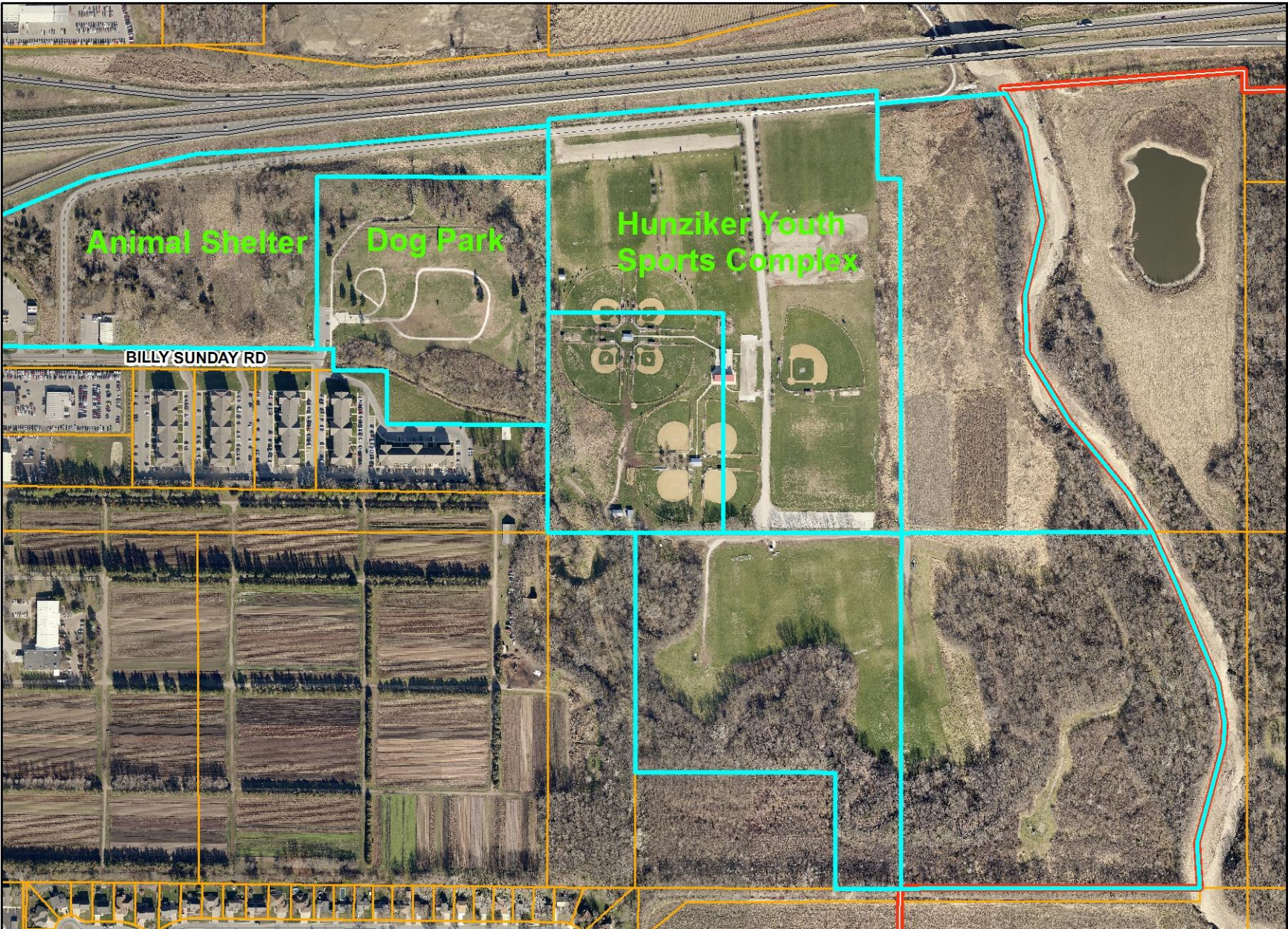
Each of these potential locations has advantages and disadvantages. AT&T has indicated that its desired location is at the Dog Park, but the City has an opportunity to require the placement in a location acceptable to the Council. If several locations are acceptable, it would be helpful for staff to have the Council's order of preference.

3. What should be done with any potential rental revenues?

Historically, revenues from cellular antennas located on Homewood Golf Course and the City's water towers have accrued to the Golf Course Fund and the Water Fund, respectively. This has been done because both are enterprise funds. Since the Animal Shelter and the Dog Park are General Fund activities and not enterprises, City staff would recommend putting revenues from an antenna into the General Fund. These funds could then be used to bolster the General Fund available balance or to finance capital improvements to the Animal Shelter or Dog Park.

If the City Council chooses to pursue a partnership with the HYSC, there are more questions. The City has leased land to the HYSC since 1994. Since 2004, the City Council has provided approximately \$25,000 annually to support HYSC's operations. **Placing the antenna at the HYSC provides an opportunity for the Council to continue, reduce, or end its annual payments to HYSC, since the antenna would provide an alternative revenue stream.** However, HYSC would likely not be supportive of an antenna installation on its property if it meant the end of City funding entirely.

Should the City Council pursue the antenna installation at any of the three locations, City staff would negotiate a contract with AT&T and ensure that its design meets the requirements of the existing zoning requirements for cellular antennas. Any agreement would be returned to the City Council for approval.



Animal Shelter

Dog Park

Hunziker Youth Sports Complex

BILLY SUNDAY RD