

# Memo

**To:** Honorable Mayor and City Council  
**From:** Joe Kohlmann, City Administrator  
**Date:** February 14, 2012  
**Re:** Antenna Lease Marketing

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## Overview:

The City of Tonka Bay currently has three antenna leases located on the site of the water tower. The leases are with Sprint; Sprint/Nextel and CellNet. As noted in the original lease agreement with Sprint/Nextel:

5(a) ... This use shall be non-exclusive, Landlord specifically reserves the right to allow the Tower to be used by other parties in accordance with 5 (j).

5(j)...Tenant shall construct a 180 foot tall Rohn SSV Tower with sufficient loading capacity to accommodate nine (9) 96" by 8" panel antennas...and additional capacity to accommodate twenty-four (24) 96" by 8" panel antennas for other users. Landlord may rent space on Tenant's Tower and ground space on the Leased Premises, during the term of this Agreement, to other parties for telecommunications purposes...Tenant shall be entitled to 0% of the proceeds...At Landlord's option, unless termination was due to a default of Landlord, Tenant will rebuild and transfer ownership of an equivalent tower to Landlord prior to removal of Tenant's Tower at Tenant's cost...

It appears that our current antenna tower is underutilized. Third party cell tower companies discourage cities from marking their own antennas but at the same time pay large sums to acquire the rights to the sites. The City has several options to market the antenna site.

- 1) Submit site to carriers for review- Staff has located the process to submit to the following companies: T-Mobile; Verizon; American Tower; and Crown Castle.
- 2) The City could hire a third party to market the site (like MCM).
- 3) Put up a "for lease" sign and wait.

Here is my question and the answer I received from the Webinar I attended on the topic:

**5. How can cities market their own cell sites? What is the advantage that AP Wireless has in expanding cell site usage that cities do not have?**

Municipalities are certainly free to market their own sites; however, it is our experience that the vast majority of public entities do not have the internal expertise nor 'bandwidth' to actively reach out to the carriers. It is not uncommon for the wireless carriers to have little or no relationship with the municipality. Since the municipality may not own the underlying tower structure, the carriers deal directly with the tower operators. If the cell site is located on a municipal water tank or rooftop, it is more likely that the municipality will have a direct relationship with the respective carriers located thereon.

AP Wireless has relationships with all the Carriers, is an expert in this space, and has a vested interest to generate as much money as possible through renegotiation with the carriers and bringing additional co-location to the sites since we share in these rents as we partner with municipalities.

Below is the **2012 revenue** for the current lease agreements:

- 1) CellNet - \$7,856
- 2) Sprint - \$23,618
- 3) Sprint/Nextel- \$18,729

**Total Revenue= \$50,205**

After all transfers and payments are made in 2012, there is a cash balance of **\$53,356** which is anticipated to be used to wean off the general fund transfers if a lease where to be terminated. Lease termination runs heavily in favor of the carriers.

Attachments in order:

*Article "How do you get a cell phone tower or cell site on your property?"*

*T-Mobile cell site submission form*

*Verizon cell site submission form*

*American Tower site submission information*

*Crown Castle site submission form*

*MCM services – assess and market cell sites*

*Excerpt from City's Week in Review regarding cell sites*

*Lease Agreement with Sprint/Nextel*

**Council Action to be Considered:**

Motion to authorize the City Administrator and/or committee to begin marketing the antenna lease site to carriers.

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How Do You Get A Cell Phone Tower or Cell Site on Your Property? / HOME



*Everything else is in order. We truly appreciate your help.*

*Thanks again, Ken. Your help was incredibly valuable.*

*Deland- TMobile Lease Negotiation*

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## HOW DO YOU GET A CELL PHONE TOWER OR CELL SITE ON YOUR PROPERTY?

28

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We've lost count of the number of times we've been contacted by people who claim a friend, neighbor or colleague receives \$800 every month to lease property to a wireless or cell phone tower company. The first question is always "How can I lease my property and receive 'mailbox money' every month?" The second question is always "Can you help me lease my property?"

Though we hate bursting bubbles, we must be honest with such hopeful landowners and relay the fact that anyone seeking a revenue-generating lease of this sort has less than a 1% of success. Please read that again - less than 1% chance of success. Because there are such low odds of success, Steel in the Air does not help landowners market their property for a tower or find a wireless tenant to lease their rooftop. So no matter how good of a site you have, we can't help you find wireless companies that are interested in leasing it. Please read on though for more about how you can improve your chances slightly on your own.

Wireless carriers spend significant money and resources designing systems around specific radio frequency engineering standards and often target specific geographic locations. With that said, if you are still convinced you might be a good candidate, there are certain factors you can use to begin evaluating your property. They include:

- **Distance to Adjacent Towers:** If existing cell phone towers are within one mile of your location, chances are slim another will be built. Local zoning jurisdictions require use of existing towers first. If there are no towers nearby, then your property is more desirable.
- **Dense Population or High Traffic Counts:** If your location is surrounded by either an urban or suburban population or near roadways with high traffic counts, your property may be more desirable. If you are in a rural area and are not within 1/2 mile of a major highway or a town with a population of 2,000 or more, you probably won't get a cell phone tower on your property.
- **Zoning:** Many jurisdictions (counties, towns, cities) have zoning ordinances that allow communication towers. If your property is an industrial parcel surrounded by residential property, the likelihood that a wireless carrier could use your property increases. Likewise, if you have a residentially zoned property surrounded by industrial property, the likelihood decreases. Contact your local planning, zoning, or community development office first to find out if your property even meets the requirements.

As a frame of reference, below are some scenarios that will likely not result in a cell phone tower lease:

- Your property is farmland surrounded by other farmland, unless you are within ¼ mile of a 4-lane road.
- Your property is a rooftop space that is less than 30 feet taller than any building in within a one-mile radius.
- Property is residentially zoned.
- Your property is located on the highest point in the county.
- Your property is located in area that doesn't have any cell phone coverage. It's probably because the carriers have opted not to cover those areas that don't meet certain business criteria.

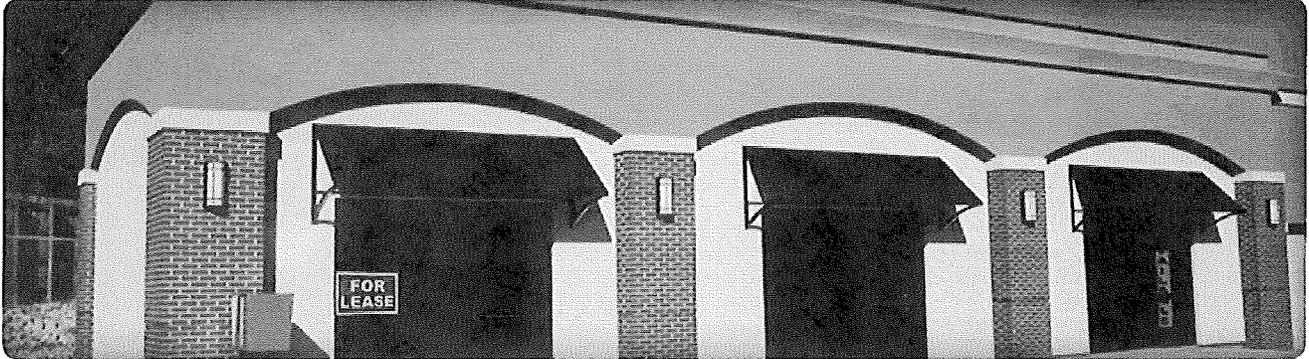
Please note, we no longer provide the service of evaluating your property for possible cell phone towers or cell site leases and we do not market properties to carriers.

If you have already been contacted by a carrier about leasing your property for a cell phone towers or cell site leases, then we are at your service.

1. Just because you have the highest point in the county doesn't mean your property is desirable.
2. Oftentimes, just because you don't have coverage doesn't mean there isn't a tower near you.
3. Don't expect to hear back from the wireless carriers after submitting your property.
4. If a wireless carrier has offered to put a cell tower on your property, make sure to have the lease reviewed by a qualified lawyer. [Cell Tower Attorney](#) specializes in legal guidance involving cell tower leases.

[Negotiating the Cell Site Lease Agreement](#)

[Cell Phone Tower Types and Information](#)



### Submit a Site

If you have real estate available for T-Mobile to consider for either a retail site or a cell site please complete the form below. If your site fits our needs we will contact you to discuss the opportunity further. For more information, please call 877-867-1662.

Your Information					
<b>First Name*</b>	<b>Last Name*</b>	<b>Company</b>	<b>Title</b>		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		
<b>Describe your Role</b>	<b>Address*</b>	<b>Unit #</b>	<b>City*</b>	<b>State*</b>	<b>Zip*</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Email*</b>	<b>Confirm Email*</b>	<b>Phone*</b>	<b>Fax</b>		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		
<b>Type of site(s) you're submitting</b>		<b># of sites you work with</b>			
<input type="checkbox"/> Retail Site(s) <input type="checkbox"/> Cell Site(s)		<input checked="" type="radio"/> Single (0-3 sites, submit each individually) <input type="radio"/> Multiple (4 or more sites)			

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#### Network Real Estate Inquiries

Verizon Wireless receives thousands of inquiries each year from property owners, property managers and customers who offer property on which our communications facilities can be located.

If you have property that you would like us to consider, please review the following before submitting a Real Estate Inquiry Form.

#### Design Criteria for Property Evaluation

Typically, our Facilities require ground space on which we would construct either a monopole (or similar type structure) or installation on a rooftop.

##### Land for tower sites:

Should provide a leased area approximately 100' x 100'

Should be no more than 100 to 500 feet from a major paved public street

The property should be within a zoning classification that allows communication structures

Must provide 24 hour access, 7 days a week, 365 days a year to all portions of the facility

##### Building or Rooftop sites:

Should be a minimum of 3 to 4 stories tall

The zoning of the building should allow for communications facilities to be placed at your location

Should be a flat roof, capable of handling a Minimum of 150 lbs./square Ft. of roof loading.

Must provide at least 20' x 30' area for equipment on the roof, in the building or on the ground immediately next to the building

Must provide 24 hour access, 7 days a week, 365 days a year to all portions of the facility

When completing the Real Estate Inquiry Form and giving us the location of your property please provide directions and distances from major intersections within the **Details of Property** section of the form.

Following these guidelines and instructions will greatly improve our ability to locate and evaluate your property. If we feel that your property is a potential candidate for locating Facilities, someone representing Verizon Wireless will contact you to discuss further.

[Real Estate Inquiry Form](#)

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**Evaluation Process**

All properties will be evaluated by our team of Real Estate, Construction, and Radio Frequency engineers for viability.

Verizon Wireless will only contact property owners, property managers and customers with properties that meet our current needs. All other property information will be kept on file for future needs.

Due to the volume of property evaluation submittals, we regret that we will not be able to follow up with owners unless your property meets our needs.

**If you are a landowner who is interested in selling your land or ground lease:**

American Tower is interested in purchasing the lease or land that our wireless communications sites are located upon. Selling your lease or property to American Tower allows you to convert your structured rental payments into a lump sum of cash for your use or reinvestment. Remodel your home, save for college or retirement, pay off your mortgage or invest in your future. The choice is yours.

If you have been contemplating the sale of your lease or land, please feel free to contact American Tower. We would appreciate the opportunity to discuss a potential acquisition of your land and to make you an offer.

Email: [leasebuyout@americantower.com](mailto:leasebuyout@americantower.com)

Toll-free: 866-586-9377, Option 1

Or if you are ready to share your information right now, please complete our online Lease Buyout Information Form.

**If you are a landowner who is interested in having a tower built on your property:**

In general, American Tower does not consider inquiries or submittals for individual land parcels. The locations where we build new towers are primarily determined by the needs of our wireless carrier customers. As we evaluate site locations across the country, we will thoroughly research all available parcels and contact the respective owners for details on availability. If you'd like to submit information about your property to American Tower, please complete our online Property Information Form.

We will keep your information on file for future consideration and will contact you only if there is serious interest in utilizing your property.

If you represent a government agency or a commercial real estate portfolio with multiple locations, we will review the offering against our database of wireless carrier siting needs. Please send your site information and description of your agency or company to [sitedevelopment@americantower.com](mailto:sitedevelopment@americantower.com)

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### Have A Question?

Call Us at 1-866-482-8890  
or Email Us

## Landowner Contact

Are you a landowner?  Yes, I am currently a Crown Cast

If you are a current Crown Castle Landowner, providing this information will help us identify your account.

Site Number:

Please provide the following information and we'll respond promptly. Fields marked with an asterisk are required.

First Name:

Last Name:

Company Name:

Address 1:

Address 2:

Address 3:

City / State:

Phone:

Fax:

Email:

Please have a representative call me under my current lease.

Best time to call:

How can we help?

**SUBMIT** 



Tower, Rooftop and Wireless Infrastructure Development (888) 973-SITE

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### Property Owners

#### Opportunity for Building and Tower Owners

[Request for Property Evaluation](#)

MCM will conduct a free evaluation of your existing building or communications tower in order to assess its potential and value as a host site for a wireless communications antenna. This evaluation will take into account the following criteria:

- Location
- Height
- Power supply
- Security
- Surrounding terrain
- Co-Location potential

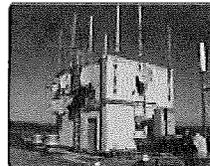
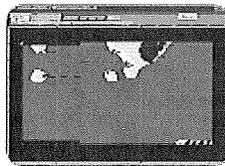
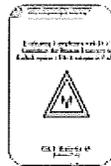
If the site meets certain basic requirements, we may conduct a detailed radio frequency propagation study in order to more accurately assess the location's broadcast characteristics. This study is an important part of presenting your building or tower to wireless carriers as a potential host site.

MCM will then market your site to its extensive carrier relationships, including preparing specifications, directions, site photos, radio frequency propagation maps and site descriptions. We will also determine the appropriate fees for the location of your site.

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## **Monetization of Municipal Cell Sites**

Staff attended a free webinar regarding Cell Tower sites. While most of the webinar was geared toward selling leases for a cash payment, there was plenty of useful information. The example of this that was used was if there is a 30 year lease(s) that generate \$10,000 monthly; they would provide cash payments of \$1.15 million to \$1.425 million in a lump sum or annual payments over five years. If you did the math, you would realize that the antenna lease is worth \$3.6 million over 30 years. Some cities have chosen to finance projects this way. The third party does absorb the risk of lease cancellation and promotes the site for future antenna growth but any additional revenue would likely be shared between the City and third party (AT Wireless). The termination clauses of the leases do heavily favor the companies leasing these sites.

Here is an overview of the history of sites and where it is at today:

- 1) First site built in 1984 for the Olympics in Los Angeles
- 2) Today there are over 250,000 cell tower sites
- 3) Carriers are constantly consolidating
- 4) Sprint/Nextell to decommission 20,000 of 60,000 sites they own (we have both- a Sprint and Sprint/Nextell antenna)
- 5) Blackdot is hired by carriers to try to renegotiate leases in favor of the carriers.
- 6) Due to the increased data capacity (smart phones); carriers often need to build fiber to cell sites.
- 7) Cell sites are getting lower to the ground (i.e. street light poles, etc).

Most importantly, they provided me with a list of companies that lease these sites. There are three categories:

- 1) Large – AT&T; Verizon; T-Mobil; Sprint/Nextell; US Cellular.
- 2) Niche – Metro PCS; Cricket; Clearwire
- 3) New – LightSquared; Next G.

I have already located a section on the T-Mobil website where you suggest tower sites. It says to check the area availability map prior to suggestion. It shows our area very well provided with coverage. However, it would not hurt to suggest our site:

[http://www.t-mobilrealestate.com/submitsite\\_one.php](http://www.t-mobilrealestate.com/submitsite_one.php)

I included the above link to show you what I'm referring to. It took me forever to find that section on their website and I have not been able to locate it on another company's yet. Ultimately, I think it would be wise to propose our site to all of the companies noted above. I personally do not want to unilaterally start proposing our site, but maybe this could be an agenda item for the Council to vote on. Please contact me if you think I should bring this forward.