CR18-60

June 25, 2018

To: His Worship the Mayor
And Members of City Council

Re: Finance and Administration Committee: Lease of City Property at 2950 Harding Street to Rogers Communications Inc.

RECOMMENDATION

RECOMMENDATION OF THE FINANCE AND ADMINISTRATION COMMITTEE - JUNE 13, 2018

1. That the lease of the City of Regina (City) owned property located at 2950 Harding Street (Appendix A) to Rogers Communications Inc. be approved.

2. That the Administration be authorized to finalize any other commercially relevant terms and conditions of the lease documents.

3. That the City Clerk be authorized to execute the Telecommunications Site Agreement documents upon review and approval by the City Solicitor.

FINANCE AND ADMINISTRATION COMMITTEE – JUNE 13, 2018

Allison Kaiser, representing Rogers Communications Inc., addressed the Committee.

The Committee adopted a resolution to concur in the recommendation contained in the report.

Recommendation #4 does not require City Council approval.

Councillors: Bob Hawkins (Chairperson), Sharron Bryce, Jason Mancinelli and Barbara Young were present during consideration of this report by the Finance and Administration Committee.

The Finance and Administration Committee, at its meeting held on June 13, 2018, considered the following report from the Administration:

RECOMMENDATION

1. That the lease of the City of Regina (City) owned property located at 2950 Harding Street (Appendix A) to Rogers Communications Inc. be approved.

2. That the Administration be authorized to finalize any other commercially relevant terms and conditions of the lease documents.

3. That the City Clerk be authorized to execute the Telecommunications Site Agreement documents upon review and approval by the City Solicitor.

4. That this report be forwarded to the June 25, 2018 meeting of City Council for approval after public notice has been advertised.

CONCLUSION

When considering the lease of City-owned land, typically lease agreements are only approved up to a maximum term of years as per *The Regina Administration Bylaw*. In this case, it is recommended that we approve a lease agreement for the proposed term of five years with three additional renewals of five years each, totalling twenty years. Leasing the land for this length of time requires City Council approval. The purpose of this report is to facilitate the lease of this property to Rogers Communications Inc.

BACKGROUND

The Real Estate Branch has been working with Rogers Communications Inc. to determine suitable lands for several cell towers within the City of Regina. Rogers Communications Inc. has recently approved four locations within the City of Regina for new cell towers.

City Council approval is required if: a lease term, including renewals, exceeds ten years; a lease is less-than-market-value; or if the property has not been publicly identified for lease. The proposed lease is for an initial term of 5 years with three additional options to renew for an additional five years each for a total of twenty years.

DISCUSSION

Rogers Communications Inc. approached the City of Regina Real Estate branch looking for suitable locations for several cell towers within the City of Regina. Upon review, there were several locations deemed suitable. After completing an internal circulation, five locations were short-listed. Rogers Communications Inc. has chosen four potential locations for cell towers based on their criteria.

This proposed site is located at 2950 Harding Street and will be installed directly beside the existing Saskatchewan Telecommunications tower. This location will be dependant upon Rogers being able to obtain suitable access to the property. The site will be a 10mx10m 3-Sector UMTS/LTE macro site with an approximate 35m high flush mounted monopole. The installation described will be engineered, constructed and maintained in accordance with Canadian Standards Association specification “S37-13 Antennas, Towers and Antenna-Supporting Structures”, as amended from time to time, for the protection of the general public respecting good engineering practices including structural adequacy. All drawings and final designs will be reviewed and stamped by a Consulting Engineer licensed by the Association of Professional Engineers & Geoscientists of Saskatchewan. The pole will not be engineered and designed until the land is acquired and the geotechnical work completed to assist in the design of the foundations and structure.

The operation of all radio frequency equipment in Canada is regulated by a Health Canada safety code called Safety Code 6 – Limit of Human Exposure to Radiofrequency Electromagnetic Fields. Rogers will install and operate this structure on an ongoing basis in compliance with Health Canada's Safety Code 6, as may be amended from time to time, for the protection of the general public including any combined effects of nearby installations within the local radio environment.

The structures are not usually lighted, but the site will need to meet any necessary aeronautical obstruction marking requirements including Transport Canada painting and/or lighting requests. Once the property is confirmed, the public will be consulted on the proposed installation based on Industry Canada Guidelines (CPC-2-0-03 Issue 5, effective July 15, 2014). A notice will be placed in the newspaper and notification package mailed to residents living within a radius of three times the height the tower. Each package is clearly marked referring to the proposed antenna system and residents have 30 days to provide comments. Upon a favorable consultation, Rogers must apply for any required permits before development can proceed.

The proposed Telecommunications Site Agreement has an initial term of five years with three renewal periods of an additional five years each. This would have a total term of twenty years. The agreement has been reviewed and approved by the City Solicitor. The lease rate is a set rate for the first five-year term with an automatic 10% increase upon each five-year renewal.

The terms and conditions of the proposed Telecommunications Site Agreement are as follows:

Subject Property:	10m x 10m site
Tenant:	Rogers Communications Inc. Communications Inc.
Leased Term:	Five years with three additional options to renew for an additional five years each for a total of twenty years.
Net Annual Lease Rate:	First five-year term is $20,000 per year. Second five-year term is $22,000 per year Third five-year term is $24,200 per year Fourth five-year term is $26,620 per year
Other Terms:	Lessee shall be responsible for GST and the annual property taxes. Conditional upon the approval of City Council and the terms and conditions contained within the Telecommunications Site Agreement.

RECOMMENDATION IMPLICATIONS

Financial Implications

The City will realize revenues from this site for up to the next twenty years (at which time a new agreement may be negotiated). Annual revenue will be $20,000 per year, increasing to $22,000 after five years, $24,200 after ten years and $26,620 for the remaining five years. All funds from this lease will be deposited into the Land Development Reserve.

Environmental Implications

Upon surrender of the premises, the tenant will be responsible to return the site to its previous condition, which will include the removal of all improvements and chattels.

Policy and/or Strategic Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

A copy of this report will be provided to Rogers Communications Inc.

DELEGATED AUTHORITY

The recommendations contained in the report require City Council approval.

Respectfully submitted,

FINANCE AND ADMINISTRATION COMMITTEE



Ashley Thompson, Secretary