



Staff Report for Committee of the Whole Meeting

Date of Meeting: November 6, 2019

Report Number: SRCM.19.13

Department: Office of the City Manager
Division: Strategy, Innovation and Engagement

Subject: **Small Cell Technology Agreement with Rogers Communications**

Purpose:

The purpose of the report is to seek Council's permission to enter into an agreement with Rogers Communications to install small cell technology on Richmond Hill owned streetlight poles, which will improve Richmond Hill's wireless connectivity in a number of neighbourhoods and provide a new revenue source for the municipality.

Recommendation(s):

- a) That the City Manager be authorized to negotiate and execute a licensing agreement with Rogers Communications, for the use of City-owned streetlight poles to install small-cell technology, including any and all documents and ancillary agreements required to give effect to same.
- b) That the revenue from the licensing agreement with Rogers Communications be directed to the Operating Fund.

Contact Person:

Azadeh Rashvand, Project Manager, Strategy, Innovation and Engagement

Report Approval:

Submitted by: Meeta Gandhi, Director of Strategy, Innovation and Engagement

Approved by: Neil Garbe, City Manager

Approved by: David Dexter, Director of Financial Services and Treasurer

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner and City Manager. Details of the reports approval are attached.

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Background:

In early 2019, Rogers Communications approached the City of Richmond Hill, regarding the potential for a mutually beneficial agreement to meet the increasing demand for wireless connectivity. The initiative would allow Rogers Communications to attach small cell antenna systems on City-owned streetlight poles to address weak signals in certain locations, thereby improving network quality and capacity throughout the city. Richmond Hill would gain a new revenue source for the use of its streetlight poles.

Currently the City of Richmond Hill has a policy in place for the review of applications by third parties to place cell towers/antennas on City-owned facilities. (Appendix B to SREIS.17.005). However, the policy does not cover small cell technologies, which are much smaller and lower powered than traditional cell towers/antennas. The type of small cell infrastructure Rogers is proposing would be installed on City-owned streetlight poles and is exempt from the public consultation requirements under the federally regulated process.

The small cell technology is small in footprint, and provides a solution that is low-powered and aesthetically designed (Appendix 1). The proposed equipment to be installed on City-owned light poles operates with lower transmission power compared to cell towers. This means, lower radio-frequency exposure that is hundreds of times below what Health Canada deems safe for public exposure (Safety Code 6 guidelines).

The small cell units will function separate from the streetlights, and will not be a hindrance to the maintenance of City-owned infrastructure. Therefore, from a maintenance point of view, the installation of small cells on city poles will not have any impact on day-to-day operations of the light standards.

Rogers Communications would like to introduce a cluster of outdoor small cell installations on around 40 street light poles in a number of different neighbourhoods to increase its wireless network in these areas (Appendix 2). Upon reaching an agreement with Rogers, we will develop a Communication Strategy to share relevant information with the public when required.

Revenue generation potential:

City staff met with Rogers Communications to better understand how the small cell technologies would be used in conjunction with existing City-owned streetlight poles and the resulting revenue opportunity. Rogers Communications established a similar agreement with the Towns of Aurora and Uxbridge. The Town of Aurora's existing agreement includes a set fee of \$750 per year, per location, as well as a one-time application fee of \$500 per location. Upon Council approval, staff will negotiate a fee structure with Rogers that is aligned with the rates applied in nearby municipalities. The fee structure will apply to the 40 street light poles that Rogers is considering.

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The length of the agreement with Rogers Communications is proposed to be twenty years with options of two (2) additional five-year extension periods. The annual rates will also be proposed to increase by 3% starting in year two of the agreement.

Connectivity and future capabilities:

Strong communication networks are the backbone of today's digital services. Citizens choose where to live and work based on infrastructure, services, and employment prospects – all of which require world-leading networks. Data traffic is expected to double every year and further technology innovations will only drive further demand for high quality networks. Integrating small cell technology using existing City-owned infrastructure will support growing coverage and capacity requirements without the need for traditional cellular towers. Richmond Hill anticipates that the demand for locations for small cell technology will continue to grow and entering into an agreement with Rogers will position the City to expand the small cell network with Rogers and potentially other cellular providers. In fact, Bell has already installed small cell units on Alectra-owned utility poles in Richmond Hill at the corner of Elgin Mills Road and Leslie Street (Appendix 1).

The small cell technology agreement will significantly improve wireless service within these communities, generating new revenue and better positioning Richmond Hill for future innovation opportunities and support for its business base.

Financial/Staffing/Other Implications:

Entering into an agreement with Rogers Communications for the use of Richmond Hill's streetlight poles will result in a new revenue source for Richmond Hill. It is anticipated that revenue would include a one-time application fee per pole, plus an additional annual fee per pole, which will cover any hydro use of the equipment.

The proceeds of the streetlight pole agreement with Rogers Communications would be put into the Operating Fund.

The alternative option would be not to pursue the project at this time.

Relationship to the Strategic Plan:

The proposed small cell technology agreement with Rogers Communications supports three of the Strategic Plan goals of Stronger Connections, Better Choice and a More Vibrant Richmond Hill. The goal of Stronger Connections is supported by leveraging technology to improve community connections. Through creating better wireless connections, Richmond Hill would pave the way to provide better options for business in Richmond Hill by understanding and supporting the requirements of businesses. It also supports the goal of a More Vibrant Richmond Hill by looking to the future and initiating change through leadership, collaboration, and innovation.

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Conclusion:

Rogers Communications is seeking municipal partners in York Region and across Ontario to begin rolling out their new small cell technologies. Staff would like to take advantage of this opportunity to enter into an agreement with Rogers Communications while generating a new revenue source for Richmond Hill.

Rogers Communications have identified priority locations small cell technology, attaching units to City-owned streetlight poles in a number of neighbourhoods. For residents, this will help meet the exponentially increasing demand for wireless connectivity.

In addition to financial, there are multiple benefits covering corporate, community, and economic development. This project has the potential to generate revenue on an annual basis per installation, as well as additional application fees.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format please call contact person listed in this document.

- Appendix 1: Photos of small cell technology in other communities including Richmond Hill
- Appendix 2: Proposed neighbourhoods in Richmond Hill

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Report Approval Details

Document Title:	SRCM.19.13 - Small Cell Technology Agreement with Rogers Communications_Oct22.docx
Attachments:	- Appendix 1_Small Cell Technology Photos In Other Communities.pdf - Appendix 2_Proposed locations in Richmond Hill.pdf
Final Approval Date:	Oct 23, 2019

This report and all of its attachments were approved and signed as outlined below:

Meeta Gandhi - Oct 23, 2019 - 10:02 AM

David Dexter - Oct 23, 2019 - 10:35 AM

Neil Garbe - Oct 23, 2019 - 10:42 AM