

# STAFF REPORT

TO: Committee of the Whole MEETING: September 4, 2018

FROM: Mike Moody FILE: 2240-20-ROW

Manager of Information Technology

and Geographic Information

Systems

**SUBJECT:** Rogers Cell Tower Right of Way Agreement

#### RECOMMENDATION

That the Board approve the offer from Rogers Communications Inc. of \$13,860 per year for the 2018 – 2023 term (which includes a renewal option of five years from June 1, 2023 to May 31, 2028) and to allow two additional renewal options of five years, commencing June 1, 2028 – May 31, 2033 and June 1, 2033 – May 31, 2038.

## **SUMMARY**

The Regional District of Nanaimo (RDN) has had a Statutory Right of Way Agreement with Rogers for a cell tower situated on RDN property at 6300 Hammond Bay Road since 2003. In 2014, the RDN and Rogers signed a new agreement for \$12,600 per year for the 2013 – 2018 term. The agreement also added a fourth renewal term of five years commencing June 1, 2023 and ending May 31, 2028.

Rogers has offered a new five-year contract renewal rate of \$13,860 per year for the term June 1, 2018 – May 31, 2023. This rate is a 10% increase over the previous contract rate paid from 2013 – 2018. Rogers has also requested to add two five-year renewal options, commencing June 1, 2028 to May 31, 2033 (the fifth renewal term) and June 1, 2033 to May 21, 2038 (the sixth renewal term).

# **BACKGROUND**

The RDN and Rogers have had a positive business relationship since 2003 and a continuance of this Statutory Right of Way Agreement with the addition of two five-year term extensions is recommended.

The RDN has had a Statutory Right of Way Agreement with Rogers for a cell tower situated on RDN property at 6300 Hammond Bay Rd., Nanaimo since 2003. In 2014, the RDN and Rogers signed a new agreement which added a Fourth Renewal Term of five years commencing June 1, 2023 and ending May 31, 2028. The five-year agreement period of June 1, 2013 – May 31, 2018 has been paid at \$12,600 per year.

A comparative analysis was conducted of 4 other towers on Vancouver Island, the City of Nanaimo (2 towers), the Comox Valley Regional District (1 tower) and the Cowichan Valley Regional District (1 tower) which puts the Rogers tower rate offered to the RDN within prevailing market rates.

Cowichan Valley Regional District	\$4,827	Single tenant (Central Island 911)
City of Nanaimo Ice Centre	\$10,500	Single tenant (TELUS)
Regional District of Nanaimo	\$13,860	Single tenant (Rogers)
Comox Valley Regional District	\$26,000	Multiple tenants (2)
City of Nanaimo College Heights	\$31,900	Multiple tenants (2)

## **ALTERNATIVES**

- 1. To accept the offer from Rogers Communications Inc. of \$13,860 per year for the 2018 2023 term and to allow two additional five-year extensions commencing June 1, 2028 for the Statutory Right of Way Agreement.
- 2. To not accept the new Rogers Communications Inc. offer for the 2018 2023 term and attempt to negotiate a better rate.

## FINANCIAL IMPLICATIONS

Alternative 1 From 2018 – 2023, the yearly income would be \$13,860 for the Rogers Cell Tower under the Statutory Right of Way Agreement.

All subsequent renewal options shall be the greater of Consumer Price Index adjustments – All Items for British Columbia or 10% for each renewal option.

Alternative 2 From 2018 – 2023 the yearly income would be contingent on an alternately negotiated rate.

### STRATEGIC PLAN IMPLICATIONS

This Statutory Right of Way Agreement aligns with the RDN Strategic Plan key focus area "Focus on Economic Health", specifically by supporting technology based industries. Allowing for the continuance of wireless telecommunications infrastructure to ensure wireless device users are well served in our region creates economic opportunities for individuals and businesses.

Mike Moody

mrmoody@rdn.bc.ca

July 27, 2018 Reviewed by:

- D. Wells, General Manager, Corporate Services
- P. Carlyle, Chief Administrative Officer