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TELECOMMUNICATIONS STRUCTURE LICENSE AGREEMENTS 1ST ANNUAL STATUS REPORT (JANUARY 1 – DECEMBER 31, 2009)

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report dated January 8, 2010, from the Regional Solicitor.

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

The purpose of this report is to inform Regional Council as to (a) the number of telecommunications licenses granted in 2009; and (b) license revenue realized in 2009.

3. BACKGROUND

14 Licensees Maintain Antennas at 25 Region Owned Sites

Telecommunications structures are installed at the 25 Region owned sites. Please refer to Private *Attachment 1* for more information. The Region has 43 license agreements with 14 licensees. Please refer to Private *Attachment 2* for more information. Each licensee, with the exception of York Regional Police, local area municipalities, government agencies and non-profits, pay the Region annual fees for the privilege of operating its telecommunications equipment upon Regional property.

New Fee Structure and Annual Reporting Requirement

At its meeting of January 22, 2009 Regional Council amended the Regional policy entitled "Communications Installations on Regional Property" (the "**Policy**") by adopting an amended fee structure applicable to licenses granted in 2009 and subsequent years (the "**Amended Fee Structure**"). The Policy did not amend the fee structure applicable to licenses granted before 2009 which licenses continue to be subject to the fees set out in each particular agreement (the "**Old Fee Structure**"). Accordingly, the Region currently administers 2 different fee structures.

The Policy was also amended to require the Regional Solicitor to report in the first quarter of each year on the status of license agreements for the previous calendar year.

This is the first annual report required by the Policy.

4. ANALYSIS AND OPTIONS

2009 Revenue of $432,025.89

In 2009 the Region realized license revenue of $432,025.89 against billings of $447,539.07. As of January 7, 2010, only one licensee was in arrears in the amount of $15,513.00 which amount represents less than 6% of that particular licensee’s annual billings. The licensee has committed to pay its arrears by the end of January, 2010.

No New Licenses Granted in 2009

The Region did not grant any new licenses in 2009. License fees billed, and revenue realized, in 2009 are in respect of licenses granted on or before December 31, 2008 to which the Old Fee Structure applies. Accordingly, no licensee is presently paying fees under the Amended Fee Structure.

2010 Fee Structure

(a) Licenses Granted in 2010

The Policy requires that the annual license fees set out in the Amended Fee Structure are subject to a 5% annual increase. Application Fees on the other hand remain fixed at $2,000.00 for 2010 and subsequent years.

Any license granted in 2010 shall be subject to the following Amended Fee Structure:

Fee Description:	2010 Fee:
• Annual License Fee per telecommunications site	$ 10,500.00
• Annual License Fee per antenna	$ 672.00
• Application Fee for new installations, and for modification to existing installations	$ 2,000.00

(b) Licenses Granted before 2009

Licenses granted on or before December 31, 2008 continue to be subject to the terms and provisions of the applicable license agreement. License fees are calculated in accordance with the Old Fee Structure.

(c) New Fee Structure Applies to License renewals

Three revenue generating licenses will expire in 2010. In the event that the licensee wishes to renew, the Policy requires that the Amended Fee Structure shall apply to the renewal term.

5. FINANCIAL IMPLICATIONS

The grant of licenses for the operation of telecommunication structures is a cost recoverable Regional undertaking.

Licensees are responsible for all operating and maintenance costs. The Region only incurs nominal staff expenses relative to the administration of the program. These expenses have not been quantified.

6. LOCAL MUNICIPAL IMPACT

There is no local municipal impact. The Policy exempts local municipalities from the payment of license fees.

7. CONCLUSION

The grant of licenses for the operation of telecommunication structures continues to be a cost recoverable Regional undertaking. This report was prepared by Legal Services in consultation with Environmental Services and Property Services.

For more information on this report, please contact Dean Horner, Senior Counsel at Ext.1408.

The Senior Management Group has reviewed this report.