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# TELECOMMUNICATIONS STRUCTURE LICENSE AGREEMENTS ANNUAL STATUS REPORT - 2010

**The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report dated February 22, 2011, from the Regional Solicitor.**

## 1. RECOMMENDATION

It is recommended that Council receive this report for information.

## 2. PURPOSE

This report informs Regional Council of (a) the number of telecommunications licenses granted in 2010; and (b) license revenue realized in 2010. It is submitted in accordance with the requirements of the Communications Installations on Regional Property Policy.

The attachments to this report are private because their subject matter relates to the security of the property of both the Region and The Regional Municipality of York Police Services Board.

## 3. BACKGROUND

### 15 Licensees Maintain Antennas at 27 Region Owned Sites

The Region realizes revenue by granting telecommunications companies and other telecom users licenses to install telecommunications equipment (primarily antennae and related equipment) at 27 Region owned sites (see *Private Attachment 1* for more information). Each telecommunications license is granted subject to the terms and conditions set out in the Regional policy entitled “Communications Installations on Regional Property” (the “**Policy**”). The Region currently has 52 license agreements with 15 different licensees (see *Private Attachment 2).* 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.

### A New Fee Structure and Annual Reporting Requirement was introduced in 2009

At its meeting of January 22, 2009 Regional Council amended the Regional policy entitled "Communications Installations on Regional Property" 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 second annual report required by the Policy.

### Fees charged by other municipalities

Prior to implementing the Policy and the Amended Fee Structure the Region retained the services of View Communications Inc. to research and provide market pricing for telecommunication tower rentals in the Greater Toronto Area. Information gathered regarding fees charged by other municipalities in and around the GTA indicated that the Region's practice of charging licensees both a site fee, and a fee per antenna, results in aggregate license fees that are comparable to that of other GTA municipalities (see *Private Attachment3).*

## 4. ANALYSIS AND OPTIONS

### 2010 Revenue of $634,881.81

In 2010, the Region realized license revenue of $516,469.81 and had $118,412.00 outstanding at December 31, 2010. This represents a 41.9% increase in revenue against 2009 revenue of $447,539.07.

Outstanding amounts have been billed and payment is expected by the end of February.

### New Licenses Granted in 2010

The Region has granted 9 new licenses in 2010 resulting in $161,556.00 of new revenue.

### 2011 Fee Structure

### (a) Licenses Granted in 2011

The Policy requires that the annual license fees set out in the Region's Fee Structure are subject to a 5% annual increase. Application Fees on the other hand remain fixed at $2,000.00 for 2011 and subsequent years.

**Any license granted in 2011 shall be subject to the following Fee Structure:**

**Table 1**
Fee Structure

| Fee Description | 2011 Fee |
|---|---|
| Annual License Fee per telecommunications site | $11,025.00 |
| Annual License Fee per antenna | $ 706.00 |
| Application Fee for new installations, and for modification to existing installations | $ 2,000.00 |

### (b) New Fee Structure Applies to License renewals

14 revenue generating licenses will expire in 2011. In the event that the licensee wishes to renew, the Policy requires that the Fee Structure noted above shall apply to the renewal term.

### (c) 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.

## 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.

## 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.