

Memorandum



DATE October 23, 2015

TO Honorable Members of the Quality of Life & Environment Committee: Sandy Greyson (Chair),
Tiffinni A. Young (Vice Chair), Rickey D. Callahan, Mark Clayton, Philip T. Kingston, B. Adam McGough

SUBJECT **Small Cell & Distributed Antenna Systems License Agreements with the City of Dallas**

This memo is to provide additional information relating to (1) recent license requests to construct small cell networks including the installation of antennas and fiber in the City's right-of-way; and (2) related license fees pursuant to Section 43-115 of the Dallas City Code.

Crown Castle – 38 Antennas

In April of 2015, Crown Castle submitted a license application to install 13 small cell antennas (antennas) in the public-right-of-way within the CBD. This request was routed to applicable departments for review and approval, and subsequently placed on hold until engineering plans on each location were provided. Crown Castle provided these plans in May 2015 for 12 of the 13 locations.

In July 2015, Crown Castle submitted a license request for the installation of 26 antennas in the public right-of-way located within the CBD. This request along with the appropriate plans for each location was submitted to the appropriate departments for review and approval.

In August 2015, Crown Castle submitted an amended license request to the previous requests submitted which included the identification of several different locations to form a final list of 38 small cell antennas to be installed in the City's right-of-way within the CBD. Crown Castle is proposing to install 27 antennas on Oncor poles and 11 antennas on City owned street lights.

During the review period of the final 38, staff discovered that Crown Castle failed to show their fiber connections for their small cell network. This information was subsequently requested in which final review took place after the Quality of Life Committee held in September 2015. At the time of the briefing staff did not realize the magnitude of the fiber installation which includes 7.5 miles or 39,840 l.f. of fiber to be installed in the right-of-way within the CBD. Of this, 2.78 miles could require street cuts.

Under city code, and as advised by the CAO, Crown Castle is required to pay license fees for their fiber installation. There are currently 97 licenses billed to other entities annually for the subsurface use of the right-of-way for cable/fiber optic lines installations.

AT&T – 95 Antennas

In November 2014, AT&T submitted a license request to install 95 Antennas in the public right-of-way (32 – near Mockingbird/Santa Barbara, 27 – near Preston/ Walnut Hill, 36 – near Royal/Inwood). This request was routed to applicable departments for review and approval, and subsequently placed on hold until engineering plans on each location were provided. AT&T has provided plans on 12 of the 95 locations. Each of the above license applications are subject to the City's new small cell guidelines, pole owner approval as well as payment of applicable license fees for the use of the right-of-way.

License Fees

Section 43-115 of the Dallas City Code provides for a \$1,000 annual license fee to use the public right-of-way for uses other than those listed in Subsection (a) or is calculated in accordance with one of the following formulas, whichever is greater:

- (1) Fee for use of public right-of-way: area X market value X 85% X 12%.
- (2) Fee for subsurface use only: area X market value X 30% X 12%.
- (3) Fee for air rights use only (including awnings and canopies with a premise sign as defined in Section 51A-7.102(28) of the Dallas City Code): area X market value X 85% X 85% X 12%.

Antennas and fiber installation are not specified uses provided for in the City Code; therefore such uses would be calculated based on the formulas above.

Please feel free to contact me should you need additional information.



Ryan S. Evans
First Assistant City Manager

c: Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Eric D. Campbell, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council