



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: APRIL 17, 2018
DEPARTMENT: OFFICE OF THE CITY MANAGER
FROM: ANDREW MYRICK, ECONOMIC DEVELOPMENT MANAGER
TITLE: POLICY TO LEASE CITY FACILITIES FOR WIRELESS TELECOMMUNICATIONS FACILITIES

RECOMMENDED MOTION:

Approve the Resolution establishing a new policy for leasing City facilities for wireless telecommunications facilities.

RECOMMENDATION:

Staff recommends that the Council approve the attached Resolution, which would establish the parameters around which staff would negotiate with wireless telecommunications providers for the use of facilities owned or controlled by the City of Salinas.

EXECUTIVE SUMMARY:

The deployment of 5G networks will require the installation of hundreds of new antennas throughout the City. This could be accomplished most easily by allowing the installation to occur on City property. This Policy provides for a Master Lease Agreement to lease all City facilities for wireless telecommunications facilities, and provides guidance and direction to staff regarding the negotiation of these agreements.

BACKGROUND:

The Wireless Telecommunications Network

Devices making use of wireless telecommunications networks have proliferated in recent years and are now a part of everyday life. Most urban areas, including the entirety of the City of Salinas, are now served by one or more of these networks. To support these networks, the companies that provide them maintain antennas, dishes, and other equipment (referred to generically as “wireless telecommunications facilities” throughout this report) to broadcast and transmit signals. In Salinas, these are most evident by the towers located throughout the City, with additional support provided by building-mounted antennas. Most newer antennas are required to utilize some feature to minimize visual impacts created by these facilities (these facilities are known as “stealth” facilities).

Over time, networks have continued to evolve. The capabilities of a network are often referred to by the “generation” of technology. First-generation technology (1G) was an analog technology developed in the 1980’s, and was only used for voice communications. New generations have also included the transmittal of data, and a new generation has been developed roughly every ten years since the early 1990’s – most recently, 4G was developed in approximately 2010. 5G is estimated to be commercially available around 2020, and is expected to boast speeds significantly faster than 4G (estimates range from 10x to 1,000x faster). Furthermore, 5G will have the capacity to handle far more devices, meaning that the deployment of a 5G network is necessary in order to take full advantage of the internet of things, and may be critical to the adoption of devices such as self-driving cars on a large scale, remote medical procedures, establishing networks to monitor and prevent crime, and allow for the efficient use of resources such as electricity and water.

A key difference between a 4G and a 5G network’s physical infrastructure is the reliance on “small cell” antennas throughout a service area. While 4G service can be reasonably achieved through the use of towers, optimizing 4G coverage and implementing 5G requires the installation of much lower facilities that relay back to a tower. These “small cell” antennas can be mounted upon buildings, streetlights, utility poles, buildings, or many other structures.

In order to establish a 5G network, many small cell antennas will need to be placed throughout a service area – estimates for the distance between antennas vary, but will likely be between 300 and 1,000 feet. As each carrier would need to construct their own network, the proliferation of antennas throughout the United States is expected to increase exponentially over the next few years.

The installation of small cells has been gaining greater attention over the past year. Many cities throughout the State have been adopting higher leasing fees in order to obtain additional revenue from the deployment of these antennas. In addition, many cities have established or maintained prohibitions on the installation of these antennas on City property. In response, the legislature in 2017 passed SB 649, which would have capped the allowable rent at \$250 per facility, and would have removed local discretion to prohibit small cells on City property. Although SB 649 was vetoed by Governor Brown, it is worth noting that 16 other states have similar legislation, and that the State and Federal governments will likely take an interest in this topic in the near future.

In addition to the 5G network, other wireless network technologies are being developed. One example is a “low-power device” network, which is designed to serve devices which have very low power needs, such as remote sensors in an agricultural field, at a lower cost. Other network technologies may become available over the ensuing years; this policy would apply to any proposal for a wireless device network on City property, regardless of the exact technology utilized.

City of Salinas Permitting Process

Wireless Telecommunications Facilities are currently regulated by the City of Salinas, although the nature of that regulation varies depending on where the facility is located:

- On private property, facilities are subject to the requirements of the Zoning and Building Codes. Depending on the location and type of facility, this may require approval of a Conditional Use Permit, or may be a permitted use. Use of stealth is generally required.
- Within the right-of-way, facilities are considered in accordance with Resolution 20810 (adopted July 2015), which establishes requirements for wireless telecommunications facilities installed in the right-of-way. Underground fiber installation is regulated by the City's "Dig Once" Policy, adopted in November 2016. In general, the facilities are required to obtain an Encroachment and/or Building Permit, depending on the location and type of facility.
- For other publically-owned facilities not located in the right-of-way, the City has not developed a specific policy or requirements for the installation of antennas.

To date, wireless telecommunications facilities have been handled on an ad hoc basis, with the City responding to requests for individual antennas. However, given that a 5G network could require the deployment of hundreds of antennas, it would be very cumbersome both for the providers as well as staff to attempt to lease these facilities on a case-by-case basis utilizing our current processes.

ANALYSIS:

The Attached Resolution includes a new City Policy relating to the leasing of City owned or controlled facilities. This Policy attempts to address these challenges by establishing that all carriers shall enter into a Master Lease Agreement with the City for the use of City facilities. These leases would be negotiated between the City and each wireless service provider. Furthermore, a key component of any negotiation is for staff to understand the priorities established by the City Council. Based upon past statements and actions, the Policy directs staff to negotiate Master Lease Agreements based upon the following principles:

- 1) Promote Network Development to Enhance Community Quality of Life and Economic Development

Access to Wireless Telecommunications Networks is fast becoming a defining characteristic for regions which wish to remain competitive and desirable places to live, play, and work. Although faster streaming of videos would be a positive benefit of faster internet speeds, access to the internet not only provides entertainment to residents, but also information and social networks. This information enables residents to find jobs; communicate via email, text, or video chat; and learn new skills via webinars. Many emerging technologies, such as self-driving cars and other connected devices such as thermostats and home security systems, will require the deployment of more robust networks to operate at scale. Furthermore, businesses are finding that access to high-speed networks are a necessity to remain competitive.

This Policy recognizes that the City should encourage the development of comprehensive, robust, and diverse wireless telecommunications networks throughout the City. To that end, these networks will be developed pursuant to a Master Lease Agreement for the entire City. Particularly for requests involving multiple facilities, this will streamline the permitting process by conducting blanket design reviews, allowing the use of templates that would be applicable across multiple

facilities, and tying permit issuance to the already agreed-upon components of the Master Lease Agreement. Although this will result in some additional up-front time and costs, it will save time over the development of the network, particularly for larger projects, and will reduce uncertainty as the network is deployed.

2) Preserve Community Safety and Comfort

While having a network includes many positive benefits for the residents, those benefits should not be a trade-off for their comfort and safety. Therefore, this Policy mandates design standards for all new facilities, and requires that the Master Lease Agreement include design templates for designs that the City agrees would minimize the visual impacts of any new facilities. It will be up to City staff to determine whether an individual proposed design is acceptable.

In addition, the City has instituted a “Dig Once” policy, which is designed to minimize traffic delays and the creation of unsightly trench scars or boreholes in streets and sidewalks. Therefore, this Policy provides that, as a condition of a lease, City-owned conduit must be installed in any trench used to install fiber, so that this conduit may be leased out to future telecommunications providers. Future excavations are prohibited for a five-year period. Other methods of fiber installation are restricted (above ground will only be permitted where there are existing power lines, and must be moved underground if those lines are moved underground). The Master Lease Agreements will maximize efficiencies as fiber and conduit are installed by providing City staff with the “complete picture” of installations around the City.

With regards to safety, many California residents have expressed concern regarding the growing levels of electromagnetic radiation in the world around us, particularly in urban environments. Notwithstanding this debate, the Federal Communications Commission (FCC) has established levels that are deemed safe, and it is not within the authority of a municipal government to establish more stringent regulations. However, the City may require that levels comply with FCC requirements, and require that sites be regularly monitored to ensure that sites remain compliant, as a condition of our acceptance of their use. The policy requires ongoing monitoring.

3) Distribute These Networks Equitably to All Residents

The City has dedicated itself to the principal of “equity,” meaning that all residents should be able to access these services, regardless of their geographic location. More and more, high-speed internet access is becoming an essential “utility” that can have significant impacts on a jurisdiction. To this end, this Policy includes provisions that require, as a condition of lease approval, that any proposed networks provide access throughout the City. Further, other provisions that would facilitate access to the network by all of the City’s residents may be included, by mutual agreement, in the Master Lease Agreement.

A Master Lease Agreement, once finalized, would be brought to the City Council for approval. Once approved, all permits consistent with the Master Lease Agreement could be expedited without the need for a comprehensive individual review. This would enable to City to handle the addition of dozens or hundreds of new antennas in an orderly fashion.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

This initiative promotes the Council’s strategic goals of Economic Development and Prosperity, Well-Planned City and Excellent Infrastructure, and Quality of Life.

FISCAL AND SUSTAINABILITY IMPACT:

This Policy is expected to have a neutral or positive fiscal impact on the General Fund. Although maximizing lease revenue is not one of the identified priorities, the City would still expect to receive some leasing revenues from a Master Lease Agreement. Furthermore, resources spent processing permit applications would be covered by fees. Some Enterprise Funds could also see additional leasing revenues, depending on the location of the leased facilities.

ATTACHMENTS:

Proposed Resolution