

#### STAFF REPORT

# **TOWN COUNCIL MEETING OF APRIL 9, 2013**

To:

**Town Council** 

From:

**Town Manager** 

Date:

March 15, 2013

Subject: Representation Agreement with Communication Management Associates, Inc. (CMA)

#### **RECOMMENDATION:**

Hear presentation, discuss and direct staff.

#### **DISCUSSION/BACKGROUND:**

In February, staff and the Mayor met with representatives of Communication Management Associates, Inc. (CMA) to hear a proposal from CMA to represent the Town in seeking leases with carriers (such as AT&T or Verizon) to utilize existing and future Town assets (traffic signals, street lights, property) to install small antennas for wireless communications, Distributed Antenna Systems (DAS), and microcells for 4G connectivity.

The objective of this agreement is to accomplish three key goals:

- 1) Find revenue opportunities within the Town using existing assets
- 2) Find cost savings using 4G wireless technology and infrastructure
- 3) Find potential opportunities to fund future infrastructure needs such as street lights

#### Revenue opportunities:

It has been reported that the wireless carriers will need more towers to keep up with demand of smart phones and other wireless devices in the near future. The typical approach for addressing this is to add more towers; however, this proposal by CMA incorporates using smaller inconspicuous antennas to supplement the need for more towers. The way this would be accomplished is that the town would allow assets like light post or poles under 35 feet to support the smaller antennas. The town would then recognize lease revenue much like we would see with the traditional towers. Although this lease revenue would be much lower per

site than a typical land lease for a tower, there would be a need for many of these sites thus producing revenue that may be greater than the typical tower. Loomis could utilize Town real estate by the railroads, street right of ways, and parks.

CMA has advised that currently there are at least six carriers who could potentially participate in this program. It is possible for multiple carriers to share the same antenna. It should be noted that some carriers will specifically request their own spot; however, CMA will advise the town on the technical feasibility as well as the practical aspect of allowing individual sites.

The goal is to utilize CMA to develop a long-term strategy for addressing the wireless needs of our constituents and the town as a whole. By engaging this process today the Town stands to benefit over the next 3 to 5 years as wireless continues to become an intricate part of everyday life. By our efforts of getting involved today we can ensure that the town is fully engaged in the development of this technology. This also includes engaging our schools as their wireless data needs will increase as well. Virtually every high school student today has a smart phone and tomorrow tablets may be replacing textbooks.

CMA has assured us that there will be no capital requirements from Loomis or any expenses related to CMA for this program. The only expenses that potentially could arise would be for developing a site for lease which would be offset by incoming revenue and may be paid for by the carrier. It is CMA's intent to provide access to any carrier or wireless data provider provided they meet FCC requirements and have been fully vetted by CMA as a legitimate operation. All site locations and vendors will be ultimately approved by someone within the Town such as myself (Town Manager) or my designee.

The revenue is still to be determined in actual dollars; however, if we choose not to adopt this program we know that there will be no revenue of this type in the future, unless the Town actively markets our assets. Again, the Town has been assured that there will be no expenses associated with adopting this program under CMA's plan.

CMA has proposed the attached contract for the Town to enter into. Town Legal Counsel and I have reviewed the draft agreement and have some concerns with it as written, such as the non-compete provision for Town assets. I have been assured by CMA that the provisions of the agreement are open for negotiation. Should the Town Council direct staff to continue to pursue an agreement with CMA, staff intends to place a revised agreement on the May Town Council consent agenda for approval.

#### CEQA:

The proposed participation agreement is exempt from CEQA.

# FINANCIAL IMPLICATIONS:

There is no financial impact to the Town at this time. There is a potential for revenue through future lease agreements should the Town enter into an agreement with CMA.

Attachments:

CMA Draft Agreement CMA Presentation



#### SOLE SOURCE REPRESENTATION AGREEMENT

This agreement entered into as of \_\_\_\_\_\_, 2013, by and between Town of Loomis, CA a Municipality organized and existing under the laws of the State of California (hereinafter referred to as Town, and Communication Management Associates, Inc., (hereinafter referred to as CMA).

WHEREAS, The Town is a Municipality which owns certain properties and Rights of Way that can be utilized for wireless communication infrastructure; and

WHEREAS, The Town and CMA desire to enter into a relationship, whereby CMA will promote the lease of these Municipal properties by Wireless Communications companies and others in the geographical areas hereinafter described, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, for good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, it is mutually agreed upon as follows:

#### 1. TERRITORY

CMA will market, lease and manage wireless sites and infrastructure including DAS (Distributed Antennas Systems), Micro Cell and Wi-Fi networks on properties as described by the municipality. (See attached).

See Attachment "A"

## 2. DUTIES OF CMA

CMA will use its best efforts to market, lease and manage the construction and maintenance of wireless sites and infrastructure including DAS/Micro Cells and Wi-Fi networks.

See Attachment "B"

#### 3. FINANCIAL CONSIDERATION

Subject to the terms and conditions of this and contracts to be signed be negotiated and executed subsequently, The Town will receive 60% of all lease/license payments for the properties leased/licensed via the sole source management agreement.

#### 4. ARBITRATION

This agreement is governed by the laws of the State of California.

#### 5. TERMINATION

This agreement is valid for three (5) years from date of execution and will automatically renew unless stated otherwise in writing 30 days before termination date. It can be terminated by either party if the other party is in Material breach of the agreement.

6.	TIME	OF	COMPL	ÆTION

The services to be rendered under this agreement shall be commenced on or about 20	2013
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#### 7. RIGHT OF FIRST REFUSAL

At the conclusion of this agreement, and in the event that the Town is offered similar products or services from a third party, the Town shall give Right of First Refusal to Contractor on the same terms and conditions at least 90 days prior to the terms hereof. .

#### 8. NONCOMPETE COVENANT

For a period of three (3) years after the effective date of this agreement, the Town will not directly or indirectly engage in any business that competes with the Contractor. This covenant shall apply to the entire geographical area that includes the Town. Prior to the expiration of or termination of this agreement, no action by the Town, including entering into any agreement to engage in any similar 4G program with any competitor to the Contractor or any Carrier, shall interfere with the Contractor's Access Right or ability to realize revenues with respect to any existing agreements between the Contractor and the Carriers, and the Town shall indemnify the Contractor against any loss of expected revenues over the term of this agreement arising from the loss of the Access Right or the termination of this agreement

#### 9. INDEMNITY AND SAVE HARMLESS AGREEMENT

The Contractor agrees to indemnify and save its employees and representatives. The Town agrees to indemnify and save the Town, its officers, agents and employees from any liability arising from the negligence, active or passive, of the Town its officers, agents and/or employees related to this agreement.

#### 10. ENTIRE AGREEMENT

This Agreement embodies the entire agreement between the parties hereto, and there are no verbal or collateral agreements between them. All preliminary negotiations, representation and discussions are deemed merged herein. This Sales Representative Agreement may be altered or modified only in writing and signed by all parties hereto.

IN WITNESS WHEREOF, the parties have executed this As first written.	greement in, on the date and year above
Town of Loomis, GA	CMA, Inc.
By:	Ву:
Title:	Title:
WITNESS	WITNESS

## Attachment "B"

#### Scope of Work

#### CMA will perform the following task:

- ✓ Conduct an inventory of assets belonging to the municipalities. This shall include defining their latitude, longitude, and elevations.
- ✓ Determine which of the assets can support attachments for micro-towers and/or DAS systems to be used by the carriers for the development of the 4G model.
- Locate all known fiber routes both underground and aerial. Along with the route define if the fibers are lit and dark and where the termination facility is located. The development of this overlay will establish the best method and location of both the microtowers and/or DAS.
- Once assets and facilities are determined CMA shall actively market the municipal assets to wireless carriers, broadband access carriers, and fixed wireless carriers. It will take an aggressive and creative campaign program to persuade carriers to choose municipal assets over that of the private sector.
- ✓ Once the carrier has expressed interest in a given area CMA will provide a detailed engineering plan for the deployment of a 4G deployment.
- ✓ Upon the carriers' review CMA will refine the design for final evaluation.
- CMA will then engage the appropriate Town officials/and engineers to review the design and plans for final approval of deployment.
- ✓ The CMA team will then supervise the installation to ensure that it is done according to specifications and design as approved by the municipal entity.
- ✓ Once all installations are complete CMA will then inspect and certify installations have been done according to standards and code.
- ✓ CMA will then provide the municipality detail records and asset listings of all wireless assets.
- ✓ CMA will establish the appropriate billing and collections for the aforementioned assets sites.
- ✓ CMA will conduct quarterly reviews of all sites and continue to market to other carriers for additional revenue opportunities.
- CMA will provide the municipality quarterly reports and provide funds to appropriate accounts. CMA will fully comply with external audits on a yearly basis.

## <u>Definitions:</u> DAS – stands for Distributed Antenna System.

Micro Towers – Is an antenna system that is much smaller than traditional systems and is not required to be mounted on a tower.



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# CMA, Inc Partnership with Town of Loomis, CA

Wireless
Communications
Program

# CMA, Inc As Wireless Program Manager For Town of Loomis, CA

Presented by: Paul Reynolds, President





CMA, Inc. is an Infrastructure Solution's Company designed to produce revenue for local and state governments by creating solutions that provides a new viable revenue stream or operational solutions for public infrastructure.

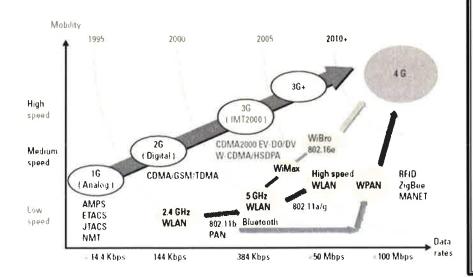
At CMA, we believe that Cities and Towns are well positioned to advance the next generation of wireless communications. As 4G is developed, the number of towers will need to quadruple by 2015 to meet demand, however, we believe that there may be a simpler and more efficient method of accomplishing this task.

The strategy: To use Micro Towers in lieu of traditional towers for 4G connectivity.





# Evolution of 4G



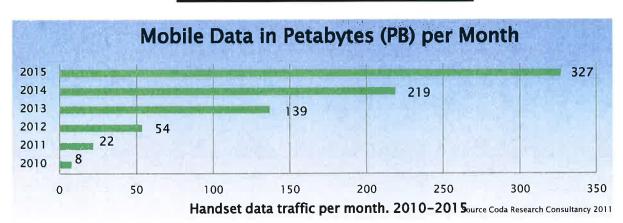
# 4G Defined by ITU

In March 2008, the International Telecommunications Union-Radio communications sector (ITU-R) specified a set of requirements for 4G standards, named the International Mobile Telecommunications Advanced (IMT-Advanced) specification, setting peak speed requirements for 4G service at 100 megabits per second (Mbit/s) for high mobility communication (such as from trains and cars) and 1 gigabit per second (Gbit/s) for low mobility communication (such as pedestrians and stationary users).<sup>[1]</sup>

We are currently still in 3G today with some areas at 3G+ where carriers have upgraded their systems.



# **Tomorrow's Mobile World**



- A new report has predicted a 40-fold rise in U.S. mobile <u>data</u> traffic, stimulated largely by mobile video traffic.
- UK research outfit Coda Research Consultancy believe that carriers will be forced to adopt tiered data plans as a result of the massive rise in traffic, which they predict will reach 327 petabytes per month by 2015.
- In a press release, Steve Smith from Coda Research said: Flat-rate pricing has helped drive mobile internet adoption, but we envisage that as smartphone penetration rises and as carriers roll out 4G, carriers follow this path.
- As carrier networks now stand, network utilization will reach 100 percent in 2012 during Peak

# CMA,Inc

CREATING TOMORROW'S
WIRELESS INFRASTRUCTURE

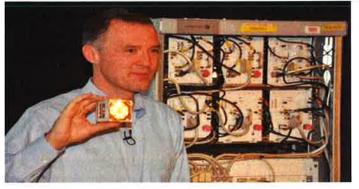


# Today's Deployable <u>Micro</u> <u>Towers/DAS</u>

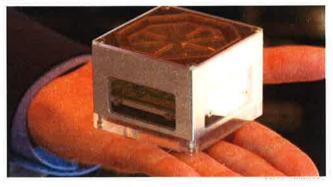


# The Future for Wireless Towers

Entire cell site in the palm of your hand.



The new Cube, as shown in the above picture, replaces all the equipment in the background.



In 2010, 15,000 new DAS nodes were deployed in outdoor metro areas. (In-Stat Research May 23, 2011)



# Municipalities Are Not The First Choice For Carries Because

- <u>Unpredictable Pricing</u> The market price for cellular sites continually changes.
- <u>Timing Uncertainty</u> When carriers need facilities, they need them immediately.
- ▶ <u>Difficulty in Predicting Permit Approvals</u> Must have an executable process.
- ▶ <u>Perception</u> Carriers are challenged and impatient with government processes.



# **CMA's Experience To Overcome These Challenges**

- Pricing CMA will develop a market to maximum revenue.
- ▶ <u>Timing</u> CMA will work the Town to enhance processes.
- Difficult to Identify Sites CMA will create an outline of suitable sites.
- ▶ Perception CMA will act as liaison between Town and Carriers.



# **Defining The Process**

CMA, Inc. will market the Town's sites based on the following criteria:

- Using existing building or elevated structures.
- Find areas to deploy DAS in lieu of towers.

Generally, it is the carriers that dictate where sites are needed. We will market Town of Loomis assets in the format carriers expect to improve the opportunity to be selected as the primary choice for deployment.





# **Process Of Site Acquisition For Towers And Micro Sites**

- CMA will identify assets and locate the Latitude and Longitudes.
- CMA defines assets as everything from street lights to roof tops.
- > CMA has access to the "rings" of cover needed by carriers and tower companies.
- CMA will consult with Town of Loomis to ensure that there are no known issues with pre-selected sites.
- CMA will then proceed to market these known sites to the carriers.
- ▶ CMA will move quickly to establish site agreements.
- CMA will oversee the implementation of the installation of the cell site.
- CMA's engineers will conduct audits to ensure compliance.
- CMA will administer the oversight to completion and report back to the Town in the form of a report.



# **The Current Topography of Carriers**

**Currently Operating in the Town of Loomis.** 

АТ&Т	850 MHz - 1.9 GHz 700 MHz	
Sprint	1.9 GHz - SMR	
T-Mobile	1.7/2.1GHz - 1.9 GHz	
Verizon Wireless	850 MHz, 1,9 GHz, 1.7/2.1 GHz, 700 MHz	
Metro PCS	1.9/2.1GHz	
Future	THE PARTY OF THE PROPERTY OF THE PARTY OF TH	
Frontier Wireless	700 MHz	

Not included in the aforementioned list as potential clients are broadband Internet carriers, private wireless carriers, emergency wireless services, and private and public Wi-Fi providers.



# **Additional Potential Opportunities**

# Special benefits for the Town

- CMA will work closely with Fiber Companies to capitalized on the access of the fiber deployments for schools and advanced wireless connectivity for the Town.
- Review and look for ways to capitalize on existing or planned tower sites that the Town may have in its disposal.
- CMA, at the request of the Town, will develop a strategy for building a Wi-Fi network for the Town's exclusive use at a minimum cost or with the revenue proceeds from the overall project.
- At the Town's discretion, CMA may be able to secure Wi-Fi access to parks and other public domains for the use of the Town's constituents.
- Acoustic location sensors.





# Recent News

- AT&T is planning to significantly expand its 4G network -- partly through the use of small cells -- and its wired broadband footprint with a US\$14 billion investment in infrastructure.
- AT&T released the IPhone 5 with record sales in Oct. 2012.
- All carriers are now limiting data usage.
- Cell networks are running at close to 90% capacity and are close to maxing out.
- For the first time in history, the number of cell phones exceed the number of people in the US. Number of smart phone exceeded the number of standard phones.
- Dish Network gets FCC approval to build next-generation LTE network.
- AT&T & T-Mobile merger failed forcing AT&T to accelerate a new deployment strategy.
- Sprint and Verizon announced in the past several months that they were going to a public small cell platform.
- A news report back in June stated that AT&T plans to deploy over 100,000 Micro-Sites.
- ▶ Cisco announced in Aug 2012 that they were going to start developing Micro-Sites..
- The FCC in Dec 2012 voted to approve allowing <u>small cells</u> to operate in the 3.5GHz band, now used by high-power military radar services.



# The Benefits of Having CMA, Inc. Manage Town of Loomis's Wireless Program

- CMA is neutral.
- Vision of the future of 4G micro cell networks.
- CMA will invest in a comprehensive marketing strategy.
- ▶ CMA has ability to introduce strong financial partner.
- CMA will develop a Wi-Fi Strategy for the Town's usage.
- Introduce other revenue opportunities including the use of right-of-ways, land assets and other transportation for fiber.
- CMA will work closely with DAS manufacturers to better conceal antennas.



# **Ultimate Objectives for Town of Loomis**

- ✓ Generate Revenue Without Any Risk.
- ✓ Protect Environment and Aesthetics of the Town of Loomis.
- ✓ Build State-of-the-Art Communication Infrastructure for Town of Loomis.
- ✓ Work Closely with the Town to Customize a Workable Program.

# CMA,Inc













# CMA, Inc. making 4G seamless - Protecting the beauty of our cities

# Street-Light Antenna for DAS Applications

- · Rugged, Fiberglass Pipe
- Broadband Frequency Coverage (700, 850, AWS, PCS, WiFi)

# Model BRSAWS360D-698/1710-T16-N-SL

## **ELECTRICAL SPECIFICATIONS**

Frequency Range

698 960 MHz / 1710-2500 MHz 1.B.1 VSWR Max

VSWR Forward Gain

6 dBi / 9 dBi

Vertical

Maximum Power Input Input Impedance

200 Watts 50 ohms

Vertical 3d8 Beamwidth

24 30 9 13

Honzontal -3dB Beamwidth

360° +/ 5°

Azimuth Ripple

+4 5 aB

Electrical Downtilt

18" + 3

#### MECHANICAL & ENVIRONMENTAL SPECIFICATIONS

Connector

N Female Cable Assembly

Mounting

Dimensions and Weight

Flat Surface with Bolts 118" (3000 mm) 30 lbs. (13.6 kg)

Color

Black - Standard (Color Options Available)

Wind Survival Lightning Protection

Direct Ground







# Photos of Actual DAS in Service Today CMA,Inc



CREATING TOMORROW'S WIRELESS INFRASTRUCTURE











# Development of Tomorrow's DAS/Micro Sites







#### LR Mobile News Analysis

AT&T Launches RFI for Small Cells June 21, 2012 | Michelle Donegan | Comments (7) inShare. Post a CommentPrint | Reprint | Email This | RSS Login to Rate

AT&T Inc. (NYSE: T) has big plans for little base stations.

According to industry sources, the operator has started a request for information (RFI) process for outdoor public-access small-cell base stations that support 3G, Long Term Evolution (LTE) as well as Wi-Fi. The sources say the operator could be looking for as many as 100,000 of the mini base stations.

AT&T already has plans to trial small cells this year, according to comments made by operator executives at the Mobile World Congress in February, and again at the CTIA show in May. But details about what type and how many base stations the operator is considering adds to the picture of its small-cell strategy. (See CTIA Postscript: Small Cells Step Out.)

It's not certain whether the operator has already drawn up a shortlist of vendors for the project. But such a list would probably include Alcatel-Lucent (NYSE: ALU) and Ericsson AB (Nasdaq: ERIC) — AT&T's current radio access network (RAN) domain suppliers — as well as Cisco Systems Inc. (Nasdaq: CSCO), which supplies AT&T's Microcell-branded residential femtocell. (See Who's Big in Small Cells?, Cisco's Big Small-Cell Ambitions and Cisco Works With AT&T Et Al on First Small Cell.)

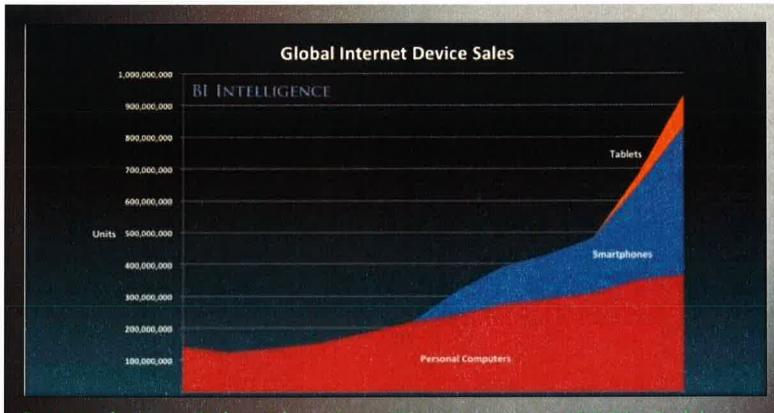
AT&T said it did not comment on RFIs, in response to Light Reading Mobile's questions.

In the U.S., AT&T's moves to evaluate small cells to boost network capacity in high-usage areas follows news that Sprint Nextel Corp. (NYSE: S) plans to launch LTE picocells by the end of this year. (See Sprint Tees Up LTE Small Cells and Why Sprint Needs 4G Small Cells.)

-- Michelle Donegan, European Editor, Light Reading Mobile

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Smartphones Sales Blew Past The Number of PC's Sold >>>



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