



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council
THROUGH: Sherilyn Lombos, City Manager
FROM: Nic Westendorf, Deputy Public Works Director
DATE: May 28, 2024

SUBJECT:

Consideration of Resolution 5774-24 authorizing the City Manager to execute a lease agreement for small cell facilities in the rights-of-way with Crown Castle Fiber, LLC.

RECOMMENDATION:

Staff recommend approval of Resolution 5774-24.

EXECUTIVE SUMMARY:

The City has been approached by Crown Castle, a communications company interested in installing small cell facilities in Tualatin. These facilities are typically attached to existing streetlight or utility poles in the rights-of-way. Before Crown Castle can locate small cell facilities on City owned poles a lease agreement is needed to protect both the City and Crown Castle.

What are small cell facilities?

Small cells are low powered, small cellular radio antennas, usually located on existing structures like streetlights and utility poles. They work along with large cell towers to provide greater wireless coverage and capacity.

History of small cell in Tualatin

In 2018 the City of Tualatin adopted [fees and construction standards for small cell attachments](https://www.tualatinoregon.gov/publicworks/small-cell-wireless)¹. The Council and staff, prompted by a Federal Communications Commission (FCC) Rule, spent four months working with three large cell providers to establish fees and standards to allow small cell facility installations in the City. Since that time, no applications have been submitted. The fees and standards adopted in 2018 apply to all small cell facilities, including those on City owned infrastructure and on infrastructure owned by others, such as utility poles owned by PGE.

What's in the lease agreement?

The master lease agreement outlines the requirements lessees need to meet in order to attach to City-owned infrastructure. These are additional provisions and fees, beyond those identified in the adopted construction standards referenced above. The lease agreement include a usage fee, insurance requirements, indemnification terms, construction and maintenance requirements, and dispute resolution among other terms. Where possible, the lease agreement mirrors the Tualatin Municipal Code 3-6, which regulates utility facilities in the rights-of-way. The intent was to keep

¹ <https://www.tualatinoregon.gov/publicworks/small-cell-wireless>

terms and requirements as similar as possible to other utilities while addressing the uniqueness of small cell facilities.

The lease agreement is effective for 5 years with two automatic renewals. Providers will pay \$250 per site, per year usage fee to attach to City property. Providers are required to meet all federal, state, and City regulations and pay all applicable taxes and fees in addition to meeting the terms of the lease. Other applicable regulations and fees include the fees and construction standards adopted by Council in 2018, referenced in the "*history of small cell in Tualatin*" section.

What about non-City owned poles or streetlights?

If the desired location for placement is not a City owned facility, then the provider will need to execute a separate lease agreement with the facility owner, not the City. That said, City construction standards and right-of-way fees adopted in 2018 would still apply. When it comes to small cell placement on utility poles, this is the most likely scenario as Portland General Electric (PGE) owns and operates the majority of streetlights in Tualatin.

OUTCOMES OF DECISION:

If approved, the City Manager will execute the lease agreement with Crown Castle. The applicant may then apply to install small cell antennas on City owned infrastructure.

ALTERNATIVES TO RECOMMENDATION:

Council may choose not to approve the resolution, prohibiting Crown Castle locating facilities on City owned infrastructure.

FINANCIAL IMPLICATIONS:

A small amount of revenue will be generated from lessees paying the usage fee included in the master lease agreement. The amount is not expected to be large and will be used to help cover staff time monitoring compliance on these sites. This revenue would go into the general fund similar to other right of way and franchise revenues.

ATTACHMENTS:

- Presentation
- Resolution 5774-24 authorizing the City Manager to execute a lease agreement for small cell facilities in the rights-of-way with Crown Castle Fiber, LLC
- Lease Agreement