

## COMMITTEE ON LANDS AND BUILDINGS

**January 21, 2003**

**6:15 PM**

In the absence of the Chairman, the Clerk called the meeting to order.

The Clerk called the roll.

Present: Aldermen Gatsas, Pinard, DeVries, Garrity

Absent: Alderman Thibault

Messrs: S. Morin, T. Hildreth

On motion of Alderman DeVries, duly seconded by Alderman Garrity, it was voted to name Alderman Gatsas Chairman pro-tem.

### **TABLED ITEM**

3. Communication from Steven P. Morin, City Communications Superintendent, relative to a revised Derryfield Park Tower lease agreement between the City and Verizon Wireless.

On motion of Alderman DeVries, duly seconded by Alderman Garrity it was voted to remove this item from the table.

Chairman Gatsas stated in reading the lease there is no cost. Is there a cost?

Mr. Morin replied there is an agreement for payment back to the City, however, the terms of this alteration in the contract do not affect that. Basically what they want to do is remove one or more larger dish antennas and put up smaller antennas.

Chairman Gatsas asked what do they pay the City.

Mr. Hildreth answered we are in the second of four five year terms and during the second year it is \$12,000/year. The second five-year term.

Chairman Gatsas asked this is the second five-year term.

Mr. Hildreth answered yes. The lease goes back to 1995. In the first five years the payment to the City was really in the form of equipment and building the tower. Bell Atlantic Nynex Mobile, the predecessor of Verizon Wireless, built the tower and purchased for the City \$65,000 worth of communications equipment, some of which is on this tower and that was negotiated before the work was begun and I am assuming that the lease commenced sometime around 1995 so 1995-2000 that was the regime and 2000-2005 the stated rent is \$12,000/year.

Chairman Gatsas asked are there any extensions after 2005.

Mr. Hildreth answered yes there is an option in favor of the tenant to do two additional five year terms for the second extension which would be the years 11-15. The rent goes up to \$14,000 and in the years 16-20 it goes up to \$17,280.

Chairman Gatsas asked what would the cost of that lease be on a normal basis. If you went outside the City and I had a piece of land and you wanted to put a tower up what would you pay me for a lease?

Mr. Hildreth answered I can tell you from a great wealth of experience...I have been representing Verizon Wireless and its predecessor since 1994 and I have done over 200 projects like this throughout New Hampshire, Maine and Northeastern Massachusetts and \$1,000/month for a single tenant is right in the ballpark. In fact in the last couple of years the monthly rent has actually gone down in terms of what carriers are offering landowners to \$800 or \$900 a month with the decline in the industry generally. In my opinion the current rate of \$1,000/month is right in the mark with what newly executed leases from this time forward are presently going for.

Chairman Gatsas asked by a single carrier.

Mr. Hildreth answered right.

Chairman Gatsas asked isn't that your main tower between like four exits. Isn't that the main tower going up to Concord – between Concord and Salem?

Mr. Hildreth answered no. I have not seen it ranked in a way that gives it any greater importance than other sites in the area. We have several sites in and around Manchester. You might recall that Verizon Wireless was looking to build what they call a microwave hub facility and we had looked at some land over on East Industrial Park Drive but that deal fell through. We are now looking at some land on the Londonderry Turnpike in Hooksett that we hope to take through to conclusion. That will become the first mobile telephone switching office in the

State of New Hampshire. As far as this site goes, it is just a typical cell site within the network. It certainly is in a good location.

Alderman DeVries asked is the tower sharing with the Fire Department for the repeater activity. You mentioned this \$65,000 in equipment.

Mr. Morin answered that tower is presently used by the entire City on the trunk system.

Alderman DeVries stated so obviously there was a savings to the City at some point. Did the City invest in this tower as well or was it purely the Verizon investment.

Mr. Morin replied basically it was built by Verizon to our specifications and then sold back to us in lieu of lease money for several years.

Alderman DeVries asked what are the ties to Verizon that would have had the lines in our bridge that went up in smoke and fire.

Mr. Hildreth answered no. They are two completely separate companies. Verizon Wireless is a customer of Verizon, the land line company. We purchase landline telephone service from Verizon to carry mobile signals around the network.

Alderman Pinard moved to authorize the Mayor to execute a revised Derryfield Park Tower lease agreement between the City and Verizon Wireless subject to the approval of the Water Commission, and the review and approval of the City Solicitor.

There being no further business, on motion of Alderman Pinard, duly seconded by Alderman DeVries, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee