

BOARD of SELECTMEN SPECIAL MEETING
MONDAY, JUNE 6, 2011

TOWN HALL/LARGE CONFERENCE ROOM – 4:00 P.M.

REVISED/APPROVED MINUTES

These minutes are a general summary of the meeting and are not intended to be a verbatim transcription.

In attendance: R. Marconi, A. Bodner, M. Kozlark, B. Manners
Absent: D. Masters

Agenda

1. Cell Tower Lease Discussion; Possible Vote

R. Marconi called the meeting to order at 4:00 pm inviting David Grogins, Town Counsel, and Ben Oko, Chairman of the Conservation Commission to the table to review bids received on the cell tower. Four companies responded to the bid, of which two companies—WirelessEdge and Homeland Towers—have been asked to attend this meeting. The other two companies were Isotrope (wanted to put up multiple towers and offered a lower share) and US Wireless (projected sharing of profits was much lower).

Board of Selectmen members received a copy of a draft lease that will be discussed at the public hearing and voted on at the Special Town Meeting.

John Arthur, President of WirelessEdge, & Joseph Walsh, Site Development of WirelessEdge joined the Board to answer questions.

R. Marconi asked about the timeline on the commencement date—John Arthur responded that after receiving a building permit from the Town, WirelessEdge will be able to start construction. Cash would start coming in in approximately one year. WirelessEdge guarantees cash flow for the first carrier; shared income situation would start after second carrier is signed on.

Approximately 2 months for establishing sublease from tenant, 9 months is timeline for approval from Siting Council. The Siting Council usually proposes alternate sites and this causes a delay in the process. If controversy of site exists, the timeline may be extended.

R. Marconi asked about protection of property values—is there anything WirelessEdge can do? J. Arthur stated it is not a commercially viable solution. He has never heard of it being done by any other company in the industry. This is not something that we can deal with. It is very difficult to get any insurance company to underwrite property values. If cell service is

increased in either a business environment or near a school, it would be seen as a positive impact on property value.

J. Arthur stated it is possible to design the tower to minimize its impact. Another option is to build the tree in stages. The “trunk” of brown will be built, then build up and hold off of installation of the branches. Reassess the look and decide whether to add the branches. For nearby neighbors, this might be the way to go.

The Siting Council is averse to building to the tallest height and then going down from there. They are more likely to approve a 120' tower and put carriers on and request extensions after.

A. Bodner asked about whether the consolidations of wireless companies will affect the number of carriers on the tower. Mr. Arthur responded by saying that cellular companies bid on frequencies. The tower subleases would be written to be “frequency specific”. If two companies merge, each would still require their respective frequency. The site will be designed for six carriers; we anticipate approximately four carriers.

J. Arthur stated that his company believes that Ridgefield is in high demand. AT&T and T-Mobile are very active in this area. Other companies are not as active.

M. Kozlark asked about the lease and possible restriction to the site. J Arthur responded that the restriction would apply to climbing the tower primarily. M. Kozlark also asked about whether the lease would include language about the underground wires as was stated in the bid. The answer is yes, this would be reflected in the lease. What happens if WirelessEdge assigns the lease to another company? What control do we have over this? We must have protection for this in the lease. J. Arthur stated this would not be a problem; these assurances are covered in the lease.

B. Oko asked whether the Conservation Commission can be included in Item K of the lease—can the Landlord include the Town of Ridgefield and the Conservation Commission?
(“Landlord and Tenant agree to cooperation in the preparation of the site plan for this tower site. The final version thereof (prior to submission to the Connecticut Siting Council) shall be subject to the consent of the Landlord in its reasonable discretion.”)

A. Bodner asked is there is anything WirelessEdge can do to offer the Town any more certainty on the downside? J. Arthur responded that aggressive milestone/timeframes can be added to the lease. WirelessEdge cannot guarantee another carrier in the second year. The good news is that once the site is approved by the Siting Council, another tower will not be allowed to come in to the general area.

Representatives Manny Vicente & Ray Vergati from Homeland Towers then joined the Board of Selectmen. In response to the question of whether they will guarantee protection of property

values, they stated they are awaiting response from their insurance carrier and will let the Board of Selectmen know the response when it is received. This is a very unusual request.

It is no problem to change option/lease to a straight up lease. The removal bond and performance bonds are traditional mechanisms of ensuring performance of conditions. In the event that Homeland Towers disappears one day, the Town would collect on the performance bond. Does the bond cover rental income? M. Vicente will look into that and respond quickly to this question.

B. Manners asked about the proposal—not fixed rent? Percentage? M. Vicente responded it is both—as we make money with the site, we share it. We guarantee a minimum rent of \$2500/month and 50 percent of gross revenue share, whatever is greater. Anticipated rent is more than \$2500/month. Rent starts when we start construction. That is when we actually have access to site.

Confident that there will be mutual tenants. Within two years we expect three carriers on this tower. Clear Wire, Light Square, MetroPCS are all companies that could be on this tower. We plan for a number of carriers on a facility; the average is five carriers per tower in this area. The minimum number that we plan for is six.

A. Bodner asked whether Homeland Towers would guarantee a second carrier in the second year. M. Vicente cannot make this guarantee. However, keep in mind the average in Westchester County is five carriers in four years; Westchester and Fairfield County are very similar markets. \$3000-3200/month is realistic. One thing is for sure—every one of the carriers need the site.

What is your building cost estimate? Homeland Towers just built one in Somers 145' tall—that site cost the company \$600,000 for construction and entitlement process. This site might be more; road work, underground work will be required; it might be more.

B. Oko asked about staging the building of the tower. M. Vicente responded he's not sure you can do that effectively with a tree design. It becomes difficult with the tree design because of the tapering of the branches. Is it feasible? Yes—but it is very tricky. It would be easier with straight monopole. Can we install the tree design without installation of the branches? Yes, but we haven't seen it done.

M. Kozlark asked about the view the neighbors will have. How will the compound look from their view? M. Vicente responded that his suggestion is to hide the compound and also consider installing white pines at the property line with the neighbors. There are two phases of landscaping—the immediate compound and at the immediate abutting neighbors' property line.

R. Marconi asked if the Homeland Towers would be willing to increase the rent from 3% to 3.5% per year? M. Vicente responded yes, as long as their tenant lease is that as well.

The Siting Council process would start immediately upon signing with a carrier—we prefer having a carrier signed on. Filings would be done with the FAA and FCC and other federal government particulars. Municipal antennas tend to be whip antennas at the top of the pole. The number and size of antennas for the municipality is information that Homeland Towers will need. The whips can be no taller than 5' tall. Testimony will be needed from the police and fire chief for the siting council.

Who pays for the antennas for the municipality? The antenna, cable, and equipment on the ground are three components of municipality equipment. Generally the equipment on the ground can be expensive; M. Vicente will work with the Town determining what equipment is purchased. Homeland Towers will pay for this as long as it is reasonable.

B. Manners commented that she is uncomfortable because she didn't have time to read the lease and feels rushed. Her tendency is to do nothing rather than do something wrong.

D. Grogins stated it is not necessary to bring the exact language of the lease to the public hearing.

M. Kozlark thought the lease was tenant friendly rather than landlord friendly.

B. Manners left meeting at 5:45 pm.

D. Grogins stated that the general lease can be discussed at the June 8 public hearing; specific terms do not have to be discussed and approved.

R. Marconi discussed the two tower companies and the board's assessment of them. B. Oko asked about whether WirelessEdge would pay for the Town's equipment—it does not appear that they will.

A. Bodner suggested collecting the Town's business points and bringing them to Homeland Towers. They seem to offer a slightly more attractive financial deal. They agreed to move forward with one carrier when approaching the siting council.

B. Oko's sense is that M. Vicente is much more familiar with the market; he is more conversant and familiar with all the issues surrounding installation of a tower in Ridgefield.

R. Marconi will follow up tomorrow morning regarding the performance bond information.

D. Grogins stated bonds are horrible to collect on. A performance bond in terms of actual construction is a good idea. The removal bond is a good idea and something to consider. D. Grogins will bring the lease to his associates that handle cell leases.

A. Bodner would like different language on the reassignability—they have to provide some financial assurances. D. Grogins will research language for cell tower leases.

M. Kozlark suggested asking WirelessEdge about a dollar amount that they would assign for the municipality's radios. R. Marconi will ask what they can do.

Both proposals include a guarantee. Verizon will not sign on right away; WirelessEdge said in one year; Homeland Towers said two months.

R. Marconi stated he felt a greater willingness to work with our requests from Homeland Towers—the property devaluation, the white pines for screening; it appears to be a better financial deal with Homeland Towers.

M. Kozlark moved and A. Bodner seconded a motion to negotiate a lease with Homeland Towers that continues to be modified by Town Counsel, final terms and conditions to be determined. Motion carried 3-0 (B. Manners left meeting at 5:45 pm).

M. Kozlark moved and A. Bodner seconded a motion that, in the event that a lease with Homeland Towers is unsuccessful, the First Selectman is instructed to work with Town Counsel to move forward with other cell tower carrier for said lease. Motion carried 3-0 (B. Manners left meeting at 5:45 pm).

M. Kozlark moved and A. Bodner seconded the motion to adjourn the Special Board of Selectmen meeting at 6:15 pm. Motion carried 3-0 (B. Manners left meeting at 5:45 pm).

Respectfully submitted,
Wendy Gannon Lionetti