



**CITY OF HAYWARD**  
**AGENDA REPORT**

AGENDA DATE 10/11/05  
AGENDA ITEM 4  
WORK SESSION ITEM \_\_\_\_\_

**TO:** Mayor and City Council  
**FROM:** City Manager  
**SUBJECT:** Authorization for City Manager to Enter into Agreement for Use of City Rights-of-Way and Streetlight Poles by NextG Networks, Inc.

**RECOMMENDATION:**

It is recommended that the City Council approve the attached resolution authorizing the City Manager to enter into an agreement with NextG Networks, Inc., for the use of City streetlight poles and related rights-of-way.

**BACKGROUND:**

NextG Networks of California, Inc., is a facilities-based voice/data telecommunications provider that provides services to commercial wireless mobile telecommunications carriers through microcell and fiber optic technology. NextG's services are designed to amplify and extend an existing wireless mobile telecommunications carrier's radio frequency signal in difficult coverage areas. NextG contracts with wireless telecommunications providers and does not directly provide telecommunications services to the public. This results in the use of a single antenna by multiple companies, which reduces the deployment of cellular antenna facilities.

After conducting an analysis of potential demand for their services within the City of Hayward, NextG determined that there was a need to place such telecommunications equipment within the City's limits. As a result, NextG recently approached City staff about the possibility of utilizing existing City streetlight poles and related rights-of-way for the purposes of locating these units in places throughout Hayward that experience loss of signal strength.

The proposed agreement with NextG calls for several important items of note. For one, NextG has agreed to pay the City an annual fee of \$300 for each City-owned streetlight used for such purposes during the initial 10-year term. The total number of installations will be determined once NextG completes a more thorough analysis of signal strength patterns throughout the City, and the demand for their services from wireless carriers. NextG will also pay the City a monthly amount which is equal to five percent of the gross revenue received by NextG from the provision of services or the sale of services within the Hayward market.

In addition, NextG has agreed to provide the City with a 1 gigabit wavelength of capacity in their fiber connection network for the City's exclusive use and at no cost to the City. At this

time, it is difficult to ascertain if or how this capacity might be accessed due to fact that the eventual system configuration is not known. However, there is the potential that this system could provide redundant pathways for the City's existing data networks. An example of this type of use would be the data connection between City Hall and the Police building. Currently, this connection is City-owned fiber with telephone backup. In theory, NextG could provide a redundant link between the buildings.

Another key portion of the agreement explicitly calls for NextG to adhere to all City policies related to acquiring the necessary permits and complying with all rules related to construction within the City's right-of-way. Furthermore, NextG understands that the locations and types of installations must be approved by staff prior to construction and may be moved or removed at a later date if the City deems that such installations are interfering with City operations or are considered a health and safety issue; visual depictions of the types of installations to be considered for placement within the City are included in Exhibit A. Any costs related to the removal or displacement of the equipment is to be borne by NextG and not by the City.

In addition, the proposed agreement mandates construction and faithful performance bonds to protect the City against any loss attributable to NextG's performance under the agreement; a copy of the agreement is available for review in the City Clerk's office.

The general timetable set by NextG to proceed with the installation of their equipment will be primarily contingent on the level of demand for their services by wireless telecommunication carriers. However, once an area has been identified, NextG will work with City staff to properly secure the required permits and approvals for the type of antenna to be used as well as the location where the equipment will be installed. This process would continue for any additional installations that were identified during future years of the agreement.

NextG has recently approached several cities in the Bay Area with the same request, including Atherton, Walnut Creek, Danville, and Milpitas. Danville and Milpitas were the most recent cities to enter into agreements with NextG; their approved contracts include much of the same key language related to compensation and liability as contained within the City's proposed agreement.

The agreement was reviewed by the Council Technology Application Committee (CTAC) on September 27. CTAC recommended that the agreement be brought before the full Council for their consideration but did request that information be obtained on the specific areas of the City where their facilities are likely to be installed. While exact locations cannot be ascertained at this time, representatives from NextG have determined that several areas in the City have poor coverage, largely due to capacity constraints, and would be primary candidates for antenna installations: Tennyson Road/Weekes Memorial Park area, Hayward Hills area (between Fairview Avenue and Dobbel Avenue), and the area near the south end of Hesperian Boulevard.

**FISCAL IMPACT:**

As noted previously, the number of poles to be utilized by NextG will be based on current and future demand. However, members of NextG's staff have stated in discussions with other cities that no more than three poles per square mile would need to be employed for this purpose. Therefore, a maximum total of 183 poles may be utilized over the 61 square miles within Hayward during the term of this agreement. In this case, the revenue realized by the City from the annual pole-rental fee could be as much as \$54,900 per year. It is important to emphasize that this is the maximum theoretical amount and will, in all likelihood, be considerably less than that amount, especially during the first several years of the contract when NextG is in the process of establishing the level of demand for their services. Likewise, the monthly revenue to be paid to the City, as noted in the agreement, is wholly dependent on the amount of services and sales that occur within the City and is unknown at this time.

Prepared and Recommended by:



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Robert A. Bauman, Director of Public Works

Approved by:



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Jesús Armas, City Manager

Attachments: Exhibit A: Examples of installed equipment on municipal facilities

**DUE TO THE LENGTH OR COLOR  
OF THE ATTACHMENT, IT HAS  
BEEN INCLUDED AS A SEPARATE  
LINK**

NH  
9/22/05

HAYWARD CITY COUNCIL

RESOLUTION NO. 05-

Introduced by Council Member \_\_\_\_\_

RESOLUTION AUTHORIZING THE CITY MANAGER  
TO EXECUTE AN AGREEMENT BETWEEN THE CITY  
OF HAYWARD AND NEXTG NETWORKS, INC., FOR  
THE USE OF CITY STREETLIGHT POLES AND  
RELATED RIGHTS-OF-WAY

BE IT RESOLVED by the City Council of the City of Hayward that the  
City Manager is hereby authorized and directed to execute on behalf of the City of  
Hayward a non-exclusive agreement with NextG Networks, Inc., for the use of City  
streetlight poles and related rights-of-way, in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2005

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward