

Verizon Wireless Project Reference: RCYC Rapid Mall, Alt # 24K (GLMK, LLC)
2870 Haines Ave., Rapid City

CELLULAR INC. NETWORK CORPORATION
d/b/a VERIZON WIRELESS

RECEIVED

11-6-19 Review
Application
Rapid City, South Dakota
September 25, 2008

SEP 26 2008

Rapid City Growth
Management Department

Cellular Inc. Network Corporation d/b/a Verizon Wireless is proposing to construct a cellular communications station facility and transmission tower (including a 12' x 30' equipment shelter and a 100' flag pole design multiple wireless carrier antenna structure) East of Haines Avenue and north of Mall Avenue on property occupied by South Dakota Gold Company and owned by GLMK, LLC. Verizon Wireless has retained Buell Consulting, Inc. regarding site acquisition and permit matters.

Legal Description

A 60' x 60' lease area, Lot 1, Block 10 of the McMahon Industrial Park # 2, Rapid City

Zoning and surrounding zoning

The subject property is located in the General Commercial District and is surrounded by General Commercial zoning on the North, East, South & West. Rapid City uses the 11-6-19 process to review Cellular communications stations and transmission towers and requires all new towers be a multiple user flag pole design antenna structures.

Proposed Use

Cellular communications stations and transmission towers are listed Conditional Uses in the General Commercial (GC) District. The proposed facility will improve coverage and capacity in North Rapid City, around the Rushmore Mall and North on Haines. Each new site in a locale enables the existing surrounding sites to improve quality of signal and volume of system capability to the Verizon Wireless customers in the immediate area. Caller demand on the Verizon Wireless system has doubled in the past two years.

Area Regulations

The subject property is 3 acres in size. The General Commercial District requires front yard setback of 25', no side yard setbacks unless abutting a residential zone and no rear yard setbacks unless abutting a residential district or unless a commercial building is serviced from the rear. The proposed flag pole structure will be 100' tall.

FAA Approval

As the development of a new site progresses beyond site leasing and local permit approval, Verizon Wireless usually applies to the FAA for approval somewhat later in the process. Typically, Verizon Wireless asks that local jurisdictions make their approval contingent upon subsequent FAA approval. The decision to proceed with the costs of obtaining local entitlements is not without a prior Air Space Evaluation, however.

Verizon Wireless Project Reference: RCYC Rapid Mall, Alt # 24K (GLMK, LLC)
2870 Haines Ave., Rapid City

Application to Rapid City for an 11-6-19 Review Process
Cellular Inc. Network Corporation d/b/a Verizon Wireless
September 25, 2008
Page Two

In February, 2006, Verizon Wireless authorized the commissioning of FAA consultants, Jeppesen, to perform an Obstruction Analysis Report under Federal Aviation Regulations Part 77 Sub-Part C. A summary of the findings are that the consultant was confident that if an application were to be made for a 120' structure, the application would be approved.

According to the report an 'FAA Notice of Proposed Construction or Alteration' would not even be required. See a copy of the consultants findings enclosed in this package. Verizon Wireless determined that only a 100' pole is required, not one 120' in height.

Site Selection Process

On December 30, 2005 Verizon Wireless assigned the work for the development of a new site cell site location in Rapid City to Buell Consulting, Inc., St. Paul, MN for Site Acquisition and local Permit Procurement. John M. Rowe, an agent for Buell, initiated field work the new site location in January & February, 2006 by researching land owners and zoning regulations in Rapid City. Rowe phone and visited the Rapid City Growth Management Department staff at City Hall during the initial month of the assignment concerning the zoning code, city policies, the location of the search area and the properties under consideration.

The following property owners were contacted in the process of researching the area and developing an initial site candidate information package for Verizon Wireless:

4D Enterprises, South Dakota Gold, Bolton, Sieveke, the existing Alltel 100' monopole on Duffield property, K&K Sheet Metal, Van Horn, and McMahon Investments. After these investigations, the following candidate locations were submitted to Verizon Wireless for selection by their engineers, construction & project management personnel.

The candidate chosen by Verizon Wireless at which to pursue development approval, Parcel # 2024451002 owned by GLMK, LLC and occupied by South Dakota Gold Company, 2870 Haines Ave., also is the location of this application's proposed cellular communication station & transmission tower and 11-6-19 approval for a 100' multiple user flag pole design antenna structure & shelter.

A second candidate that was submitted to Verizon Wireless for consideration was property owned by 3D Enterprises, 2740 Haines Ave.

A third candidate that was submitted to Verizon Wireless for consideration was property owned by Bolton at 3200 Haines Ave.

A fourth candidate that was submitted to Verizon Wireless for consideration is property owned by Sieveke at 3046 Haines Ave.

Verizon Wireless Project Reference: RCYC Rapid Mall, Alt # 24K (GLMK, LLC)
2870 Haines Ave., Rapid City

Application to Rapid City for an 11-6-19 Review Process
Cellular Inc. Network Corporation d/b/a Verizon Wireless
September 25, 2008
Page Three

A fifth candidate reported to Verizon Wireless was the existing Alltel 100' monopole on Duffield property, 3060 Haines Ave. where there isn't really enough room for another equipment shelter at the base of the monopole. After initially making application for a new cell site on the same property as this application, Verizon Wireless was encouraged to pursue collocation on the Duffield property with Alltel. A year was spent just trying to get structural information out of Alltel to evaluate their tower. Once structural capability was confirmed, efforts were focused on obtaining ground space from the land owner, John Duffield. Striking a deal with the land owner proved impossible, thus this renewed application at 2870 Haines.

Application History

An 11-6-19 Review application (06SR076) was made to the Rapid City Growth Management Department October 24, 2007 (for the facility being re-applied for at this time). In May, 2007 06SR076 was withdrawn at the applicant's request in order to pursue a collocation on the existing 100' Alltel tower located on the Duffield property listed above as the fifth candidate. At the time Staff seemed more interested to see if the existing Alltel tower was structurally sound than to know whether or not the collocation was at all feasible for any other reason (ie. Limited ground space, inability to strike the necessary deals in order to effect the collocation, available space on the existing tower at the level requested by the applicant in order to compete effectively).

Collocation Efforts

Verizon Wireless began to pursue collocation with Alltel. The first information necessary was a structural analysis to demonstrate whether or not the existing tower could handle the additional antennas proposed by Verizon Wireless. The Structural Analysis was ordered in May 22, 2007. Typically a structural analysis should take about 3 weeks. However, when the city puts carriers fate at the mercy of a competitor these things can easily take much, much longer. Only a partial structural analysis, dated July 19, 2007, was provided to Verizon Wireless two months later. The Structural Engineer had evaluated the pole itself, but not the foundation (which is a critical aspect of any communications tower structural analysis). After advising Alltel of the important missing component, it wasn't until February 13, 2008 that a structural analysis was provided by Alltel that included the foundation (9 months after the purchase order was cut 5/22/2007). Both of the Structural Reports are included for the benefit of the City Staff. At the outset Verizon Wireless was required to pay Alltel's collocation representative a \$ 2,500 collocation application and commit to \$ 2,500 fee for the structural analysis.

After finally obtaining the structural analysis that indicated feasibility for Verizon Wireless to locate at the 80' level on the Alltel tower (sacrificing 30'-40' of height above the ground from what the proposed antennas would be on the 100' pole proposed on the 2870 Haines Avenue site, due to the lower ground elevation and pole position), project

Verizon Wireless Project Reference: RCYC Rapid Mall, Alt # 24K (GLMK, LLC)
2870 Haines Ave., Rapid City

Application to Rapid City for an 11-6-19 Review Process
Cellular Inc. Network Corporation d/b/a Verizon Wireless
September 25, 2008
Page Four

personnel were enlisted to initiate survey work and other due diligence activities.

Inability to Proceed with the Collocation Option

As a regular part of the project development, a proposed site must be surveyed. In order to perform a survey, sound business practice requires that the property owner provide Verizon Wireless with a Right of Entry Consent. A copy of the Right of Entry Consent provided by Ken Kirkeby, GLMK, LLC for the proposed site is attached for your information. The purpose of the Right of Entry Consent is merely to allow Verizon Wireless on the property in order to conduct surveying, environmental due diligence, and soil testing if necessary. Right of Entry Consents may be negotiated, however sound business practice does not allow Verizon Wireless to pay potential landlords for Right of Entry Consents or any other money prior to having a contract in place. In fact, sound business practice even dictates that a land lease contract not be agreed to by Verizon Wireless until the property has been surveyed, and evaluated for title quality purposes and environmental conditions. These practices didn't work for the Alltel site land owner.

These considerations are important because Alltel doesn't lease enough land from the fee owner to provide Verizon Wireless space for its 12' x 30' equipment shelter. That means that the fee owner, John Duffield, had to be contacted for the possibility of leasing space in addition to what Alltel already leases on the property. Since, as reported earlier, the Duffield property is highly congested and doesn't even provide Duffield all the space he'd prefer anymore for his own purposes, the decision for Duffield to make space available for Verizon Wireless is obviously not an easy one. In fact, just enough ground is available next to the existing Alltel equipment shelter for Verizon Wireless, if Duffield were or could be reasonable with which to strike a deal. Duffield, however won't allow surveying activity to commence without an upfront payment of \$ 2,000. This might not seem unreasonable on the surface, to for instance a wildcatter. In the world of risk management, that permeates most sound real estate businesses, making payments of this nature without having the opportunity to perform property due diligence carries with it huge liabilities (of such a nature that I doubt the City would encumber itself in that way).

Adjacent land owner, Sieveke, had also been contacted about the possibility of leasing space on property adjacent to the parcel the existing Alltel sits on, however Sieveke wasn't interested in allowing a lease to Verizon Wireless for its equipment shelter on his vacant land (close enough to the tower to work for Verizon Wireless). Just the same, any arrangement on another property would still require eventually bringing waveguide onto the Duffield property where Alltel has its tower site lease. Additional efforts were investigated a year ago to utilize local fiber optic facilities to connect a building on a different property to the Alltel tower on the Duffield property. The fiber connections do not exist and are not cost effective to develop for the purpose of one antenna site.

Verizon Wireless Project Reference: RCYC Rapid Mall, Alt # 24K (GLMK, LLC)
2870 Haines Ave., Rapid City

Application to Rapid City for an 11-6-19 Review Process
Cellular Inc. Network Corporation d/b/a Verizon Wireless
September 25, 2008
Page Five

Moving Forward

At some point, it has to be said that continuing to restrict Verizon Wireless from constructing it's own competitive facility on the 2870 Haines Avenue site (that is zoned to provide for wireless communications facilities) might be considered restraint of trade. Verizon Wireless traffic growth has doubled in the past two years and this site is needed.

Summary

Verizon Wireless has gone to great pains and hardship, delaying the opportunity to compete with Alltel on equal footing in this area for the provision of wireless services to the customers of Verizon Wireless whose demand for system capacity has doubled in the past two years. While the existing Alltel 100' pole may have structural capability to handle an additional carrier, the Alltel leased area isn't large enough to accommodate the equipment shelter needs of Verizon Wireless. Neither is the underlying land owner willing to deal fairly with Verizon Wireless to, in effect, allow the development of a ground lease deal to progress as it should.

Sound planning and consideration of options went into the site selection process for the proposed development in 2005 and 2006, taking into account guidance started in the initial stages from the Growth Management Department. The proposal meets the criteria for granting an 11-6-19 approval in that the proposed use has been contemplated in the code for the General Commercial District where the proposed site lies.

The purpose of the proposed new site is to off-load traffic from other Rapid City cell sites operated by Verizon Wireless so that the overall system does not get overloaded north of I-90, causing calls to be blocked and/ or dropped due to lack of system capacity.

The proposed cellular communications facility as designed will insure continuation of the best quality cellular telephone that Verizon Wireless can offer in the area.

Verizon Wireless will comply with all regulations of Rapid City and the conditions of any permit granted in connection with this application.

Questions about this application should be directed to:

John Rowe
Buell Consulting, Inc./ Agents for Verizon Wireless
P. O. Box 2523, Centennial, CO 80161-2523
ComRealEst@aol.com
303-220-9100 Office
303-618-4615 Portable
303-221-8420 Fax

Project Name: RCYC Rapid Mall

RIGHT OF ENTRY

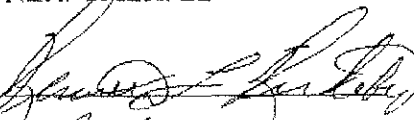
The undersigned is the owner ("Owner") of the property, premises or easement (the "Property") described as follows:

LOT ONE (1) IN BLOCK TEN (10) OF MCMAHON INDUSTRIAL PARK NO.2. IN THE CITY OF RAPID CITY. AS SHOWN BY THE PLAT RECORDED IN BOOK 10 OF PLATS ON PAGE 142 IN THE OFFICE OF THE REGISTER OF DEEDS, PENNINGTON COUNTY, SOUTH DAKOTA

Consent. The Owner does hereby grant permission to Cellular Inc. Network Corporation d/b/a Verizon Wireless and its agents, employees, consultants and representatives (herein individually and collectively referred to as "Verizon Wireless"), for a period of one hundred and eighty (180) days from the date of this consent, to enter onto the Property and contiguous property owned or controlled by the Owner for the purpose of performing an inspection of the Property, including surveys, a structural strength analysis, subsurface boring tests, an environmental site assessment, and any other activities as Verizon Wireless may deem necessary, at the sole cost of Verizon Wireless. In addition, Verizon Wireless may remove samples of the soil from the Property. The Owner shall not be responsible for the actions of Verizon Wireless's employees or contractors while they are on the property.

Authority. The individual executing this consent on behalf of the Owner represents to Verizon Wireless that such individual is authorized to do so by requisite action of the Owner.

OWNER: GMLK, LLC

By: 

Its: Partner

Date: 6-6-08