

REPORT SUMMARY SHEET

BOARD MEETING DATE: January 21, 2019

TITLE AND BRIEF DESCRIPTION: Cell Tower assessment.

ACTION DESIRED: Approval to partner with Cell Tower Solutions.

BACKGROUND:

Cell Tower Solutions (CTS) is recognized as America's leading source of technical expertise regarding the values of the cell towers and more importantly the carrier equipment on the towers. Since starting in 2009, CTS has pioneered the methods and processes that help counties gain the resources and accurate numbers to stand toe to toe with the industry. They have worked in 5 states and have inventoried more than 2000 towers.

Consistently we find the following:

Missing Equipment - There is not enough equipment on ANY return to actually run a cell site. Most of the information on the return is virtually worthless.

Wrong Depreciation - Wireless companies often fail to report the Original cost, rather "help" by establishing their own values of the equipment.

Missing Sites - As one wireless company tax veteran stated recently "we have 65,000 sites to manage with limited resources. We know we do not have everything"

How does the process work?

CTS does a physical inspection of each and every site in the county. We take measurements including electronic frequency evaluations, take photos, and create an inventory built from the assets directly on site. Our Director of RF Engineering is an Electrical Engineer and former Implementation Manager for AT&T. He designed, handled purchasing, and implementation of billion dollar projects for AT&T. He essentially reverse engineers the site and we create an Original Cost Report for each site.

So how much difference is there between your numbers and theirs?

Typically, after adjusting depreciation, we shoot for a minimum of doubling the prior assessed values but in many cases, we do better. In Hendry County Florida, we increased it from \$3.1 million pre valuation to \$9.9 post. Therefore, results vary depending on the installation date of the equipment, the investment amount in the county by the carriers, and of course the returned amount.

The big question...."so does it make money?"

The answer is yes. We guarantee it makes money in the contract. To date, we



January 21, 2019

Re: letter agreement for CTS contract reimbursement

This is an Agreement between Morgan County, Missouri ("County") and the Eldon R-I District ("District"). This letter agreement confirms the need for reimbursement from the District for what the County pays to contract with Cell Tower Solutions LLC ("CTS") to advise in the assessment of specialized business personal property (namely communications towers and wireless base station equipment) in the County. The County anticipates the CTS contract will bring in additional property tax revenue, the majority of which will flow through to District. Therefore it agreed:

(A) When invoiced by the County, the District will reimburse the County for moneys paid in performance of its 2019 contract with CTS within the District up to a maximum of \$9,000. Sites above the cap will be gratis to the county.

(B) It is a condition of CTS contract and it is a condition of this letter agreement that CTS will bill the County no more than 75% of additional property value discovered by CTS in the course of performance of its contract with County.

If the terms and conditions of this Agreement are satisfactory to you, please indicate your acceptance by signing two copies at signature block, returning one copy and retaining one copy for your files. Thank you.

Accepted: Eldon R-I School District

By: _____

Title: _____

Date: _____