

## Rooftop tower biz has believers

BY EMILY MOTSAJ

When tight carrier capital spending forced tower companies to focus on their primary businesses, non-core assets like managed rooftop portfolios justifiably became a second priority. But as the sector rebounds, tower companies will have to decide whether to tend to those neglected assets or shed them altogether. The latter option could mean big business for companies that have chosen to focus on the rooftop management business.

Highpointe Group L.L.C. capitalized on Crown Castle International Corp.'s decision earlier this year to sell its Site Spectrum Management Corp. rooftop management subsidiary. The modestly sized company, just 10 employees strong, now manages approximately 3,400 rooftop sites across the country.

Optimistic about 2004, Highpointe is concentrating on digesting the assets it acquired from Crown, said Jud Pankey, Highpointe's chairman. That portfolio stretches from Florida to California and includes sites in New Orleans, Houston, Phoenix and San Francisco.

The company is working with landlords to do audits and cleanups at the acquired sites and to create rules governing security and access at

the sites. Highpointe also markets the sites it manages to carriers, two-way radio operators and broadcasters. Landlords are receptive to the small company's customer-service approach, Pankey said. "We try to return everybody's phone calls," he added.

AAT Communications Corp. has remained optimistic about its large managed rooftop portfolio even with the tremendous growth its owned tower portfolio experienced this year. AAT manages 6,500 rooftop sites, including several large contracts with giants like Union Pacific Railroad.

AAT considers its rooftop management business strategic to its portfolio of owned towers, which has quintupled in size during the past 18 months. The company currently owns 1,590 tower structures, having purchased the bulk of SBA Communication Corp.'s western region portfolio earlier this year.

Although AAT plans to focus on growing its owned-site portfolio and the majority of its revenues come from its owned sites, the company will continue to "selectively" grow its managed site business, said Ed Farscht, senior vice president of corporate development.

AAT considers the fact that it boasts both a rooftop management business and an

owned-site portfolio a competitive advantage that can speed time to market for the company's carrier customers.

Message Center Management is also a player in the rooftop management business with 900 managed sites. The company also owns 52 towers.

MCM has found rooftops to be an "extremely lucrative" business, according to Maria Scotti, director at MCM, especially because it is often possible to locate a lot of carriers on one rooftop. In addition, rooftops are also relatively easy sites on which to locate carriers since they do not face the same zoning difficulties as traditional tower structures. Rooftops, therefore, represent an easy fix for carriers anxious to fill holes in coverage, Scotti said.

Tower-owned giants American Tower Corp., SpectraSite Inc., Pinnacle Towers Inc. and SBA Communications Corp. all manage various numbers of rooftop sites. Whether Crown's disposal of its rooftop subsidiary indicates a trend these other companies will partake in remains to be seen. It is likely, however, that demand for rooftops will grow, at least in part due to increasingly stringent zoning rules that will force carriers to find less-obtrusive sites for cellular equipment. **RCR**

## HighPointe acquires rooftop sites from Crown Castle

NEW YORK — Telecommunications site consulting and management company HighPointe Group L.L.C. has acquired the assets of Crown Castle International Corp.'s Site Spectrum Management Corp. rooftop management subsidiary. The value of the deal was not disclosed.

The acquisition indicates tower owners like Crown are continuing to narrow focuses to the core business of tower ownership, while

outsourcing other duties, including rooftop site management—a smart strategy according to Jud Pankey, HighPointe's chairman.

Rooftop site management is generally an ancillary business for tower owners who generate most of their revenues, and have recently regained some market credibility, from the towers they own, noted Pankey. At a time when it is crucial for tower owners to smartly allocate resources, it makes sense for them to center

their efforts on the revenue-generating portions of their businesses. In addition, "because we're not in the business of owning towers, there is no potential for a conflict of interest with our landlord or carrier clients," Pankey added.

Meanwhile, HighPointe, which now manages more than 3,000 rooftop sites throughout the U.S. plans to continue to pursue acquisitions. **RCR**

