 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: January 11, 2016
	Agenda Item No. 43 Roll Call No. <u>16-0074</u> Communication No. <u>16-014</u> Submitted by: Pamela S. Cooksey, P.E., City Engineer

AGENDA HEADING:

Hold hearing for consideration of a lease agreement with option with American Towers LLC on City-owned property located at 4800 Douglas Avenue.

SYNOPSIS:

Recommend approval of a lease agreement with option with American Towers LLC, Jeremiah Newman, Project Manager, 20 Presidential Way, Woburn, Massachusetts, 01801. This action is required by Iowa law prior to making a final determination on the proposed lease agreement with option by resolution. There is no current or anticipated City need for the leased area and the City will not be inconvenienced by approval of the proposed lease agreement.

FISCAL IMPACT:

Amount:

- \$25,000 estimated one-time revenue in 2017; then
- \$20,400 annual lease revenue beginning in 2017 through 2027; then
- \$39,600 estimated annual lease revenue through 2037

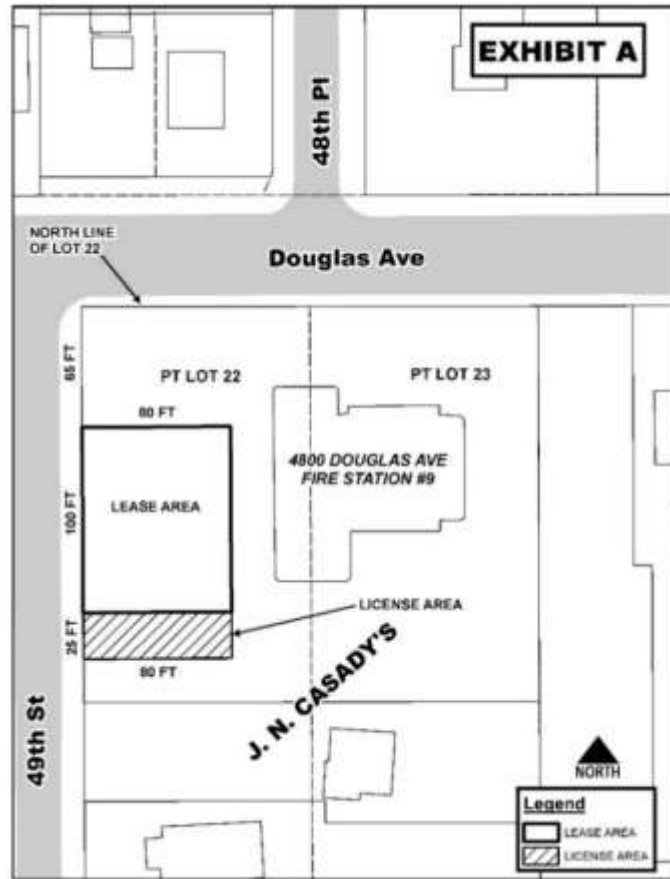
Funding Source: Non-project related land sale proceeds are used to support general operating budget expenses: Org – EG064090.

ADDITIONAL INFORMATION:

American Towers LLC desires to lease a portion of City-owned property located at 4800 Douglas Avenue (“Leased Premises”) for the purpose of constructing and maintaining a communications facility, including but not limited to a telecommunications tower, communications equipment, one (1) or more buildings or equipment cabinets, radio transmitting and receiving antennas, personal property and related improvements and facilities to facilitate the use of the Leased Premises as a site for the transmission and receipt of communication signals including, but not limited to, voice, data and internet transmissions and for any other uses which are incidental to the transmission and receipt of communication signals.

The City’s Real Estate Division and American Towers LLC (Tenant) have negotiated a Lease Agreement with Option (“Agreement”), which Agreement includes the following terms:

1. Tenant shall pay the City an upfront, one-time payment of \$1,000.00 for an option to lease the Leased Premises, which option period shall last for 180 days from the date of the executed Agreement.
2. If Tenant exercises the option, the following terms shall apply:
 - a. Tenant shall pay City a one-time non-refundable payment of \$18,000.00.
 - b. The lease term shall be for 20 years, commencing on the date Tenant exercises Tenant's lease option and terminating on the last day of the month in which the 20th anniversary of the commencement date shall have occurred.
 - c. The City will be allowed to install and/or use a communications systems on the Tenant's telecommunication tower for the City's public emergency communications, the location of which shall be determined by the City in its sole discretion.
 - d. Tenant shall pay the following rent:
 - i. Base Rent in the amount of \$1,700.00 on a monthly basis.
 - ii. In addition to the Base Rent, Tenant shall also pay additional rent, which shall be based on the number of colocation sites on the tower. Tenant shall pay City a one-time payment of \$1,200.00 for each colocator for the use of each collocation site on the tower, and, beginning in year 11 of the Agreement, Tenant shall pay City \$400.00 per colocator per month.
 - iii. No rent shall be paid by City to Tenant for City's use of one (1) collocation site on the tower.
3. As partial consideration for rent paid under this Agreement, the City will grant the Tenant a license ("License") for ingress, egress and access to the Leased Premises adequate to service the Leased Premises at all times during the term of the Agreement.



PREVIOUS COUNCIL ACTION(S):

Date: December 21, 2015

Roll Call Number: [15-2118](#)

Action: [On](#) lease agreement with American Towers LLC on City-owned property at 4800 Douglas Avenue, (1-11-16). Moved by Mahaffey to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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