



## STAFF REPORT

**DATE:** May 4, 2021

**TO:** Kent Cagle, City Manager

**FROM:** Traci Briggs, City Attorney

**SUBJECT:** Structure lease agreement with New Cingular Wireless PCS, LLC for placement of communications facilities at 2905 Lake Road

### **BACKGROUND AND FINDINGS:**

The city operates a water tower at 2905 Lake Road, and it currently has cellular facilities through two previously-granted cellular leases. The city has been approached by New Cingular Wireless on behalf of AT&T for an additional lease. Staff from Legal and Public Works have reviewed the request.

New Cingular would lease approximately 375 square feet on the ground, as well as space on the tower itself for the equipment to be placed. The term of the lease is five (5) years, with an automatic renewal for five (5) additional five-year (5) terms. The monthly rent for the leased areas will be \$2,000.00. Upon each term extension, rent will increase by ten percent (10%).

Additional terms include:

- AT&T is required to maintain \$1,000,000 general liability insurance and name the city as an additional insured.
- The city may terminate with 30 days' notice if the other party is in default for reasons such as non-payment of rent or failure to perform an obligation of the lease. The city may also terminate if the water tower is to be decommissioned or for a public emergency or threat to public health.
- AT&T may terminate if the city defaults, if the property condition is unsatisfactory following title or survey reports, or if it is unable to obtain or maintain any licensing or approval required for proceeding with the project.

### **THE ALTERNATIVES CONSIDERED:**

The city may decline to enter a lease with AT&T, approve the lease with changes, or approve the lease as submitted.

### **Which alternative is recommended? Why?**

Staff recommends approving the lease.

### **CONFORMITY TO CITY POLICY:**

This action conforms to all city policies.

**FINANCIAL IMPACT:**

**What is the amount of the expenditure in the current fiscal year? For future years?**

There is no expenditure. The city will receive \$2,000.00 per month for the first five (5) years and see an increase of ten percent (10%) at each five-year renewal executed.

**Is this a one-time or recurring expenditure?**

N/A

**Is this expenditure budgeted?**

N/A

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

N/A

**RECOMMENDATION:**

Staff recommends that the City Council approve a lease with New Cingular Wireless PCS, LLC (AT&T) for placement of communications facilities at 2905 Lake Road and authorize the City Manager or designee to execute all necessary documents.

**DEPARTMENTAL CLEARANCES:**

Public Works  
Finance

**ATTACHED SUPPORTING DOCUMENTS:**

Lease Agreement