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City Council

Approval of Antenna Leases with CTI Towers Inc and Sprint Spectrum Realty Company LP

Agenda Date: 11/5/2012
Agenda Item Number: 4.E
File Number: 12-0663

Type: contract **Version:** 1 **Status:** Passed

Agenda Item:

Approval of Antenna Leases with CTI Towers Inc and Sprint Spectrum Realty Company LP

Issue:

Whether to renew the antenna leases with CTI Towers, Inc. and Sprint Spectrum Realty Company, L.P.

Committee Recommendation:

Not referred to a committee.

City Manager's Recommendation:

Move to approve and authorize the City Manager to sign the Antenna Lease Agreements with CTI Towers, Inc. and Sprint Spectrum Realty Company, L.P.

Staff Contact:

Thanh Jeffers, Public Works Technical Services, 360.753.8278

Presenter(s):

None - Consent Calendar Item

Background and Analysis:

CTI Towers, Inc. has leased ground space at the City's Birch Street water reservoir since 2002. They are requesting a new, updated lease for an additional five years. This lease also has an automatic renewal option for two additional five-year terms, for a total of fifteen years (See Attachment 1 - CTI Towers, Inc. Lease Agreement).

Sprint Spectrum Realty Company, L.P. has leased antenna space on top of the City's Log Cabin Road water reservoir since 2003. They are also requesting to amend their lease for an additional five years (See Attachment 2 - Sprint Spectrum Realty Company, L.P. Lease Amendment No. 1).

The leases are consistent with the City's Wireless Telecommunication Master Plan adopted by City Council in 2006.

Neighborhood/Community Interests (if known):

None known.

Options:

1. Approve and authorize the City Manager to sign the Antenna Lease Agreements with CTI Towers, Inc. and Sprint Spectrum Realty Company, L.P.

The annual income will benefit the Water Utility and the rate is consistent with other public agencies in our area.

2. Do not approve the Antenna Lease Agreements with CTI Towers, Inc. and Sprint Spectrum Realty Company, L.P.

This option is inconsistent with the Wireless Telecommunication Master Plan and it reduces revenue to the Water Utility.

Financial Impact:

The revenue to the Water Utility from the CTI Towers, Inc. lease is \$14,148.41 for the first year. Annual rent will increase four (4) percent per year for the remaining four (4) years of the lease, with revenue totaling \$76,632.35. With the automatic renewal option for an additional ten years, the potential earnings will be \$258,801.46 for the total fifteen-year term.

The revenue to the Water Utility from the Sprint Spectrum Realty Company, L.P. lease is \$16,586.23 for the first year. Annual rent will increase four (4) percent per year for the remaining four (4) years of the lease, with revenue totaling \$89,836.37.