

Legislation Text

File #: BILL NO. 18-50, **Version:** 1

AN ORDINANCE AUTHORIZING THE EXECUTION OF THE FIRST AMENDMENT TO A REAL PROPERTY AND ANTENNA SUPPORT STRUCTURE SITE LEASE BY AND BETWEEN THE CITY OF LEE'S SUMMIT AND T-MOBILE CENTRAL, LLC EXTENDING THE LEASE TERM, INCREASING THE ANNUAL RENTAL PAYMENT, AND ESTABLISHING VARIOUS NEW PROVISIONS. (F&BC 3-5-18)

Issue/Request:

AN ORDINANCE AUTHORIZING THE EXECUTION OF THE FIRST AMENDMENT TO A REAL PROPERTY AND ANTENNA SUPPORT STRUCTURE SITE LEASE BY AND BETWEEN THE CITY OF LEE'S SUMMIT AND T-MOBILE CENTRAL, LLC EXTENDING THE LEASE TERM, INCREASING THE ANNUAL RENTAL PAYMENT, AND ESTABLISHING VARIOUS NEW PROVISIONS.

Proposed City Council Motion:

FIRST MOTION: I move for a second reading of AN ORDINANCE AUTHORIZING THE EXECUTION OF THE FIRST AMENDMENT TO A REAL PROPERTY AND ANTENNA SUPPORT STRUCTURE SITE LEASE BY AND BETWEEN THE CITY OF LEE'S SUMMIT AND T-MOBILE CENTRAL, LLC EXTENDING THE LEASE TERM, INCREASING THE ANNUAL RENTAL PAYMENT, AND ESTABLISHING VARIOUS NEW PROVISIONS.

SECOND MOTION: I move for adoption of AN ORDINANCE AUTHORIZING THE EXECUTION OF THE FIRST AMENDMENT TO A REAL PROPERTY AND ANTENNA SUPPORT STRUCTURE SITE LEASE BY AND BETWEEN THE CITY OF LEE'S SUMMIT AND T-MOBILE CENTRAL, LLC EXTENDING THE LEASE TERM, INCREASING THE ANNUAL RENTAL PAYMENT, AND ESTABLISHING VARIOUS NEW PROVISIONS.

Background:

The City leases approximately twelve tower locations to several telecommunications companies for the purpose of wireless communications support. The rent amounts vary depending on the specific location, topography, and other factors that impact the desirability of the location. This site is located at 3650 SW Windemere, Fire Station 5. This particular lease agreement has been in place since October, 1997, with an original annual rent amount of \$13,500 and an annual increase based on the increase in the Consumer Price Index. The last annual rent payment received for this lease was approximately \$19,700. Representatives of T-Mobile requested extension of the lease for up to an additional three terms of five years each subject to renewal. This amendment reflects a negotiated increase in the annual rent up to \$26,000 with 10% increases upon each five year renewal term. The use of the site is not exclusive to T-Mobile.

Impact/Analysis:

The most recent annual rent payment for this lease was approximately \$19,700 with an annual increase based upon the increase in the Consumer Price Index. This amendment and lease extension will increase the annual rent to \$26,000 payable in monthly installments of \$2,166.67 with a 10% increase upon each five year renewal period. The amendment includes several other provisions new to the lease as follows: 1) In the event T-Mobile wishes to terminate the agreement, notice must be given 180 days in advance rather than 90 days. 2) If the lessee terminates the agreement, they are required to pay one year's rental payment at the conclusion of the lease to fulfill budgetary expectations of the City. 3) The lessee will not be permitted to expand the amount of space used for their equipment unless the City approves and receives an increase in rent for the additional space.

Presenter: Bette Wordelman, Deputy Finance Director

Recommendation: Staff recommends approval of the ordinance.

Committee Recommendation: Motion by Councilmember Faith, seconded by Vice Char Edson, the Ordinance was recommended for approval to the City Council - Regular Session due back on 3/15/2018. The vote was unanimous.