

Legislation Text

File #: BILL NO. 20-81, **Version:** 1

An Ordinance authorizing the First Amendment to a Real Property and Tower Site Lease Agreement by and between the City of Lee's Summit and New Cingular Wireless PCS, LLC, extending the lease term and increasing the annual rental payment, and authorizing the Mayor to execute the same by and on behalf of the City. (F&BC 4/13/20)

Issue/Request

An Ordinance authorizing the First Amendment to a Real Property and Tower Site Lease Agreement by and between the City of Lee's Summit and New Cingular Wireless PCS, LLC, extending the lease term and increasing the annual rental payment, and authorizing the Mayor to execute the same by and on behalf of the City.

Key Issues:

Representatives for New Cingular Wireless PCS, LLC contacted the City requesting an extension on a lease to place wireless telecommunications equipment and have an equipment shelter at the Ranson Road Water Tower located at 1251 SE Ranson Road, Lee's Summit, Missouri. The amendment provides for one five year extension term with the possibility of three more five year terms. The rent has been increased to \$29,000 a year with a 3% annual increase. The original rent was \$19,910.40 with an escalation based on CPI.

Proposed City Council Motion:

FIRST MOTION : I move for second reading of an Ordinance authorizing the First Amendment to a Real Property and Tower Site Lease Agreement by and between the City of Lee's Summit and New Cingular Wireless PCS, LLC, extending the lease term and increasing the annual rental payment, and authorizing the Mayor to execute the same by and on behalf of the City.

SECOND MOTION: I move for adoption of an Ordinance authorizing the First Amendment to a Real Property and Tower Site Lease Agreement by and between the City of Lee's Summit and New Cingular Wireless PCS, LLC, extending the lease term and increasing the annual rental payment, and authorizing the Mayor to execute the same by and on behalf of the City.

Background:

The City's original lease with AT&T Wireless, PCS, LLC was dated November 11, 2001, is set to expire in 2021. The representatives of New Cingular Wireless, PCS, LLC, the successor in interest to AT&T Wireless, requested an extension of the lease. Based on what the City has negotiated with other carriers similarly situated to New Cingular, the rent is increased to \$29,000 a year with a set annual escalator not based on CPI. The site is not exclusive to New Cingular.

Presenter:

Bette Wordelman, Finance Director

Recommendation:

Staff recommends approval of an Ordinance authorizing the First Amendment to a Real Property and Tower Site Lease Agreement by and between the City of Lee's Summit and New Cingular Wireless PCS, LLC, extending the lease term and increasing the annual rental payment, and authorizing the Mayor to execute the same by and on behalf of the City.

Committee Recommendation:

At the April 13, 2020 Finance and Budget Committee a motion was made by Vice Chair Lopez, seconded by Councilmember Forte, to recommend for approval to the City Council an Ordinance authorizing the First Amendment to a Real Property and Tower Site Lease Agreement by and between the City of Lee's Summit and New Cingular Wireless PCS, LLC, extending the lease term and increasing the annual rental payment, and authorizing the Mayor to execute the same by and on behalf of the City. The motion passed unanimously.