

CITY OF BLAINE
REQUEST FOR COUNCIL ACTION
MEETING DATE: March 14, 2007

SUBJECT: T-Mobile Cell Site Lease

SUBMITTING DEPT: City Manager

PREPARED BY: Gary Tomsic

AGENDA LOCATION: Comments/Communications Consent Committee Reports
Unfinished Business New Business Public Hearing Standing Committees

ATTACHMENTS: Memo to T-Mobile and e-mail correspondence

ANALYSIS/SUMMARY: Since the last time that the Council reviewed this matter, Richard Blackburn offered to review the site lease agreement. Richard has many year of experience building cell systems around the world. He reviewed the draft agreement and made some excellent comments. We met and I prepared the attached memo. I went back and forth with T-Mobile's site negotiator and we arrived at a general agreement on all conditions. The option periods will go for \$1200. We ask for \$2000 month for the site lease. They countered with \$550. The higher number that we used was based on the assumption that the lease agreement allowed them to build their own tower. They have made it very clear that they do not intend to build a new tower. They are locating on a Nextel pole. We asked them to remove any mention of a tower and base in the agreement. They upped their offer to \$750 without the tower. I told them I would take it to the Council with my recommendation to approve.

RECOMMENDATION: Waive 2nd Reading: (Include conditions of approval if applicable) Staff recommends that City Council

Recommend that the City Council authorize me to enter into a site lease with the conditions being those mentioned in the memo including a \$750 monthly payment with an annual 4% increase.

FISCAL ANALYSIS: If T-mobile exercises its lease option, the annual revenue to the City will be \$9000 plus a 4% annual COLA.

REVIEWED BY:

City Manager _____ Finance Dir. _____ City Clerk _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to: _____

COUNCIL ACTION: _____

Memo

To: Kim O'Keefe
From: Gary Tomsic
CC:
Date: April 9, 2008
Re: Blaine T-Mobile Lease

Sorry for the delay in getting back to you on the T-Mobile Site Lease. I have been working with a consultant who has reviewed the proposed site lease and plans. I have also met with the City Council and reviewed the original lease with them. Here are the changes and clarifications that we would like to make:

1. Option to Lease: \$1200 for the first year's option and the same for the second year's option if needed.
2. Section 1(b) – The City will offer its cooperation as long as there are no financial expenditures on the City's part involved.
3. Section 1(b) second to last sentence – The City agrees not to interfere with “other properties” as long as the “other properties” are not in the City of Blaine. If they are, then T-Mobile would have to comply with all applicable regulations and rules etc.
4. Section 1(c) – T-Mobile has represented that the site will not be used for a pole/tower and base. However, the proposed site lease mentions these specific facilities numerous times throughout the lease. If a pole/tower and base are constructed then the financial terms of the lease will be amended. It should be clear that this lease is for a site that does not include such facilities and to install them constitutes an opportunity to revise the lease before hand.
5. Section 2-Term is OK.
6. Section 3 – Renewal – Limit the number of automatic five year renewals to a total of 25 years. After which the City can terminate the lease with one year's notice.
7. Section 4 (a) – Rent - \$2,000 month
8. Section 4(b) – Cost of living increases 4%
9. Section 5 Permitted Uses – Delete “tower and base antennas”
10. Section 6 Interference – It should be clear that this does not apply to our need for public safety/emergency services communications.

11. Section 7(a) – delete references to tower and base since T-Mobile is not building one. Any facilities removed shall include foundations and base facilities.
12. Section 7(d) – Must use low noise generators.
13. Section 7(g) – For the purposes of the site lease, the City will agree to maintain the road at its current standard. Any improvements to the road shall first be reviewed and approved by the City.
14. Section 8(g) – Do not agree with this section. If such an event occurs T-Mobile can terminate the lease as provided. As long as the lease is in effect the rent should be paid.
15. In addition to property taxes, the tenant shall pay “lease hold excise taxes” due.
16. The lease shall not be transferred without notification to the City and the City shall receive copies of all documents related to the lease of the site if it is transferred.
17. The plans for the site shall be reviewed and approved by the City and T-Mobile will pay all applicable review costs that may be required above and beyond normal building permit review.