

To: CITY COUNCIL
From: Stephen Barse, Associate Solicitor

Re: Proposed Amendments to:

- **Sprint Spectrum Realty Company, LLC** (now T-Mobile) - Butler Avenue
- **T-Mobile Water Tower Leases for Cellular Service** - Magnolia Road Site

Date: April 14, 2025

T-Mobile currently leases space on two water towers, one located at Magnolia Road and the other located at Butler Avenue. T-Mobile submitted proposals to amend the two leases to provide for two additional five (5) year renewal options for each location.

The **Butler Avenue lease** was dated June 6, 2001, and provided for an initial term of ten (10) years, with three (3) successive five (5) year renewal options for Sprint Spectrum Realty Company, LLC. (now T-Mobil). That lease is currently set to expire in 2026.

The **Magnolia Road lease** was executed in June 2002, (the copy we have is not dated but there is a memo from the City Solicitor at that time to the Mayor that stated a fully executed copy of the lease was enclosed and the parties have been operating for the past 23 years in recognition of that lease). The current lease is set to expire in 2027.

At the December 3, 2024 Council work session, we discussed lease amendments proposed by T-Mobile that would add two (2) additional five (5) year renewal options to each lease. I pointed out that T-Mobile was seeking to shorten the notice period to exercise each renewal option from sixty (60) days to thirty (30) days and did not include a one-time rent increase in the amount of \$200.00 as it had done with a previous amendment to the lease for the Magnolia Road site. We agreed that I should propose leaving the notice period at sixty (60) days and request the same \$200.00 rent increase as was applied with the previous amendment to the Magnolia Road lease.

Since the December 2024 meeting, I have been in communication with T-Mobile's representative. She said that T-Mobile will agree to keep the notice period at sixty (60) days. She added, however, that the reason for the additional \$200.00 in rent when the previous amendment to the Magnolia Road lease were approved was that that amendment also provided for modifications to their equipment at the Magnolia Road site. She said that there will not be any such modifications with the current amendments. She acknowledged that the lease extensions would still be subject to the existing annual rent increases of three (3%) percent.

She also explained that the annual rent of \$46,015.00 that T-Mobile is currently paying for the Butler Avenue site is above market rates for other locations where they lease space in the area and

that the \$30,817 it is paying each year for the Magnolia Road site is in line with current market conditions.

At this point, the issues that are for consideration are:

1) whether Council agrees to the proposed lease amendments that would add the two (2) additional five (5) year renewal terms to each lease; and

2) whether Council will agree to the amendments without the one-time \$200.00 rent increase, but still subject to the existing three (3%) percent per year rent increase.