



Legislation Text

File #: 18-0333R, **Version:** 1

RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO THE LEASE AGREEMENT WITH SPRINT SPECTRUM REALTY COMPANY, LLC FOR USE OF THE WOODLAND WATER TOWER FOR CELLULAR COMMUNICATIONS EQUIPMENT.

CITY PROPOSAL:

WHEREAS, the city of Duluth (City) and Northern PSC Services, LLC entered into an agreement on October 11, 2000 (City Contract No. 18771), for the lease of certain space on the Woodland water tower for cellular communications equipment ("Lease");

WHEREAS, the parties entered into an Amendment No. 1 to the Lease on July 23, 2014 (City Contract No. 18771-01) to modify the permitted cellular communications equipment and increase the annual rent;

WHEREAS, Sprint Spectrum Realty Company, LLC is the successor in interest to Sprint Spectrum L.P. (successor by merger with Northern PCS Services, LLC) ("Sprint"); and

WHEREAS, the City and Sprint desire to further amend the Lease to modify the permitted cellular communications equipment and increase the annual rent;

NOW, THEREFORE, BE IT RESOLVED, that the proper city officials are hereby authorized to enter into Amendment No. 2 to the Lease, substantially in the form attached hereto as Exhibit 1, for the continued use of space on the Woodland water tower at the rate of \$72,795.48 per year with an annual increase by the greater of 3% or the consumer price index. Lease payments shall be deposited into Fund 210-030-3152-4260 (special projects, finance, telecommunication infrastructure, telecommunication rental fees).

STATEMENT OF PURPOSE: This resolution authorizes a second amendment to an existing lease agreement with Sprint Spectrum Realty Company, LLC for the use of space on the Woodland water tower for cellular communications equipment ("Amendment No. 2"). Amendment No. 2: (a) modifies the permitted communications equipment, (b) removes the RRU usage fee as the ground-mounted RRUs have been removed, and (c) increases the base rent from \$68,295.48 to \$72,795.48 per year with an annual increase by the greater of 3% or the consumer price index.

The Woodland water tower site is located at 815 Minneapolis Avenue. Notwithstanding the modifications in the second amendment, all other terms and conditions of the original lease agreement and first amendment remain in effect until the term expires on October 10, 2025.