



Legislation Text

File #: ID 2020-388, **Version:** 1

TO: Mayor and City Commission

FROM: Cale Curtis, City Manager

DATE: January 20, 2021

RESOLUTION - APPROVING TOWER SITE LICENSE AGREEMENT WITH CROWN CASTLE SOUTH, LLC TO UTILIZE THE EXISTING TOWER AT 5400 NW 15TH STREET AND APPROVING SECOND AMENDMENT TO LEASE AGREEMENT (BU 828746) WITH T-MOBILE USA TOWER, LLC, FOR THE LEASE OF A PORTION OF LAND FOR THE TELECOMMUNICATION TOWER AT VINSON FIELD; PROVIDING FOR EXTENSION OF THE TERMS OF THE AGREEMENT FROM FEBRUARY 1, 2021 TO JANUARY 31, 2051; PROVIDING FOR AN EFFECTIVE DATE.

BACKGROUND: On December 26, 1997, the City of Margate entered into a Lease Agreement with Omnipoint Holdings, Inc. for a telecommunication tower at Vinson Field. Amendment No. 1 to the Lease Agreement, executed June 19, 2002, provided for T-Mobile USA Tower, LLC to be the Tenant, as successor in interest to the Agreement.

The current Agreement will expire on January 31, 2021. This Amendment provides for six (6) additional five (5)-year terms for an extension of the Agreement until January 31, 2051. This Amendment also adds a potential additional revenue source for the municipality; whereby, if T-Mobile adds a future subtenant, 25% of the sublease revenue from that transaction would go to the municipality. Additional language provides for Right of First Refusal (ROFR), in favor of the Tenant, and the right to acquire the site under the same terms and conditions of any good faith offer received by the City.

This Second Amendment was negotiated together with the Tower Site License Agreement with Crown Castle South, LLC, to place City equipment on the tower at 5400 NW 15th Street. Rent has been waived in full under the Tower Site License Agreement with the City responsible for the typical structural and inspection fees. The Tower Site License Agreement provides for an initial five year term and four additional five year automatic renewal periods. As both agreements were negotiated together, one cannot be approved without the other.

RECOMMENDATION: For approval.

FISCAL IMPACT: \$15,000 initial lump sum payment, annual rent, and potential for 25% of sublease revenue for the Vinson Field Tower and \$800/month savings for City equipment placement on the tower at 5400 NW 15th Street

CONTACT PERSON: Cale Curtis, City Manager

