

City Council Regular Meeting

DEPARTMENT: Legal Department
FROM: Justin Scharnhorst, Purchasing Manager
MEETING: September 6, 2022

SUBJECT:

Consider approval of a five-year lease agreement and associated access and utility easement with T-Mobile West, LLC, for the lease space on the City owned monopole located at 231 SW Brushy Mound Road. *(Staff Contact: Justin Scharnhorst, Purchasing Manager)*

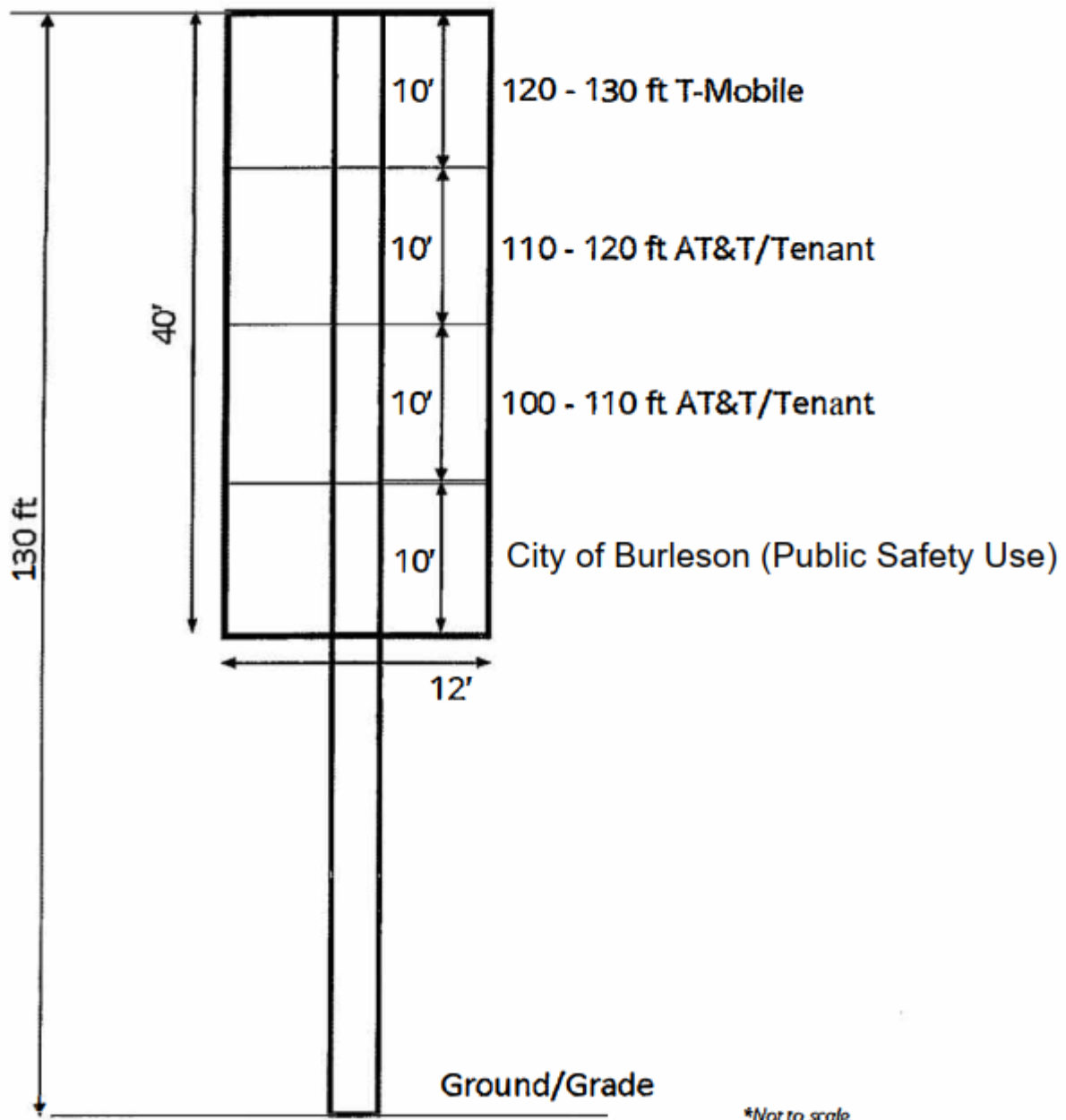
SUMMARY:

On May 22, 2017, Council authorized an agreement with JTS Construction to purchase and erect a monopole at 231 SW Brushy Mound and facilitate the transfer of the existing carriers (AT&T and T-Mobile) to the new monopole once construction is completed. Part of the JTS agreement requires the contractor to obtain all necessary approval from the FAA and any permissible building code, ensuring compliance and enabling the contractors to place antennas on the structure. The purpose of the lease is to offset the cost of the construction of the monopole while providing service enhancements to the area through a partnership with two carriers, AT&T and T-Mobile, who previously purchased Sprint.

In March 2020, Council authorized an agreement with Red River Construction to construct a two million gallon water storage tank at Turkey Peak and remove the water storage infrastructure at 231 SW Brushy Mound. Part of this process would require the carriers to remove existing infrastructure from the current water tanks before the demo and be moved to the monopole. Staff in conjunction with JTS have worked to renegotiate the existing lease agreements, make necessary updates to reflect the new arrangement properly, and put a five-year lease in place. Annual revenue from the two carriers will total \$135,000. The estimated completion date is September of 2022 for migrating the carrier antennas to the monopole, subject to final meter installation from Oncor. Because AT&T has requested to lease an additional rung on the monopole (for a total of two rungs), they will pay the City a one-time fee of \$45,000 in addition to the monthly lease rent.

The term of the agreement is revised to provide that the agreement has a new initial term of five years from the effective date and will thereafter automatically renew for up to three (3) additional five (5) year periods, subject to council approval. The City currently receives \$46,441.43 in annual rent for the existing antennas, and has partnered with T-Mobile at this location since 2007.

Exhibit C



**Not to scale.*

OPTIONS:

- 1) Consider approval a five year lease agreement with T-Mobile West, LLC. for the lease space on the City owned monopole located at 231 Brushy Mound Road
- 2) Approve with changes
- 3) Deny

RECOMMENDATION:

Consider approval a five-year lease agreement with T-Mobile West, LLC. for the lease space on the City owned monopole located at 231 Brushy Mound Road

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

FISCAL IMPACT:

Budgeted: Y/N: Y

Fund Name: General Fund

Full Account #'s: 001- 0000-372.30-00

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