



TO: FRUITA CITY COUNCIL AND MAYOR

FROM: JOE ZAHER, FINANCE DIRECTOR

DATE: MARCH 18, 2025

AGENDA TEXT: QUASI-JUDICIAL PUBLIC HEARING - ORDINANCE 2025-05 – Second Reading – Approving a Lease Agreement between T-Mobile West, LLC, a Delaware limited liability company, and the City of Fruita and authorizing the City Manager to execute the Lease Agreement – *Finance Director Joe Zaher*

BACKGROUND

T-Mobile West LLC entered into a lease agreement with the City of Fruita dated July 19, 2000. T-Mobile West, LLC leases approximately 400 ft of space at 1725 Broadway, where a City of Fruita water tower is located. The premises were leased to T-Mobile West, LLC through October 1, 2055.

The Fruita City Charter requires that leases that are for a period of time longer than one year be approved by Ordinance. State Statutes require that leases of less than one year in length be approved by resolution or ordinance.

Terms of the lease agreement include the following:

- T-Mobile West, LLC will continue to lease the same premises described above for good and valuable consideration.
- The leased space is to be used only for the installation, maintenance, upgrades, and additions of the Antenna Facilities.
- The City shall maintain the Premises in good repair and in tenable condition and allow T-Mobile West, LLC access to conduct maintenance.
- The City will be responsible for all taxes, assessments, insurance, utilities and other operating costs and the cost of all maintenance, repairs, and improvements, and all other direct costs, charges and expenses of any kind whatsoever respecting the Premises.
- The First Amendment is for five (5) years with five (5) additional and successive five-year terms.

FISCAL IMPACT

Upon commencement of the lease, T-Mobile West, LLC will pay the City of Fruita \$2,660.03 per month for the first five (5) years. Each additional and successive five-year term will escalate 15%. Estimated earnings over the duration of the lease are \$1.4 million.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The City receives a passive income from this lease that can be used to achieve the City's goals and objectives. No additional personnel are required to maintain the site.

OPTIONS AVAILABLE TO THE COUNCIL

- Approve the Lease Agreement and authorize the City Manager to execute the lease.
- Approve the Ordinance and Lease Agreement with amendments.
- No action (Deny the Ordinance and Lease Agreement)

RECOMMENDATION

It is the recommendation of staff that City Council, by motion:

APPROVE ORDINANCE 2025-05 – SECOND READING - A LEASE AGREEMENT BETWEEN T-MOBILE WEST, LLC, A DELAWARE LIMITED LIABILITY COMPANY AND THE CITY OF FRUITA AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE LEASE AGREEMENT