



**Susan Montenegro**

**City Administrator**

City of Lathrup Village

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**COUNCIL COMMUNICATION:**

**TO:** Mayor Garrett and City Council Members

**FROM:** Susan Montenegro, City Administrator

**DATE:** June 26, 2023

**RE:** Tower Site Lease Agreement Amendment Proposal

Tower Alliance LLC (an authorized vendor of American Tower) sent a proposal to amend the current lease agreement. The amendments will help Tower Alliance LLC retain current tower tenants as well as increase the marketability for new tenants.

The amendments to the lease they are asking for are:

- Add a Right of First Refusal: A right of first refusal (RoFR) would be specific to those companies who are solely in business to buy leases for resale. It would not prohibit the sale of property or the sale of the lease itself to anyone. It would simply give American Tower the mechanism to match, should you accept, an offer to buy the lease from one of the aggregators companies.
- The removal of the formal requirement to secure the City's "consent" for a subtenant. This clears the path for marketing, allowing us to tell a potential tenant that they can move forward without any administrative hindrances. It in no way removes any of the responsibilities for securing permits or doing any of the structural analysis. All those things must still be done, and we of course can provide notice of any onsite changes and set a fixed fee for any sub-tenant.
- Adding 3 5 year term options
- Changing the CPI escalator to a Fixed escalation %

Tower Alliance LLC is offering a one-time signing bonus of \$10,000 as well as matching payments for new tenants so they match current co-locators.

American Tower will draft the amendment and forward for signatures once approved.

**Suggested Motion:**

**To approve the suggested amendments to the Tower Lease Agreement and authorize the Mayor and City Clerk to sign the amendment document after review by the City Attorney.**