



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 6425
March 5, 2024
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB6425: Telecommunications Lease Renewal with Crown Castle	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Authorize the City Manager to sign the renewal telecommunications lease with Crown Castle.	

DEPARTMENT:	City Attorney
STAFF:	Bio Park, City Attorney Eileen Keiffer, Assistant City Attorney, Madrona Law Group, PLLC Alaine Sommargren, Deputy Public Works Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Draft Renewal Telecommunications Lease with Crown Castle
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

This agenda item requests approval of a lease renewal for an existing telecommunications tower located in Island Crest Park. City staff have negotiated a lease renewal and recommend approval (Exhibit 1).

BACKGROUND

In 2003, the City executed a telecommunications lease for the installation of a monopole in Island Crest Park with VoiceStream PCS III Corporation (d/b/a T-Mobile USA Inc.). Associated ground equipment was installed in vaults below ground, near the base of the tower. In 2012, Crown Castle International Corp. (Crown Castle) acquired the right to manage and operate the telecommunications tower at Island Crest Park from T-Mobile.

In 2022, Crown Castle approached the City about negotiating a lease renewal for the site. City staff, including the City Attorney’s Office, Public Works, and Finance, provided input and direction on the terms of the renewal. Further, the City received a limited appraisal in first quarter 2023 from professional appraiser Murray Brackett with CBRE, with respect to the fair market value for the site. The terms of the lease renewal include recovery of costs and expenses incurred by the City in negotiating the lease.

ISSUE/DISCUSSION

The lease renewal authorizes the continued use and operation of existing facilities by Crown Castle, subject to the terms and provisions contained in Exhibit 1. The renewal would run for an initial term of five years, coupled with four successive renewal terms of five years each. Rent for the site and the related escalator clause (inflationary adjustment) are based upon the limited appraisal received from Murray Brackett. The renewal lease does not authorize any new installation of facilities at Island Crest Park.

NEXT STEPS

Upon approval by the City Council, the City Manager will execute the renewal.

RECOMMENDED ACTION

Authorize the City Manager to execute the renewal telecommunications lease with Crown Castle substantially in the form attached as Exhibit 1 to this Agenda Bill.