



CITY OF NOVI CITY COUNCIL
MAY 6, 2024

SUBJECT: Consideration of approval of Resolution Regarding Second Amendment to Sublease Agreement and Memorandum of Amendment for Ice Arena Wireless Communications Tower.

SUBMITTING DEPARTMENT: City Manager

BACKGROUND INFORMATION:

The City entered into a Lease with Sprint Spectrum for construction of a wireless communications tower on the Ice Arena property on May 9, 2001. The Lease was amended to allow up to five collocators on the site. STC Five LLC is currently the tenant under the Lease as the successor in interest of Sprint. According to the Lease, the final extension expires on May 8, 2026.

STC Five LLC has requested an amendment to extend the Lease until May 8, 2056, unless terminated in advance by the City. On May 8, 2026, the annual rent will increase to \$27,000 per year and will increase by \$3,000 every 5 years. The annual rent payable to the City for the collocators will be 50% of the rent payable to STC Five LLC or \$11,500.00, whichever is more. This is an increase from the current collocation rent of 50% of the rent paid to STC Five or \$8,800, whichever is greater. The City shall receive a \$25,000.00 signing bonus within 60 days of signing the Second Amendment and Memorandum of Amendment.

RECOMMENDED ACTION: To approve Second Amendment to Sublease Agreement and approve a Memorandum of the Second Amendment to the Sublease Agreement with STC Five LLC on Ice Arena Wireless Communications Tower.