



# Board of Commissioners Meeting Agenda Item Submittal

---

Item To Be Considered: **Lease Agreement between Town of Swansboro and Spectrum Southeast LLC**

Board Meeting Date: **June 12, 2023**

Prepared By: **Paula W. Webb – Town Manager**

---

**Overview:** The Town of Swansboro presently leases space to Spectrum Southeast LLC., for the purpose of housing cable service communications equipment to serve the Swansboro area and other nearby areas in a portion of the building occupied by Public Works. The Onslow County tax office identifies the space as 102 Fifth St. Upon verification (site visit), the space reflects approximately 720 SF for which the lease renewal terms are derived. The site serves 21,000 residential customers and about 1,000 commercial customers.

The current and proposed lease terms are similar except for the term length. The lease term is requested for 10 years instead of five years. According to Spectrum representative Susan Kitchen, the site is part of a ring of fiber/cable that serves not only Swansboro but also the towns of Wilmington and Morehead. Relocation would require extensive work and time and would be an extremely tedious and expensive process to replicate and transfer customers to a new site.

The proposed lease continues the 3% (fixed) adjustments as the previous lease did (unless specific, cost-based justification is provided for any greater adjustment). The current lease was determined at \$16.80/SF with adjustments annually at 3% (fixed) and expires July 31, 2023. Square footage rental costs range anywhere from \$7.25/SF to \$26.00/SF in eastern NC according to a google review.

As provided in GS 160A-272, notice was provided in the Tideland News with 30 days' notice., running on May 10, 2023.

Amortization Table provided:

Year 1	\$14,023
Year 2	\$14,444
Year 3	\$14,877
Year 4	\$15,323
Year 5	\$15,783
Year 6	\$16,256
Year 7	\$16,744
Year 8	\$17,247
Year 9	\$17,764
Year 10	\$18,297

**Background Attachment(s):** Present Lease, Revised Lease, Resolution w/locator map of 102 Fifth St.

**Recommended Action:** Adopt the Resolution authorizing the Town Manager to execute new lease agreement between the Town of Swansboro and Spectrum Southeast LLC under the terms identified in the agreement.

---

**Action:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_