



Item Number: 7

CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: July 16, 2024

TO: Mark Washington, City Manager

COMMITTEE: Fiscal Committee

LIAISON: Molly Clarin, Chief Financial Officer

FROM: Wayne Jernberg, Water System Manager
Water System

SUBJECT: **Resolution authorizing Lease Agreements with New Cingular Wireless PCS, LLC, d/b/a AT&T to utilize the Covell Dog Park and Cambridge and Leonard Street Water Tank Sites for Communication Purposes**

The Grand Rapids Water System (Water System) is seeking approval to execute lease agreements with the cellular company New Cingular Wireless PCS, LLC d/b/a AT&T (Cingular) to continue utilizing the City's Covell Dog Park and Cambridge and Leonard Street Water Tanks Sites for communications purposes. Previous agreements were executed 18 to 24 years ago, and new agreements that reflect today's economy and terminology have been negotiated and finalized for each site. The cellular company continues to monitor and maintain all installed equipment at the locations.

The Water System entered into site lease agreements with Cingular in August of 2000 for the Covell Dog Park site (Proceeding No. 67673) and in 2006 for the Cambridge and Leonard water tank sites (Proceeding No. 75197), all within the City of Grand Rapids. The original leases included five 5-year terms with annual rent payments, and Cingular and the City request to continue with the leases for an additional 30 years.

Water System staff and the City Attorney's Office entered negotiations with Cingular and have arrived at mutually acceptable terms for the lease agreements. Cingular will issue yearly site lease payments starting upon execution under the new lease agreements. The agreements include a 10% fee increase every five years. The annual payment fee schedules for Cambridge and Leonard are as follows:

Initial Term	Lease Fee	2nd Renewal Term	Lease Fee	4th Renewal Term	Lease Fee
2024:	\$24,000	2034:	\$29,040	2044:	\$35,138
2025:	\$24,000	2035:	\$29,040	2045:	\$35,138
2026:	\$24,000	2036:	\$29,040	2046:	\$35,138
2027:	\$24,000	2037:	\$29,040	2047:	\$35,138
2028:	\$24,000	2038:	\$29,040	2048:	\$35,138
1st Renewal Term	Lease Fee	3rd Renewal Term	Lease Fee	5th Renewal Term	Lease Fee
2029:	\$26,400	2039:	\$31,944	2049:	\$38,652
2030:	\$26,400	2040:	\$31,944	2050:	\$38,652
2031:	\$26,400	2041:	\$31,944	2051:	\$38,652
2032:	\$26,400	2042:	\$31,944	2052:	\$38,652
2033:	\$26,400	2043:	\$31,944	2053:	\$38,652

The annual payment fee schedule for the Covell site is as follows:

Initial Term	Lease Fee	2nd Renewal Term	Lease Fee	4th Renewal Term	Lease Fee
2024:	\$28,000	2034:	\$33,880	2044:	\$40,995
2025:	\$28,000	2035:	\$33,880	2045:	\$40,995
2026:	\$28,000	2036:	\$33,880	2046:	\$40,995
2027:	\$28,000	2037:	\$33,880	2047:	\$40,995
2028:	\$28,000	2038:	\$33,880	2048:	\$40,995
1st Renewal Term	Lease Fee	3rd Renewal Term	Lease Fee	5th Renewal Term	Lease Fee
2029:	\$30,800	2039:	\$37,268	2049:	\$45,095
2030:	\$30,800	2040:	\$37,268	2050:	\$45,095
2031:	\$30,800	2041:	\$37,268	2051:	\$45,095
2032:	\$30,800	2042:	\$37,268	2052:	\$45,095
2033:	\$30,800	2043:	\$37,268	2053:	\$45,095

The attached resolution authorizes the Mayor to sign the new site lease agreements with Cingular d/b/a AT&T.

SG

Cc:

Lindsay Sagorski Munsell

Samarhia Giffel

Mike Hoeker

YOUR FISCAL COMMITTEE recommends the adoption of the following authorizing Lease Agreements with New Cingular Wireless PCS, LLC, d/b/a AT&T to utilize the Covell Dog Park and Cambridge and Leonard Street Water Tank Sites for Communication Purposes.

WHEREAS:

1. That the City of Grand Rapids Water System is seeking approval to execute new Lease Agreements between the City and New Cingular Wireless PCS, LLC d/b/a AT&T (Cingular) to utilize the Covell Dog Park and Cambridge and Leonard Water Tank Sites, located at 526 Covell Ave NW; 1439 Cambridge Dr SE; and 2723 Leonard St NW, respectively, in the City of Grand Rapids for communications purposes; and
2. That the terms of the initial Lease Agreements were for five five-year terms, and Cingular requests to renew the annual leases for five-year terms for an additional 30 years; and
3. That the new Lease Agreements and annual site lease payments will take effect July 11, 2024, for the Cambridge and Leonard Water Tank Sites at a rate of \$24,000 and August 22, 2024, for the Covell Dog Park Site at a rate of \$28,000; the annual fee shall increase 10 percent every five years. Funds shall be deposited in Water Supply System account number 5910-536-1000-6671; therefore

RESOLVED:

1. That Lease Agreements between the City of Grand Rapids and New Cingular Wireless PCS, LLC d/b/a AT&T (Cingular) to utilize the Covell Dog Park and Cambridge and Leonard Water Tank Sites, located at 526 Covell Ave NW; 1439 Cambridge Dr. SE; and 2723 Leonard St NW, respectively, in the City of Grand Rapids for communications purposes, all for six five-year terms, are hereby approved; and
2. That the Mayor is hereby authorized to execute the Lease Agreements upon approval as to form by the City Attorney.

CORRECT IN FORM

CITY ATTORNEY