



CITY OF TEMPE
REQUEST FOR COUNCIL ACTION

Council Meeting Date: 01/08/2015
Agenda Item: 6B1

ACTION: Introduce and hold the first public hearing to adopt an ordinance authorizing a Third Amendment to a Communications Site Lease with American Tower Asset Sub, LLC (successor in interest to C-Call Corp.). The cell tower site is located at 735 West Carver Road. The second and final public hearing is set for January 29, 2015. (Ordinance No. O2015.03)

FISCAL IMPACT: Rent owed for the City property used for the cell tower site under the current amended lease is \$2,831.63 per month excluding taxes. American Tower will pay \$3,300 per month as base rent starting March 1, 2015 as consideration for the City's consent to current subleases with Sprint and Verizon. The base rent will continue to increase by 3.5% annually on each November 1 as required by the amended lease. American Tower is responsible for paying taxes in addition to the base rent.

RECOMMENDATION: Adopt Ordinance No. O2015.03.

BACKGROUND INFORMATION: This lease concerns a cell tower and communication facilities located at Carver Road east of Hardy in Tempe. American Tower Asset Sub, LLC's (American Tower's) subleases of space on its cell tower to Nextel (now known as Sprint) and AirTouch Cellular (now known as Verizon Wireless) back in 1999 were not approved by City Council. Additionally, Verizon now wants to remove and replace existing antennas with new antennas and add additional equipment in order to provide its long-term evolution (4G LTE) service from that site. The Third Amendment will act as the City Council consent needed for the subleases and as landlord approval for Verizon or its agents to file an application for the necessary land use or building permits that are needed for the antenna replacements and equipment additions. The Third Amendment also updates the amended lease to allow the tower's cellular tenants access to the site, clarifies American Tower's responsibility to remove the tower and any equipment upon lease termination, requires a removal bond, updates the insurance requirements and requires proof of compliance with the FCC's rules and federal law relating to radio frequency emissions.

ATTACHMENTS: Ordinance, Third Amendment, and Exhibit

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