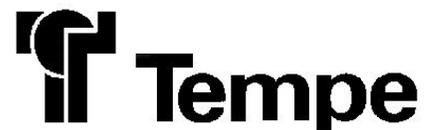


Staff Summary Report



Council Meeting Date: 2/24/11

Agenda Item Number: 5D1

SUBJECT: Second and final public hearing to adopt an ordinance authorizing a first amendment to a rooftop lease with option and addendum to rooftop lease with option with T-Mobile West Corporation (successor in interest to VoiceStream PCS III Corporation) for cellular communication facilities located at 525 S. Mill Avenue in Tempe.

DOCUMENT NAME: 20110224 pwws03 VOICESTREAM PCS III – ROOFTOP OF 525 BLDG (0903-48) Ordinance No. 2011.06

COMMENTS: T-Mobile has requested the City's permission to utilize a portion of the City's existing conduit for the purpose of installing certain innerduct and voice/data transmission cables containing multiple fibers to its rooftop facilities on the City's 525 building. As consideration for such consent, the parties have renegotiated the original lease to include modified and additional terms and conditions.

PREPARED BY: Wendy Springborn, Engineering Services Administrator (x8250)

REVIEWED BY: Andy Goh, Deputy Public Works Director/City Engineer (x8896)
Ken Jones, Finance and Technology Director (x8504)

LEGAL REVIEW BY: Jenae Naumann, Assistant City Attorney (x8402)

DEPARTMENT REVIEW BY: Don Bessler, Public Works Director (x8205)

FISCAL NOTE: Current rent under the original lease was \$1,380.00 per month. The renegotiated lease provides for a base rent of \$1,980 per month on the Effective Date of the Amendment. Beginning August 26, 2011, the base rent will increase to \$2,039.00 per month. Thereafter on each August 26 of the subsequent years, the base rent will be increased by 3%. Lessee is responsible for paying taxes in addition to the base rent.

RECOMMENDATION: Adopt Ordinance No. 2011.06 and authorize the Mayor to execute any necessary documents.

ADDITIONAL INFO: T-Mobile has the option to renew the lease upon the expiration of the current term (August 25, 2013), for two additional five-year terms. As long as T-Mobile is not in default of the lease at the expiration of the current term (August 25, 2013), it will have the right to extend the lease for two additional five-year terms. Upon any such extension of the lease, the rent will continue to increase by 3% annually over what it was in the prior year.