



LEGISLATIVE MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Scott Morgan, Interim City Manager

THRU: Juliet Misconi, Deputy City Manager

DATE: March 6, 2025

RE: Consideration of an amendment to the ground site lease with T-Mobile, adjacent to the communication tower at Fire Station 2, 150 Malabar Road.

SUMMARY:

The City is the landlord for various ground lease agreements for cellular towers. Often, the City holds a separate lease agreement for ground space adjacent to the tower for additional equipment for carriers. There is a communication tower located at Fire Station #2, 150 Malabar Road, which was constructed in 1998. (Note: Separately, there is an agenda to allow an easement for one of the tenants on the tower to connect to the tower; this agenda item is not related to the easement or that carrier).

The City has a site lease for adjacent ground space with T-Mobile (formerly PrimeCo.), effective since July 21, 2000, with an original lease amount of \$14,000 per year. This ground lease expires August 1, 2025. The City has negotiated an amendment to ground site lease agreement which adds five successive five-year renewal terms. The annual rent is \$21,000 per year commencing at the start of the new term and increases by 10% every five year renewal term. The final lease expiration is August 1, 2050. The original ground site lease addendum does have a co-termination clause (Section 8, paragraph (g)) which applies immediate termination if the tower lease ends.

REQUESTING DEPARTMENTS:

City Manager's Office

FISCAL IMPACT:

The annual revenue from this ground lease is \$21,000 per year for the next five years, increasing by 10% for every renewal term (5 year initial term, with (5) 5-year renewals).

Honorable Mayor and Members of the City Council

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STAFF RECOMMENDATION:

Motion to approve the first amendment of the ground site lease with T-mobile for the property adjacent to the Fire Station #2 Tower, 150 Malabar Road.

ATTACHMENTS:

1. First Amendment
2. Original Agreement