

BOARD OF ALDERMEN

ITEM NO. C(2)

AGENDA ITEM ABSTRACT

MEETING DATE: January 16, 2007

SUBJECT: Lease Rate Change for Town Telecommunications Tower

DEPARTMENT: MANAGER'S OFFICE	PUBLIC HEARING: NO
ATTACHMENTS: A – Resolution B – Proposed New Lease Rate Agreement	FOR INFORMATION CONTACT: Drew Cummings (918-7314)

PURPOSE

A number of leases on the town's telecommunication's tower are either expired and need to be re-negotiated or will expire in the next year or two (and need to be re-negotiated then). Town staff is proposing a simplified fee structure that should increase revenue and simplify administration of these leases.

INFORMATION

The Town's current revenue stream from leasing tower space is based on individually negotiated leases and rates based on antenna size and ground space required near the antenna. Not only are these complicated and different, but the rates involved are also low by current standards. Town staff is putting forward a plan based on the plan used in the Town of Cary. This plan involves a flat rate of \$30,000 / yr. (\$2,500 / month) regardless of the amount of tower and ground space used. It is a significantly higher rate than any of our current rates and would also, if adopted, simplify the negotiation of new leases and re-negotiation of older, expired leases.

FISCAL IMPACT

Tower revenue would be expected to increase substantially under this plan. Staff time should also decrease with the decreased complexity of antenna leases.

RECOMMENDATION

Town staff recommends that the Board of Aldermen adopt the proposed rate schedule for leased space on the town telecommunications tower.