

BOARD OF ALDERMEN

ITEM NO. C(6)

AGENDA ITEM ABSTRACT

MEETING DATE: November 17, 2009

**SUBJECT: Authorization to Renew Lease Agreement for Communications
Antenna Co-Location on Town Hall Tower**

DEPARTMENT: MANAGER'S OFFICE	PUBLIC HEARING: NO
ATTACHMENTS: A. Resolution Authorizing Renewal of Lease of Tower Space to T-Mobile for Communications Antenna B. Lease agreement	FOR INFORMATION CONTACT: Matt Efird (918-7314) Bob Hornik (929-3905)

PURPOSE

T-Mobile South, LLC has expressed interest in renewing their antenna co-location lease agreement for the Town's telecommunications tower. The previous lease expired in March 2009 and staff has been working with the applicant to negotiate a lease renewal. The Board of Aldermen is requested to adopt the attached resolution authorizing the Town Manager to execute the lease agreement.

INFORMATION

N.C. G.S. 160A-272 requires Board approval of contracts leasing or renting Town property. The proposed lease with T-Mobile South LLC, is for five years with the possibility of automatic renewal for one additional five-year term. An additional requirement for such leases is that the Town provide 10 days public notice of the intent to enter into such a lease agreement. A notice was published in the Chapel Hill Herald on October 25, 2009.

FISCAL IMPACT

The contract stipulates an annual payment to the Town of \$33,221.61 for the first year, plus an additional 3% increase in the annual rate for each year of the lease. Staff deems this lease amount to be appropriate for the size of the antenna. The total rental payments for the initial term of the lease amount to approximately \$176,000, plus an additional \$204,000 available in the renewal term.

RECOMMENDATION

Town staff recommends that the Board authorize the Town Manager to execute a renewal lease agreement with T-Mobile South, LLC.