



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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**File #:** 19-00008

City Council

2/28/2019

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** Grover C. Robinson, IV, Mayor

**SUBJECT:**

APPROVAL OF SECOND AMENDMENT TO THE LEASE AGREEMENT WITH T-MOBILE (BU 823980)

**RECOMMENDATION:**

That City Council approve the second amendment to the lease agreement between the City of Pensacola and T-Mobile (BU 823980) at Exchange Park. Further, that City Council authorize the Mayor to take all the necessary actions to execute the amendment.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

T-Mobile has an existing Agreement with original terms, including all renewal terms that would expire May 31, 2025. T-Mobile would like to replace the current tower with a new tower of the same type, height, and in the existing fenced compound. T-Mobile has proposed to renew this lease for five (5) and additional five (5) year renewal terms, extending the total term of this lease to May 31, 2050.

In consideration for the right to exclusively use and lease the tower, T-Mobile agrees to pay thirty percent (30%) of new payments received by T-Mobile. For any existing subtenant, T-Mobile will increase the percentage from twenty percent (20%) to thirty percent (30%) of payment received by T-Mobile.

Starting on June 1, 2019, in addition to the Revenues received by T-Mobile, T-Mobile will pay annual rent to the City of Pensacola in the amount of \$12,000. On June 1, 2020 and on the anniversary of that date each year the annual rent shall increase based on the Consumer Price Index.

This contract has been reviewed and approved by Omnicom Consulting Group for Professional Services for Communication Tower Management Services for fair market value pricing and terms.

**PRIOR ACTION:**

October 11, 2012 - The City of Pensacola is notified about the transfer of the Master Agreement with T-Mobile expected to begin at the end of November, 2012.

March 22, 2001 - City Council approved a lease agreement between the City of Pensacola and Eliska Wireless Ventures, Inc. to expand the tower site ground area.

January 11, 2001 - City Council approved the Consent and Estoppel Agreement providing for the assignment of the current lease agreement with Digiph PCS, Inc. to Eliska Wireless Ventures I, Inc. for a portion of Exchange Park property.

June 22, 2000 - City Council approved a lease agreement between the City and Digiph PCS to allow for the construction of a replacement telecommunication tower in Exchange Park by Digiph PCS, with no ground lease fee for a period of 25 years, in return for the removal of the existing tower located by Bayou Texar, and other terms and conditions. .

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

The City will receive an additional \$12,000 per year as part of this amendment.

**CITY ATTORNEY REVIEW:** Yes

1/28/2019

**STAFF CONTACT:**

Christopher L. Holley, City Administrator  
Richard Barker, Chief Financial Officer  
Brenda Kahalley, Technology Resources Manager

**ATTACHMENTS:**

- 1) T-Mobile Second Amendment to Lease Agreement (BU 823980)

**PRESENTATION:** No