



City Council Report

Date: February 5, 2018
To: City Council
Through: Kari Kent, Assistant City Manager
From: Beth Huning, City Engineer
Rob Kidder, Assistant City Engineer
Subject: Enter into a lease with New Cingular Wireless PCS for a cellular site at Fire Station 214 located at 5950 East Virginia Council District #5

Purpose and Recommendation

The purpose of this report is to consider staff's recommendation to enter into a Lease Agreement with New Cingular Wireless PCS for communication facilities at Fire Station 214 located at 5950 E Virginia. New Cingular Wireless PCS is a subsidiary of AT&T Wireless PCS.

Background

The City originally entered into a Cellular Site Lease with AT&T Wireless PCS at this Fire Station location in 1998. The term of that lease was for five years with three (3) 5-year renewal options. The lease rate began at \$10,020 per year and with escalations is now \$17,527 per year. This lease will terminate on September 30, 2018. Sprint and the City of Mesa also have communication facilities at this location. In the past twenty years, there have been no issues or complaints by the Fire Station nor has there been any radio frequency issues between AT&T and our Communications Department.

Discussion

Under the name of New Cingular Wireless PCS, AT&T would like to continue to lease ground space for their equipment building at this site and continue their cellular service for this area. The term of the new lease beginning October 1, 2018 is for five years with three (3) 5-year renewal options. This new Lease Agreement is similar, with some modifications, to the prior lease.

Alternatives

The City Council could choose to not enter into a new Lease Agreement with New

Cingular Wireless PCS. Choosing this alternative would result in the disruption of cellular services provided by New Cingular for the nearby vicinity and neighborhood.

Fiscal Impact

The City will receive lease revenue of \$19,200 per year and the lease will escalate 3% annually.

Coordinated With

This Lease Agreement has been coordinated with the City Attorney's Office and the Communications Department.