

To: The Honorable Mayor and City Council

From: Ricardo Castillo, IT Director *R.C.*

Date: ~~April 9th, 2013~~ **April 23, 2013**

RE: Crown Castle Lease Renewal

RECOMMENDATION

It is recommended that the City renew the lease for an additional 15 year term. As part of the lease renewal the City will receive a \$15,000 bonus payment for extending the contract, continue to receive a 5% increase on yearly rent for the additional term years, and a 25% revenue sharing for any new cell phone providers that sign up with Crown Castle after execution. In addition, Crown Castle will provide the City with Community Benefits as outlined in their letter of agreement.

BACKGROUND

Currently, the City is in a 20 year lease with Crown Castle for a Cell Phone Tower located at the North Miami Public Library, 835 NE 132nd Street, expiring June 2020. As part of the lease the City receives monthly payments that include a 5% increase on a yearly basis, with such payments ending upon expiration of lease.

Attachments

Resolution

Crown Castle Letter of Agreement

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE AND EXECUTE A RENEWAL AND EXTENSION OF AN EXISTING LEASE AGREEMENT WITH CROWN CASTLE SOUTH LLC, FOR COMMUNICATIONS FACILITY SITUATED ON CITY-OWNED REAL PROPERTY, LOCATED AT 835 NORTHEAST 132ND STREET; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

WHEREAS, on June 3, 1995, the City of North Miami (“City”) executed a lease agreement with Bellsouth Mobility, Inc., as the Tenant, for the purpose of leasing a portion of City-owned property located at 835 Northeast 132nd Street, together with the nonexclusive right for ingress and egress, to be used solely for the operation and maintenance of a communications facility and uses incidental thereto (“Lease”); and

WHEREAS, although the Lease is not set to expire until June 2020, the new assigned Tenant, Crown Castle South LLC, seeks to renew and extend the terms of the Lease through December 6, 2035, for additional consideration to the City; and

WHEREAS, the City administration respectfully requests that the Mayor and City Council authorize the City Manager and City Attorney to negotiate and execute a proposed renewal and extension of the Lease, in the best interest of the City.

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. Authority of City Manager and City Attorney. The Mayor and City Council of the City of North Miami, Florida, hereby authorize the City Manager and City Attorney to negotiate and execute a renewal and extension of an existing lease agreement with Crown Castle South LLC, for the communications facility situated on City-owned real property, located at 835 Northeast 132nd Street, attached hereto as “Exhibit A”.

Section 2. Effective Date. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, this _____ day of April, 2013.

ANDRE D. PIERRE, ESQ.
MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

REGINE M. MONESTIME
CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

Vote:

Mayor Andre D. Pierre, Esq.	_____ (Yes)	_____ (No)
Vice Mayor Marie Erlande Steril	_____ (Yes)	_____ (No)
Councilperson Michael R. Blynn, Esq.	_____ (Yes)	_____ (No)
Councilperson Scott Galvin	_____ (Yes)	_____ (No)
Councilperson Jean R. Marcellus	_____ (Yes)	_____ (No)



Crown Castle
301 North Cattleman Road, Ste 200
Sarasota, FL 34232

Tel: 941.308.5253
Fax: 724.416.6452
www.crowncastle.com

April 10, 2013

Sent via email to: Ricardo Castillo
rcastillo@northmiamifl.gov

Re: Business Unit # 812112
Site Name: EFOX

Parent Parcel: NE 132nd St, North Miami, FL (Library)

Current Lease: By and between Crown Castle South LLC, a Delaware limited liability company ("Lessee") and City of North Miami, FL ("Lessor"), for a 1500 square foot leased area upon which a cell tower has been erected.

Revised Lease terms:

1. The Lease currently provides in section 5 that there are four (4) five (5) year renewal terms. That section will be amended to provide for an additional three (3) five (5) year renewal terms. The new final Lease expiration date will be December 6, 2035.
2. If Lessor receives an acceptable offer from any person or entity that owns towers or other wireless telecommunications facilities (or is in the business of acquiring Lessor's interest in the Lease) to purchase fee title, an easement, a lease, a license, or any other interest in the lease area, or Lessor's interest in the Lease, or an option for any of the foregoing, Lessor shall provide written notice to Lessee of said offer, and Lessee shall have a right of first refusal to acquire such interest on the same terms and conditions.
3. The Lease Amendment shall include a provision stating that Lessee will pay to Lessor a one-time amount of Fifteen Thousand Dollars (\$15,000.00) for the full execution of the Lease Amendment within 60 days of the full execution of the Lease Amendment.
4. Commencing on December 7, 2015 and every year (1) year thereafter (each an "Adjustment Date"), the monthly rent shall increase by an amount equal to 4% of the monthly rent in effect for the month immediately preceding the Adjustment Date.
5. Commencing on December 7, 2015 and every year (1) year thereafter (each an Adjustment Date") Lessee will pay Lessor a one-time annual payment of Five Hundred Dollars (\$500.00) in addition to the 4% annual escalation referenced in #4 above.

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A handwritten signature in blue ink, appearing to be 'Ricardo Castillo', with a circled '5' written next to it.

6. In addition to the rent currently paid by Lessee to Lessor pursuant to the Lease, if, after the full execution of the Lease Amendment, Lessee subleases the Property to an unaffiliated third party not already a subtenant on the Property (each a "Future Subtenant"), Lessee agrees to pay to Lessor twenty five percent (25%) of the rental payments actually received by Lessee from such Future Subtenant (excluding any reimbursement of taxes, construction costs, installation costs, revenue share reimbursement or other expenses incurred by Lessee) (the "Additional Rent") within thirty (30) days after receipt of said payments by Lessee.
7. All other Lease business terms will remain the same.

Upon receipt of this document evidencing Lessor's acceptance of the revised Lease terms herein, Lessee shall submit these terms to its property committee. Upon approval by its property committee, Lessee shall prepare a Lease Amendment that incorporates the terms and conditions described in this document. In connection therewith, the parties acknowledge and agree that this document is intended to summarize the terms and conditions to be included in the Lease Amendment. Upon receipt of a satisfactory Lease Amendment, Lessor hereby agrees to execute the Lease Amendment without any unreasonable delay.

If this document accurately sets forth our understanding regarding the foregoing, please so indicate by signing and returning to Lessee via fax to 724-416-6452 or by e-mail to Linda.doherty@crowncastle.com.

Lessor:

City of North Miami, FL

Dated: _____

Print Name