THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: October 25, 2022

Subject: Amendment to the license agreement between the City of Asheville and New Cingular Wireless, PCS, LLC (d/b/a/ AT&T) at the Lower White Fawn telecommunications tower to allow additional equipment and increase the rental rate.

Staff Resource(s): Ellen McKinnon, Real Estate Coordinator, Nikki Reid, Director of Community & Economic Development, Jeff Reble, IT Services

Action Requested: Adoption of a resolution authorizing the City Manager to sign a license agreement amendment with New Cingular Wireless, PCS, LLC (d/b/a/ AT&T) to install additional telecommunications equipment on the tower in exchange for an increase to the current rental rate

Background:

- The City of Asheville owns real property at PIN #9648-56-7004 and 9648-55-8749 whose address is 166 Reservoir Road.
- The City owns a telecommunications tower that is located on the site, known as the Lower White Fawn tower.
- The City uses the tower for public safety equipment and licenses the use of extra space to private telecommunications companies.
- In 2017, the City executed a license agreement with New Cingular Wireless, PCS, LLC and the current term extends through 2032.
- As part of the original 2017 agreement, New Cingular Wireless paid for the demolition and construction of a new tower to replace the old Lower White Fawn Tower.
- The total cost ($204,534.00) was converted to rent credit.
- At present, New Cingular Wireless requests to install additional equipment onto the tower.
- Based on the increase of three additional antennas to the tower, staff recommends an increase to the rental rate of $150 for each additional antenna.
- In this case, that would result in an increase of $450 per month.
- The current rent of $3,517.22 per month will increase to $4,072.73 per month (including the additional space and escalation).
- The new monthly rental amount will continue to be credited to New Cingular Wireless until the total cost of the new tower is reached, at which point New Cingular Wireless will begin paying the monthly rental fee to the City.
- Based on the request to add equipment, New Cingular Wireless was required to perform a structural analysis to determine if the tower was able to sustain the modifications that are proposed and the modifications are allowed.

Council Goal(s):

- Financially Resilient City

Committee(s):

- None

Pro(s):

- The presence of New Cingular Wireless on the tower increases the value of this asset and provides revenue to the City.

Con(s):

- Additional load has been added to the tower.

Fiscal Impact:

- There is no immediate fiscal impact.
- Once the rent credit concludes (during FY 2023-24), the City will receive an additional $5,400 each year of the lease term.

Suggested Motion:

- Motion to adopt a resolution authorizing the City Manager to sign a license agreement amendment with New Cingular Wireless to install additional telecommunications equipment on the tower in exchange for an increase to the current rental rate.

Attachment(s)

- Resolution
- Final Loading
- Site Plan with Details

RESOLUTION NO. 22-_____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A LICENSE AGREEMENT AMENDMENT WITH NEW CINGULAR WIRELESS, PCS, LLC (DBA AT&T) FOR ADDITIONAL ANTENNAS AND RELATED EQUIPMENT ON CITY-OWNED REAL PROPERTY AT 166 RESERVOIR ROAD

WHEREAS, the City of Asheville is the owner of real property located at 166 Reservoir Road; and

WHEREAS, in 2017, City of Asheville entered into a license agreement with New Cingular Wireless, PCS, LLC (dba AT&T) a telecommunications company; and

WHEREAS, New Cingular Wireless, PCS, LLC (dba AT&T), requests an amendment to the agreement in order to operate three additional antennas and related equipment upon the property at 166 Reservoir Road; and

WHEREAS, the City of Asheville proposes to increase the rental payment by $450.00 per month based on the addition of the new equipment; and

WHEREAS, the City Council of the City of Asheville proposes to approve the license agreement amendment and the aforementioned terms;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to execute the aforementioned license agreement amendment with New Cingular Wireless. PCS, LLC (d/b/a AT&T). In addition, the City Manager is hereby authorized to execute any and all documents necessary to give effect to this resolution, subject to approval by the City Attorney, and in compliance with applicable North Carolina law.

Read, approved and adopted this the 25th day of October, 2022

_____ _____

City Clerk Mayor

Approved as to form:

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City Attorney