THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: December 13, 2022

Subject: Verizon Wireless has requested to renew their license agreement at Royal Pines, located at 57 Crestwood.

Staff Resource(s): Ellen McKinnon, Real Estate
Jeff Reble, IT Services

Action Requested: Adoption of a resolution authorizing the City Manager to sign a license agreement that will allow Verizon to remain on the City's tower at Royal Pines.

Background:

- Verizon has been one of two telecommunications tenants on the City-owned Royal Pines Cell Tower located at 57 Crestwood Drive.
- The City owns the tower primarily for its own public safety communications equipment and allows private telecom companies to utilize space per license agreements with the City.
- Verizon Wireless has been a long-standing telecommunications tenant since 2008.
- The most recent Structural Analysis has shown that the tower is near maximum capacity and equipment upgrades previously requested by Verizon could not be installed.
- In 2020, Verizon decided to relocate to a new tower, and asked for a transition period of two years.
- The City granted that request.
- However, in June of 2022, Verizon notified the City's Real Estate Office that their plans had changed and they were no longer going to move to a new site.
- Verizon is requesting a new license agreement with the City for a total of 10 years structured as two five-year terms.
- Given that Verizon will not be able to add additional equipment because of structural limitations, the base rent will not be increased.
- However the annual escalation clause of 3% will continue to be applied.
- The current rent is $47,149.18 per year and will increase 3% each year through the term of the license agreement.

Council Goal(s):

- A Thriving Local Economy

Committee(s):

- None

Pro(s):

- The presence of Verizon on this tower strengthens the signal for the many users of Verizon in the city.
- Rental rate provides revenue to the City of Asheville.

Con(s):

- The departure of Verizon would have enabled other users to increase their equipment loadings on the tower.

Fiscal Impact:

- The General Fund will continue to receive revenue (currently $47,149.18) from this license agreement , which is included in the annual budget.

Suggested Motion:

- Motion to approve the resolution authorizing the City Manager to execute a new license agreement with Bell Atlantic Mobile Systems LLC, dba Verizon Wireless.

Attachments

- Resolution
- Site Plan

RESOLUTION NO. 22-_____

RESOLUTION AUTHORIZING A NEW LICENSE AGREEMENT BETWEEN BELL ATLANTIC MOBILE SYSTEMS LLC DBA VERIZON WIRELESS AND THE CITY OF ASHEVILLE FOR THE CELL TOWER AT 57 CRESTWOOD DRIVE

WHEREAS, N. C. Gen. Stat. 160A-272 authorizes the lease of City owned property for upon such conditions as the Council may determine for periods of 10 years or less; and

WHEREAS, the City of Asheville is the owner of real property located at 57 Crestwood Drive in Arden, NC; and

WHEREAS, Bell Atlantic Mobile Systems LLC, dba Verizon Wireless, a telecommunications company, has requested to remain on the tower by renewing their license agreement for a five year term with one renewal of five more years on the tower located at 57 Crestwood Drive in Arden, NC; and

WHEREAS, the current rental rate is $47,149.18 per year and will increase 3% each year through the term of the license agreement; and

WHEREAS, the City Council of the City of Asheville proposes to accept/approve the license agreement 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 a Lease Agreement between Bell Atlantic Mobile Systems LLC, dba Verizon Wireless and the City of Asheville for property located at 57 Crestwood Drive in Arden, NC. 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 compliance with applicable North Carolina law.

Read, approved and adopted this 13th day of December, 2022.

_____ _____

City Clerk Mayor

Approved as to form:

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City Attorney