THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: June 22, 2021

Subject: License Agreement with U.S. Cellular at 57 Crestwood Drive

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

Action Requested: Adoption of a resolution authorizing the City Manager to sign a new license agreement with US Cellular at 57 Crestwood Drive.

Background:

- The City of Asheville owns and controls a telecommunications tower located at 57 Crestwood Drive, primarily for the purpose of vital public safety communications.
- Excess space on the tower is available for telecommunications companies through license agreements with the City.
- U.S. Cellular originally built the tower at Royal Pines in 1987 and has occupied it since that time.
- Their most recent agreement was executed in 2012, at a rental rate of $30,000 per year with an annual escalation rate of 3%.
- The current license agreement expires September 30, 2022 and US Cellular's agent has approached the Real Estate Coordinator with a request for an extension.
- The Real Estate Division with the support of IT Services contracted with APC Telecom in Raleigh for an analysis of the current license agreement and its terms, including fair market value rental rates.
- They recommended an increase of over 10% of their current rent and to maintain the escalation rate of 3%.
- Finally, APC Telecom recommended a term as long as possible.
- US Cellular agreed to a term of ten (10) years at a rental rate of $42,300 per year with 3% escalations.

Council Goal(s):

- A Well Planned and Livable Community

Committee(s):

- None

Pro(s):

- This license agreement will ensure that the City has a stable tenant on this tower.
- US Cellular will be paying Fair Market rent with an acceptable escalation clause.

Con(s):

- None.

Fiscal Impact:

- The City will be receiving $3,525 per month or $42,300.00, which benefits the General Fund.

Suggested Motion:

- Motion to approve the resolution authorizing the City Manager to sign this license agreement for ten (10) years.

Attachments

- Area Map
- Resolution

Area map of existing cell tower & water tower area



RESOLUTION NO. 21-_____

RESOLUTION AUTHORIZING A LICENSE AGREEMENT WITH USCOC OF GREATER NORTH CAROLINA LLC FOR ANTENNAS AND RELATED EQUIPMENT ON CITY-OWNED REAL PROPERTY AT 57 CRESTWOOD DRIVE, ARDEN, NC

WHEREAS, N. C. Gen. Stat. sec. 160A-272 authorizes the City to enter into lease or license agreements of 10 years or less upon resolution of the City Council adopted at a regular meeting after 30 days' public notice; and

WHEREAS, the City of Asheville is the owner of real property located at 57 Crestwood Dive, identified as PIN #9654-59-5097-00000; and

WHEREAS, USCOC of Greater North Carolina, LLC., a telecommunications company, has offered to enter into a ten year license agreement in order to continue its placement on the tower at 57 Crestwood and operate antennas and related equipment upon the property at 57 Crestwood Drive; and

WHEREAS, in exchange for the ten year lease, USCOC of Greater North Carolina, LLC, will pay a monthly lease payments of $3,525.00 with an annual 3% cost of living increase each successive year; and

WHEREAS, the City Clerk published a Notice of Intent in connection with the proposed lease agreement on Friday, May 21st, 2021, in the Asheville Citizen-Times; and

WHEREAS, the City's needs for the property during the term of the lease are compatible with the proposed lease;

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

The City Manager is hereby authorized to execute the License Agreement between the City of Asheville and USCOC of Greater North Carolina, Inc. for antennae and related equipment at 57 Crestwood Drive. In addition, the City Manager be, and 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 22nd day of June, 2021.

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City Clerk Mayor

Approved as to form:

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City Attorney