THE CITY OF ASHEVILLE

**STAFF REPORT**

**Council Meeting Date:** December 8, 2020

**Subject:** T-Mobile request for extension of license agreement at 300 Merrimon Avenue for five years with one five-year renewal.

**Staff Resource(s):** Sam Powers, Community & Economic Development Director
Nikki Reid, Economic Development Program Director

**Action Requested:** Adoption of a resolution authorizing the City Manager to sign a license agreement with T-Mobile South LLC at 300 Merrimon Avenue with a term of five years with one five-year renewal.

**Background**:

- In 2001, the Asheville City Council approved Triton PCS Wireless to install a concealed telecommunications tower and a concrete equipment shelter at 300 Merrimon.
- T-Mobile South LLC currently occupies the tower that is located atop a six story brick stairwell adjacent to the historic fire house at 300 Merrimon Avenue.
- T-Mobile's existing agreement with the City is set to expire and they have requested a renewal of 5 years with an additional 5 year renewal.
- T-Mobile lease rate is currently $30,000 with an escalation of 3%.
- T-Mobile has agreed to a new base rate of $35,000 with the 3% escalation applied at the end of every lease year.
- Staff is currently reviewing options for sale or reuse of the historic firehouse and tower at 300 Merrimon.
- Preserving the historical character of the property is central in this consideration.
- Staff intends to present recommendations to City Council regarding the overall sale or use of the property in 2021.
- If Council were to consider a future sale of this property, the lease would be transferable to a new owner.
- During this time, staff recommends maximizing the value of the telecom tower by extending the license agreement that is currently active with T-Mobile for equipment on the telecom tower.

**Council Goal(s):**

- Financially Resilient City

**Committee(s)**:

- None

**Pro(s):**

- The presence of T-Mobile on the tower increases the value of this asset and provides revenue to the City.

**Con(s):**

- None.

**Fiscal Impact**:

- The City's General Fund will receive approximately $2,920 per month or $35,000 per year in revenue during the first year of the new lease.

**Suggested Motion:**

- Motion to approve the resolution authorizing the City Manager to sign a license agreement with T-Mobile South LLC with a term of five years with one five-year renewal.

**Attachment(s)**

- Resolution
- Photo showing the location of the tower at the site.

RESOLUTION NO. _____

RESOLUTION AUTHORIZING A NEW LICENSE AGREEMENT BETWEEN T-MOBILE SOUTH LLC AND THE CITY OF ASHEVILLE AT 300 MERRIMON AVENUE

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WHEREAS, N. C. Gen. Stat. 160A-272 authorizes the lease of City owned property for communication purposes upon such terms and conditions as the council sees fit, for periods of up to 25 years; and

WHEREAS, the City of Asheville is the owner of real property located at 300 Merrimon Avenue in Asheville, NC; and

WHEREAS, T-Mobile South LLC, a telecommunications company, has requested to extend their license agreement for at least five more years with one five-year renewal at 300 Merrimon Avenue in Asheville, NC under similar terms and conditions as the existing 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 License Agreement between T-Mobile South LLC, and the City of Asheville for property located at 300 Merrimon Avenue in Asheville, 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 8th day of December, 2020.

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City Clerk Mayor

Approved as to form:

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City Attorney