



PUBLIC WORKS DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: June 18, 2019

Subject

Authorize the City Manager to execute an Antenna Ground Lease Agreement to replace a prior agreement between the City of Cupertino and T-Mobile West Tower LLC, a Delaware Limited Liability Company for an existing cell tower at the Cupertino Service Center located at 10555 Mary Avenue, Cupertino.

Recommended Action

Adopt Resolution 19-XXX to authorize the City Manager to execute an Antenna Ground Lease Agreement to replace a prior agreement between the City of Cupertino and T-Mobile West Tower LLC, a Delaware Limited Liability Company.

Discussion

On January 21, 1997, the City of Cupertino executed an antenna site lease agreement with Pacific Bell Mobile Services for installation of a cell tower at the Cupertino Service Center located at 10555 Mary Avenue, Cupertino. The cell tower was constructed in 2001 and has been operational since. The Lease was extended for 5 additional years on November 6, 2006. The lease agreement has changed hands between various carriers since Pacific Bell Mobile Services first initiated the lease. The current lease holder is T-Mobile West Tower LLC, who is operated by Crown Castle.

The lease for the existing cell tower expired in December 2011, and the tower has been operating under the terms of the previous lease. Staff recently coordinated with Crown Castle to negotiate a new 15 year lease agreement for the existing tower.

The terms of the new lease are substantially similar to the previous lease agreement, with an adjustment in the lease rates, increasing the monthly rent to \$3,780/month for 2019, (from \$2,375.94 /month) in order to more closely match the market rate for similar facilities in the area. A yearly rate adjustment of 5% per year is included in the lease, so that starting January 1, 2020, the lease rate will \$3,969/month.

The tower will continue to operate as it has been, and no changes to the tower have been proposed at this time. The lease has provisions that require City approval for any changes to the tower (excluding like-for-like modifications or minor modifications consistent with

the site development permit), including any necessary lease amendments to facilitate the changes.

Sustainability Impact

No sustainability impact.

Fiscal Impact

This new Antenna Ground Lease will increase monthly rental rates to \$3,780 per month (an increase of \$1,404 per month), with 5% annual increases. A one-time additional consideration of \$2,500 is to be paid to the City within 60 days of the execution of the lease. Revenues will be applied to account number 100 90 001 420-422.

Prepared by: Chad Mosley, Acting Assistant Director of Public Works/City Engineer

Reviewed by: Roger Lee, Acting Director Public Works

Approved for Submission by: Deborah Feng, City Manager

Attachments:

A – Antenna Ground Lease – T-Mobile West Tower LLC (Crown Castle)

B – Draft Resolution

C – Photos of Existing Tower