



CITY COUNCIL AGENDA ITEM

To: Mayor Graham and City Council
From: Ted Shekell, Planning Director
Walter Denton, City Administrator
Date: March 3, 2005
Subject: Ordinance No. _____: An Ordinance Authorizing Lease of City Real Estate to be known as Lot 14 of Shoppes at Green Mount Subdivision for the Purpose of Constructing a Flagpole Style Communications Tower for Co-location of Antennas and Related Equipment. **FIRST READING**

List of committees that have reviewed: The Community Development Committee recommended 3-0 at its February 28, 2005 meeting. It was noted that staff and Dan Vogel, land use attorney for the City on this project, had negotiated draft terms of a lease with Sprint for a tower at this site. This lease would be presented for approval on First Reading at the Council meeting on March 7, 2005.

Background:

The lease is between the City of O'Fallon and Sprint for the location of a 120' flagpole design cell tower at Lot 14 at the Shoppes at Green Mount, with that final plat having been approved on 1st Reading by the Council. The lease states that the City will receive by deed Lot 14 from Halloran Construction after approval of the final plat of Shoppes, and the lease will be effected by that subsequent deed transfer to the City. The lease states that the flagpole tower will have spots for three cell providers. Sprint, which will own the tower, will be at the top 120' spot with two other co-locates being authorized at lower heights, although it is not known who the other two will be at this time. Sprint is also responsible for maintaining the flagpole, the flag itself, the required up-lighting, and the 50' x 50' brick enclosed compound at the base of the pole. The lease terms are as follows: Sprint will pay the City \$20,400 per year for their spot, with a 3% annual escalator for a period of ten years; Sprint will also pay the City one-half of Sprint's gross revenue on the lease terms of the two other co-locate spots, with the City having authority to review those lease terms. The tower is proposed to be 22' at the top of the pole with the base to be determined after soil borings are conducted. The tower will be the same height, width, and design of the flagpole tower at Whiteside School on Lebanon Avenue.

Legal Considerations, if any: None

Budget Impact: The tower, which has three locations for cell providers, is expected to generate for the top place (Sprint) at \$20,400 per year, with 50% of the lease amount on the two co-locate spots [\$ amount undetermined, but estimated to be around \$7,500 each (our half) x 2, or \$15,000]. That would equal total revenue from the tower to be around \$35,000 per year. One item of note: This zoning and lease with Sprint is contingent upon the City receiving Lot 14 of the Shoppes at Green Mount (location of the future Sprint tower), which the owner Halloran has agreed to provide for a portion of the tower revenue. It is anticipated that a contract with Halloran for Lot 14 will be coming to the City Council for review at its March 21 meeting. Ultimately, the Sprint lease and the contract with Halloran are dependent upon the City's approval of the Shoppes at Green Mount Final Plat.

Staff recommendation: Staff recommends the Lease as submitted.