

SUBJECT

BOARD RESOLUTION NO. 17-868

Pertaining to a lease agreement with MP Integrated Solutions, LLC to provide for wireless operations at the Board's Fairgrounds Water Tower site located at 1530 Cosgrove Street in Falcon Heights.

BACKGROUND INFORMATION

The lease allows the Lessee to sublease space to New Cingular Wireless PCS LLC (AT&T) in order to provide supplemental wireless coverage during the State Fair.

The lease contains the following conditions:

1. Rent of \$15,600 per year with a 5% annual escalator.
2. A 5-year term that automatically renews for three additional 5-year terms
3. Board to be reimbursed for third-party review and inspection costs

A representative of MP will attend the Board meeting to answer questions.

See attached Report, Location Map and proposed lease.

RECOMMENDATION

Approval is recommended.

REPORT

MP Integrated Solutions, LLC lease at Fairgrounds Water Tower
June 6, 2017

This proposed lease with MP Integrated Solutions, LLC (MP) will allow New Cingular Wireless PCS LLC (AT&T) to install wireless equipment on the Fairgrounds Water Tower to supplement the coverage provided to the Fairgrounds by its wireless installation at the St. Anthony Water Tower one-half mile west. MP states that the service will be used only during the 12 days of the Minnesota State Fair, but there are no use limitations in the lease.

An agreement between the Minnesota State Agricultural Society (the State Fair) and MP provides for wireless service at the Fairgrounds. Due to the abnormally high seasonal demands, MP has been asked to provide supplemental wireless coverage during the Minnesota State Fair by installing additional AT&T equipment at the Fairgrounds Water Tower. Because the State Fair does not want multiple agreements or leases to provide wireless service at the Fairgrounds, it requires that the AT&T installation be incorporated into its existing agreement with MP. For that reason, this lease is with MP and MP will sublease the space to AT&T. The lease requires that MP sublet to only AT&T.

The water tower is situated on a 100'x100' easement granted by the State Fair, which has indicated it is willing to grant MP a right of entry to the property.

The total amount of equipment is considerably less than a full wireless site, such as what AT&T has at the Board's St. Anthony Water Tower. It will be installed on the dry fluted column at an elevation that will allow another full-service carrier (e.g. Sprint) to install its equipment above AT&T.

Because of the amount and location of the equipment, a lesser rent was calculated. A full wireless installation at an ideal elevation would require an annual rent of \$46,650. Rent for this AT&T installation is proposed to be \$15,600.

The lease contains the following conditions:

4. Rent of \$15,600 per year with a 5% annual escalator.
5. A 5-year term that automatically renews for three additional 5-year terms
6. Board to be reimbursed for third-party review and inspection costs

Board approval is recommended.