

Staff Report

September 27, 2011

**Highland Water Tower No. 3 site Lease Agreement between
Board of Water Commissioners and
Verizon Wireless (VAW) LLC d/b/a Verizon Wireless**

Verizon Wireless desires to install and operate wireless communication equipment at the Board of Water Commissioners Highland Water Tower No. 3 site located at 750 South Snelling Avenue in St. Paul.

The property is in the name of the City for benefit of the Board. The Board of Water Commissioners approved the lease at its September 9, 2011 meeting and requested the City likewise approve the lease.

The equipment to be installed on the site includes a 12'x30' ground shelter and 12 antennas mounted on three of the tower legs, as shown in Lease Exhibit A.

Following negotiations, staff prepared the attached 5-year lease that automatically renews for two additional 5-year terms and has a starting annual rent of \$38,100 with a 3% annual escalator. The lease would become effective January 1, 2012, but payment of rent does not begin until April 2012 because Verizon has already paid the first three months rent in order to reserve the space through 2011. The paid rent would be refunded if the lease was not approved.

Highland District Council recommended approval of the installation at its July 21, 2011 meeting.

See attached Location Map, proposed lease and Highland District Council resolution.