



Public Works Agenda Item

Meeting Date:	January 10, 2023
Agenda Item:	4c. Verizon Telecommunication Equipment
Staff Contact (name, email, phone):	Brad Marquardt, bmarquardt@whitewater-wi.gov , 262-473-0139

BACKGROUND

(Enter the who, what when, where, why)

In December 2022, City staff received a request from Mountain, LTD on behalf of Verizon Wireless inquiring about the possibility of leasing ground and water tank space for the installation of new telecommunication equipment at the new Southwest Elevated Tank. They are proposing monthly rent payments of \$2,500 in exchange for a 100' x 100' ground space area. The request is for an initial lease term of 5 years with nine additional 5 year renewal terms. The rent escalator includes 10% per term (term being 5 years).

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

N/A

FINANCIAL IMPACT

(If none, state N/A)

Verizon's proposal of \$2,500/month would equal \$30,000/year for the first five years. With the escalator per term and a full 10 terms (50 years), the total payment to the Water Utility would be \$2,390,613.69. For comparison, the City's current lease with T-Mobile (formerly Sprint) on the Cravath Elevated Tank is currently yielding \$18,662/year. The Sprint lease is in the final renewal term of an overall 25 year period. The lease ends in July 2024. Whitewater Wideband is also located on the Cravath Tower. Their current payments are as follows:

2021: \$7,416.00

2022: \$7,638.48

2023: \$7,867.63

2024: \$8,103.66

2025: \$8,346.77

STAFF RECOMMENDATION

Strand reviewed the initial inquiry letter and provide some comments which are attached. In general, the lease term is fairly typical, but is open to negotiations, the proposed leased area seems to be more than what would be needed, and the escalator of 10% is fairly typical. The rent amount is within the range they have seen, but is very dependent on site and location availability. Staff recommends the Public Works Committee approve moving forward with leasing space to Verizon and send to the full Council to discuss negotiation terms in closed session if warranted.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

1. Verizon Inquiry Letter
 2. Letter of Intent
 3. Strand's Comments
-