



City of Norman, OK

Municipal Building Council
Chambers
201 West Gray Street
Norman, OK 73069

Master

File Number: K-0607-142 AMD 1

File ID: K-0607-142 AMD 1

Type: Contract

Status: Consent Item

Version: 1

Reference: Item No. 22

In Control: City Council

Department: Utilities Department

Cost:

File Created: 07/01/2013

File Name: Amendment #1 to K-0607-142

Final Action:

Title: AMENDMENT NO. ONE TO CONTRACT K-0607-142: BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND SPRINT SPECTRUM REALTY COMPANY, L.P., TO ADD NEW COMMUNICATION EQUIPMENT LOCATED ON THE ROBINSON WATER TOWER LOCATED AT 453 WEST ROBINSON STREET AS PART OF THE EXISTING LEASE AGREEMENT AND INCREASING THE MONTHLY LEASE PAYMENT AMOUNT.

Notes: ACTION NEEDED: Acting as the Norman Utilities Authority, motion to approve or reject Amendment No. One to Contract No. K-0607-142 with Sprint Spectrum Realty Company, L.P.; and, if approved, authorize the execution thereof.

ACTION TAKEN: _____

Agenda Date: 07/23/2013

Agenda Number: 22

Attachments: Robinson Tower Amendment 1, K-0607-142

Project Manager: Mark Daniels, Utilities Engineer

Entered by: mark.daniels@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File K-0607-142 AMD 1

Body

BACKGROUND: The Norman Utilities Authority (NUA) approved Contract K-0607-142 with Sprint Spectrum L.P. (Sprint) on April 24, 2007 to lease space for telecommunication equipment on the Robinson Water Tower located at 453 West Robinson. The initial term of the contract was five years with the option to renew four additional terms of five years each.

The lease rate was \$1,000 per month with a 3% increase annually on the anniversary date of the contract; the current rate is \$1,194.05. Article III of the contract allows the NUA to terminate the agreement upon one hundred twenty days (120) days' notice after the initial five-year term. Article VI requires telecommunication equipment to be installed in accordance with the contract and requires approval of the Director of Utilities prior to construction of the improvements.

DISCUSSION: The initial five-year term expired in April 2012 and automatically renewed. Sprint notified staff of its intention to install new and expanded telecommunication equipment on the tower in December 2012. Staff

requested clarification regarding the request and, after numerous submittals and re-submittals, received acceptable construction documents in July 2013.

Due to the nature of the proposed changes and the fact that the current monthly lease rate is well below the market rate for this type of installation, staff requested that the lease rate be increased. Staff has negotiated the terms of Amendment No. 1 to Contract K-0607-142 with Sprint. The amendment includes: (1) Exhibit A-1 which modifies the location of the equipment on the tower; and (2) increases the lease rate by \$806 to \$2,000.05 per month after beginning construction of the modifications with a 4% increase annually on the anniversary date of the contract. The amended contract has the option to renew for three additional 5-year terms. Lease payments are deposited in the Water Enterprise Fund, Rental/Water Towers (account 031-0000-363.15-82).

RECOMMENDATION: Staff recommends the NUA approve Amendment No. 1 to Contract K-0607-142 with Sprint Spectrum Realty Company L.P. to continue leasing space for telecommunication equipment placed on the Robinson Water Tower.