



# City of Norman, OK

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

## Master

**File Number: K-0506-71 Amd 1**

**File ID:** K-0506-71 Amd 1

**Type:** Contract

**Status:** Agenda Ready

**Version:** 2

**Reference:**

**In Control:** City Council

**Department:** Utilities Department

**Cost:**

**File Created:** 06/26/2013

**File Name:** Amendment No. 1 to Contract K-0506-71

**Final Action:**

**Title:** AMENDMENT NO. ONE TO CONTRACT NO. K-0506-71: BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND SPRINT SPECTRUM REALTY COMPANY, L.P., TO MODIFY THE LOCATION OF COMMUNICATION EQUIPMENT ON THE BROOKHAVEN WATER TOWER LOCATED AT 4151 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-0506-71 with Sprint Spectrum Realty Company, L.P.; and, if approved, authorize the execution thereof.

ACTION TAKEN: \_\_\_\_\_

**Agenda Date:** 07/09/2013

**Agenda Number:**

**Attachments:** Amend 1 K-0506-71, K-0506-71

**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-0506-71 Amd 1

Body

**BACKGROUND:** The Norman Utilities Authority (NUA) approved Contract No. K-0506-71 with Sprint Spectrum L.P. (Sprint) on September 13, 2005 to lease space for telecommunication equipment on the Brookhaven Water Tower located at 4151 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 \$1,229.87. 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 September 2010 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 received acceptable construction documents in June 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 No. K-0506-71 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 \$770.13 to \$2,000 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. The lease payments are deposited in Rental-Water Towers (revenue account 031-0000-363.15-82).

**RECOMMENDATION:** Staff recommends the NUA approve Amendment No. 1 to Contract No. K-0506-71 with Sprint Spectrum Realty Company L.P. to increase the monthly lease rate and continue leasing space for telecommunication equipment placed on the Brookhaven Water Tower.