



Legislation Text

File #: K-0607-59 AMD #1, **Version:** 1

AMENDMENT NO. ONE TO CONTRACT K-0607-59: A CONTRACT BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND T-MOBILE CENTRAL, L.L.C., TO INCREASE THE MONTHLY LEASE RATE AND CONTINUE LEASING SPACE FOR TELECOMMUNICATION EQUIPMENT ON THE ROBINSON WATER TOWER THROUGH DECEMBER 30, 2021.

BACKGROUND: The Norman Utilities Authority (NUA) approved Contract K-0607-57 with T-Mobile Central LLC (T-Mobile) on October 10, 2006 to lease space for telecommunication equipment on the Robinson Water Tower located at Robinson Street and Highway 77. 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 \$1,304.77. Article I of the contract allows the NUA to terminate or re-negotiate the agreement upon one hundred eighty days (180) days' notice prior to the end of each five-year term.

DISCUSSION: The initial five-year term expired in December 2011 and automatically renewed. On June 16, 2016 the NUA provided notice to T-Mobile of its intention to terminate the agreement unless the rental rate was increased to \$2,350 per month. This amount is more reflective of current market rates and would make the T-Mobile agreement substantially equivalent to similar NUA agreements with other telecommunication providers.

Staff has negotiated the terms of Amendment No. 1 to Contract K-0607-59 with T-Mobile. The amendment increases the lease rate to \$2,350 per month beginning January 1, 2017 with a 3% increase annually on the anniversary date of the contract. The amended contract has the option to renew for two additional 5-year terms.

RECOMMENDATION: Staff recommends the NUA approve Amendment No. 1 to Contract K-0607-59 with T-Mobile Central LLC to increase the monthly lease rate and continue leasing space for telecommunication equipment placed on the Robinson Water Tower.