



City of Smyrna

City of Smyrna
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Legislation Text

File #: 2017-73, Version: 1

WARD: City Wide

COMMITTEE:

\$ IMPACT:

Authorization to amend the cell tower lease agreement between the City of Smyrna and SBA Network Services, LLC and authorize the Mayor to sign any related documents.

ISSUE: SBA Network Services, LLC has requested a second amendment to the current cell tower lease (which was renewed and extended on October 17, 2016). The current lease agreement has a provision that if SBA should ever have another carrier attach to their tower, then the other carrier would pay 100% of their rent to the City of Smyrna. This is not practical or financially beneficial for SBA to have other companies attach to their tower, as they would not retain any of the rent. Therefore, it gives SBA no reason to place additional companies on their cell tower, which in turn does not allow the City of Smyrna to collect any additional rent. In the interest of the City receiving additional revenue and having other companies co-locate on the tower, this amendment would provide the City of Smyrna a 50% revenue share of any rent SBA receives from another company attaching to their tower (as opposed to the 100% revenue share in the current agreement). SBA currently has a proposed tenant (T-Mobile) that will pay them \$2,400.00 per month, and from this additional tenant's revenue the City will receive \$1,200 per month (\$14,400 annually). Local Government Services, LLC, the consultant through the Telecommunications program with GMA, has received the proposed amendment and recommended approval. City Attorney Scott Cochran has also reviewed and recommended approval of the agreement.

BACKGROUND: Mayor and Council approved a renewal of the cell tower lease agreement with SBA Network Services, LLC for the cell tower located at 2270 Benson Poole Road (Chuck Camp Park) on October 17, 2016. Per the agreement, SBA paid the City a signing bonus of \$30,000 to extend the lease four (4) additional five (5) year terms. The agreement also provided the City receive a 4% increase in the base rent every 4 (four) years and 100% of any rent from companies that co-locate on SBA's tower. This amendment is to change the revenue share from 100% to a 50/50 share between SBA and the City of Smyrna.

RECOMMENDATION/REQUESTED ACTION: Approval