



## Legislation Text

**File #:** 20-0908, **Version:** 1

MOTION TO APPROVE THE FIRST AMENDMENT TO LEASE AGREEMENT BETWEEN CITY OF PEMBROKE PINES AND STC FIVE LLC. ("TENANT") BY AND TROUGH GLOBAL SIGNAL ACQUISITIONS III LLC. TO ADD FOUR (4) ADDITIONAL FIVE (5) YEAR RENEWAL TERMS TO THE AGREEMENT BEYOND THE ORIGINAL TERM EXTENDING ITS TOTAL TERM TO SEPTEMBER 30, 2041 (**BU #878295 -10500 TAFT STREET, PEMBROKE PINES, FL**).

### SUMMARY EXPLANATION AND BACKGROUND:

1. City and Sprint Spectrum L.P., a Delaware limited partnership ("Sprint"), entered into a Lease Agreement dated October 9, 2000, whereby City leased to Sprint a portion of land being described as approximately 724 square feet of that property located at 10500 Taft Street, Pembroke Pines, Florida.
2. The term of the Agreement commenced on October 1, 2000, and has an original term, including all renewal terms, that will expire on September 30, 2021.
3. City and Tenant now desire to amend Section 5.01 of the Original Agreement to replace "three (3)" with "seven (7)", thereby adding four (4) additional five (5)-year renewal terms to the Agreement beyond the Original Term, and extending its total term to September 30, 2041.
4. Tenant further desires to amend the Agreement to allow to increase the height of the flag pole permitted to be constructed on the property by an additional ten feet (10') for a total maximum height of one hundred ten feet (110'). This was reviewed by staff in planning and is allowed for under the City's Code of Ordinances.
5. Commencing on October 1, 2021, and every year thereafter (each an "Adjustment Date"), the annual rent shall increase by an amount equal to five percent (5%) of the annual rent in effect for the year immediately preceding the Adjustment Date. Currently, each annual rent payment is increased by three percent (3%).
6. As additional consideration for amending the Agreement in accordance with the First Amendment, Tenant agrees to pay the City Twenty Thousand Dollars (\$20,000.00) within sixty (60) days of full execution of the First Amendment.
7. Recommend the City Commission approve the First Amendment to lease agreement between City of Pembroke Pines and STC FIVE LLC. ("Tenant") by and trough Global Signal Acquisitions III LLC. to add four (4) additional five (5) year renewal terms to the agreement beyond the original term extending its total term to September 30, 2041.

### FINANCIAL IMPACT DETAIL:

**a) Estimated Annual Revenue:** The estimate annual revenue for FY2022 is \$49,686.12. Each annual rent payment shall increase at a rate of 5% compounded annually. In addition to the rental payment described in Section 6.03 of the Original Agreement, Tenant shall pay to City 50% of all rental revenue received from any third party source for co-location within thirty days of receipt of same.

**b) Amount budgeted for this item in Account No:** Revenue Acct 1-362031-6001 -Rental Cell Towers.

**c) Source of funding for difference, if not fully budgeted:** Not applicable.

**d) 5 year revenue projection:**

|              | FY 2022     | FY 2023     | FY 2024     | FY 2025     | FY 2026 |             |
|--------------|-------------|-------------|-------------|-------------|---------|-------------|
| Revenues     | \$49,686.12 | \$52,170.43 | \$54,778.95 | \$57,517.89 |         | \$60,393.79 |
| Expenditures | \$ .00      | \$ .00      | \$ .00      | \$ .00      |         |             |
| Net Revenue  | \$49,686.12 | \$52,170.43 | \$54,778.95 | \$57,517.89 |         | \$60,393.79 |