



Board Action Required X

No Action Required

To: Coppell ISD Board of Trustees
From: Sid Grant
Date: February 19, 2008
cc: Dr. Jeff Turner, Kelly Penny, Denise Sullivan

Re: Cell Tower Lease Amendment

CISD currently leases an approximate 1,000 square foot area (approximately 33' x 33' area) in the northeast corner of the service center complex to Crown Castle International for a cellular tower. We currently receive \$1,610 per month for the lease. Crown Castle has approximately sixteen (16) years left of this lease originating on August 5, 1999 (assuming all renewals are exercised). The lease rate escalates by fifteen percent (15%) every five (5) years. Therefore, at the end of this current lease in 2024, our monthly lease rate will be \$2,449.

Crown Castle has asked us to consider Amending our currently lease with the following provisions:

1. Six (6) additional renewal terms of five (5) years each, effectively extending the Agreement to 2054. Every five (5) years the renewal rate would increase by fifteen percent (15%). Therefore, at the beginning of the sixth renewal in 2049, our monthly lease rate received would be \$5,664.
2. In the event another competing cellular company offers to buy-out our lease, Crown Castle would have the first right-of-refusal to match the offer.
3. Crown Castle would have the option to lease an additional 1,200 square feet adjacent and contiguous to the existing site under the same terms and conditions of the existing lease. The lease rate for the additional land, as well as the escalations would be the same per square foot as the existing lease. We have plenty of room for this small addition should they wish to exercise this option.
4. In consideration for entering into this lease extension and amendment, they will pay us a lump sum of \$12,000 upon execution of the Amendment. I have negotiated this consideration, and do not believe they will go any higher.

If we agree to these terms, they have asked us to sign a letter of intent. Then they will send us the actual amendment to be reviewed by us and legal counsel, if necessary.

Recommendation: **That the Coppell ISD Board of Trustees approve the signing of the Letter of Intent to Amend the Crown Castle International cellular tower lease originally executed on August 5, 1999 at the February 25, 2008 Board meeting.**