



CITY OF TONKA BAY

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ITEM NO. 8B

Memo

To: Mayor and City Council
From: Lindy Crawford, City Administrator
Date: July 12, 2016
Re: Nextel Lease Update

Attached is a letter drafted to Sprint Nextel outlining options regarding their lease termination. The letter states that rather than installing a brand new tower at the site, the City would be willing to accept the transfer of ownership of any real or personal property, as well as a payment.

Staff is requesting the City Council set the amount in which Nextel shall pay the City. The payment should represent roughly one-half of the cost of replacing the tower with an identical, but brand new tower. Generally, the cost to construct a new tower can range from \$100,000 to \$250,000.

If Nextel does not wish to accept this offer then their option is to rebuild the tower as per the original agreement.

Council Action Requested

Discuss, select appropriate fee amount, and direct staff to send the letter to Nextel.