



Legislation Text

File #: 20-0022, Version: 1

Resolution Authorizing the Execution of a Lease Renewal for an 85' x 90'± Portion of City-Owned Property (LRSN 13003533), the Grant of a 36,174± Square Foot Ingress/Egress Easement, and the Grant of a 10,404± Square Foot Utility Easement Over City-Owned Property Located at 901 E. Little Back River Road in Gosnold's Hope Park to ALLTEL Communications, LLC d/b/a Verizon Wireless, For a Power Equipment Compound and Cell Tower, Which are Already in Place

PURPOSE/BACKGROUND:

The City of Hampton ("the City") is the owner of 901 E. Little Back River Road, which is known as Gosnold's Hope Park (the "Property"). In September 2004, ALLTEL Communications Inc., the predecessor to ALLTEL Communications, LLC d/b/a Verizon Wireless ("Verizon") entered into a lease with the City for the construction and operation of a cell tower and a power equipment compound together with a grant of related access and utility easements on the Property.

The first lease expired in October 2009 and in March 2010 the City authorized a second five-year lease with Verizon. The second lease expired September 30, 2014 and in December 2014 the City authorized a third five-year lease with Verizon. The third lease expired December 31, 2019.

The City and Verizon have negotiated a fourth lease with a term of five years. If approved by the City Council, the commencement date of the third lease shall be January 1, 2020, with the term of the lease ending December 31, 2024. The annual rent for the first year of the lease will be \$30,402.00. The annual rent increases at a rate of 3% per year. The full annual rent will be paid each year on the first day of the year.

The access and utility easements run concurrently with the lease term. The access easement affords Verizon ingress and egress to the site through Gosnold's Hope Park. Under the terms of the Lease and Easement Agreement, Verizon is responsible for any damage or deterioration to the access easement caused by its use. The utility easement is required for use of the power equipment compound and cell tower.

Virginia Code § 15.2-1800 permits the lease of city-owned property by the City Council after a public hearing is held. The public hearing was advertised pursuant to Virginia Code § 15.2-1813.

Recommendation:

Conduct a public hearing and approve the Resolution.

WHEREAS, the City of Hampton ("the City") is the owner of a parcel of land designated as 901 E. Little Back River Road and known as Gosnold's Hope Park (the "Property");

WHEREAS, on September 22, 2004 the City entered into a lease for an 85' x 90' portion of the Property (the "Leased Premises") with ALLTEL Communications, Inc. together with the grant of related access and utility easements for a power equipment compound and a cell tower (the "Original Lease");

WHEREAS, the Original Lease expired on October 1, 2009 and on March 10, 2010 the City authorized a new five-year lease (the "Second Lease") for the Leased Premises with ALLTEL Communications, LLC d/b/a Verizon Wireless, Inc. ("Verizon"), the successor to ALLTEL Communications, Inc., together with the grant of the related access and utilities easements to run concurrently with the Second Lease;

WHEREAS, the Second Lease expired September 30, 2014 and on December 10, 2014 the City authorized a new five-year lease (the "Third Lease") for the Leased Premises with ALLTEL Communications, LLC d/b/a Verizon Wireless, Inc. ("Verizon"), the successor the ALLTEL Communications, Inc., together with the grant of the related access and utilities easements to run concurrently with the Third Lease,

WHEREAS, the Third Lease expired December 31, 2019 and the City and Verizon have negotiated a new five-year lease (the "Fourth Lease") for the Leased Premises, together with the grant of the related access and utilities easements to run concurrently with the Fourth Lease;

WHEREAS, the term of the Fourth Lease shall be five (5) years commencing on the 1st day of January, 2020 and terminating at midnight on the 31st day of December, 2024;

WHEREAS, in accordance with Virginia Code § 15.2-1800, a public hearing was held concerning the Fourth Lease and related access and utilities easements; and

WHEREAS, the lease of the Premises and the grant of the access and utility easements to Verizon are deemed fair and reasonable, and the terms of the Lease Agreement and the Deed of Easement, a copy of which is attached to this Resolution, are reasonable and acceptable.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Hampton, Virginia, as follows:

1. That the lease of an 85' x 90' portion of the City property located at 901 E. Little Back River Road together with the easements for access and utilities are hereby approved.
2. That the City Manager or her designee is hereby authorized and directed to execute the Lease Agreement, Deed of Easement, and all other documents necessary for the above-described matter between the City of Hampton and ALLTEL Communications, LLC d/b/a/Verizon Wireless, a Delaware limited liability corporation, as set forth in this Resolution.