

City Council – Action Request Form

Date: November 7, 2022

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Johnnie Taylor, Assistant City Manager
Thomas Kureczka, Chief Information Officer

Council Action Requested:

Resolution Approving the First Amendment to the Lease Agreement with Winston Tower, LLC

Strategic Focus Area: Service Excellence

Strategic Objective: Ensure Service Delivery Efficiency and Effectiveness

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

On September 24, 2002 the City of Winston-Salem entered into a Lease Agreement with W.C. Pinkard & Co., Inc., for certain premises on the Roof Area and Transmitter Room of the building located at 301 North Main Street, Winston-Salem, NC (known today as Winston Tower). The purpose of the Lease is for the operating of antenna and tower facilities that serve as a core segment of the joint City/County Public Safety Radio System.

Winston Tower, LLC purchased and assumed ownership of the building on August 17, 2022, whereupon the Lease was also assumed by Winston Tower, LLC.

Winston Tower, LLC and the City, pursuant to Paragraph 3 of the Lease, desire to extend the Term of the Lease, currently scheduled to expire on December 22, 2022, with a First Amendment to the Lease. With the exception of minor modifications outlined in the First Amendment, the original terms and conditions of the Lease shall remain in full force and effect.

Committee Action:

Committee	<u>11/7/2022</u>	Action	<u>Approval</u>
For	<u>Unanimous</u>	Against	<u></u>

Remarks:

With the First Amendment, the Term of the Lease will be extended for a period of twenty (20) years, amending the expiration date to be December 22, 2042. As defined in Paragraph 4 of the Lease, the monthly rental will continue to be increased annually, beginning on each anniversary of the commencement date of the Lease, by a rate of three and one-half percent (3.5%). This annual rental increase will remain in effect during the duration of the twenty years of the First Amendment.

The rental fees that the City will pay over the twenty years of the First Amendment are:

<u>Term</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
12/23/22 – 12/22/23	\$23,877.47	\$286,529.64
12/23/23 – 12/22/24	\$24,713.18	\$296,558.16
12/23/24 – 12/22/25	\$25,578.14	\$306,937.68
12/23/25 – 12/22/26	\$26,473.38	\$317,680.56
12/23/26 – 12/22/27	\$27,399.95	\$328,799.40
12/23/27 – 12/22/28	\$28,358.94	\$340,307.33
12/23/28 – 12/22/29	\$29,351.51	\$352,218.09
12/23/29 – 12/22/30	\$30,378.81	\$364,545.72
12/23/30 – 12/22/31	\$31,442.07	\$377,304.82
12/23/31 – 12/22/32	\$32,542.54	\$390,510.49
12/23/32 – 12/22/33	\$33,681.53	\$404,178.36
12/23/33 – 12/22/34	\$34,860.38	\$418,324.60
12/23/34 – 12/22/35	\$36,080.50	\$432,965.96
12/23/35 – 12/22/36	\$37,343.31	\$448,119.77
12/23/36 – 12/22/37	\$38,650.33	\$463,803.96
12/23/37 – 12/22/38	\$40,003.09	\$480,037.10
12/23/38 – 12/22/39	\$41,403.20	\$496,838.40
12/23/39 – 12/22/40	\$42,852.31	\$514,227.74
12/23/40 – 12/22/41	\$44,352.14	\$532,225.71
12/23/41 – 12/22/42	\$45,904.47	\$550,853.61

Approval is requested to enter into the First Amendment to the Lease Agreement with Winston Tower, LLC. Funding for the annual rental costs will be allocated in the City's annual operating budget process.