



RESOLUTION

concerning

LEASE OF A PORTION OF RADIO TOWER AND EQUIPMENT SHELTER AT EASTERN CONNECTICUT STATE UNIVERSITY TO SOUTHWESTERN BELL MOBILE SYSTEMS, LLC

August 22, 2003

- WHEREAS, Section 4b-38 of the Connecticut General Statutes provides that the Board of Trustees may lease land or buildings, and facilities under their control and supervision, and
WHEREAS, Southwestern Bell Mobile Systems, LLC has requested permission from Eastern Connecticut State University to lease a portion of the radio tower and equipment shelter for installation of antennas and related equipment, and
WHEREAS, It has been determined by Eastern that the space is not needed for use by the university, and
WHEREAS, The Treasurer of the State of Connecticut has determined that the agreement does not affect the status of any tax-exempt obligations issued by the State of Connecticut, and
WHEREAS, The lease agreement stipulates that use of the property is contingent upon meeting all policies, regulations and laws of local, state and federal agencies, therefore be it
RESOLVED, That the Board of Trustees for the Connecticut State University System approve the lease of space to Southwestern Bell Mobile Systems, LLC at Eastern Connecticut State University's radio tower and equipment shelter for the installation of communications equipment.

A Certified True Copy:

Handwritten signature of William J. Cibes, Jr. and printed name: William J. Cibes, Jr., Chancellor

ITEM

Lease of a portion of the radio tower and equipment shelter at Eastern Connecticut State University to Southwestern Bell Mobile Systems, LLC.

BACKGROUND

The Board of Trustees under its statutory authority – Section 4b-38 – “...may lease land or buildings, or both, and facilities under the control and supervision of such board when such land, buildings or facilities are otherwise not used or needed for use by the constituent unit and such action seems desirable to produce income or is otherwise in the public interest, provided the treasurer has determined that such action will not affect the status of any tax-exempt obligations issued or to be issued by the State of Connecticut...”

ANALYSIS

Southwestern Bell Mobile Systems, LLC (SBMS) (a.k.a. Cingular Wireless) has requested permission from management at Eastern Connecticut State University to lease a portion of the radio tower and equipment shelter to house their equipment. They would like to lease this space for the installation and maintenance of wires, cable, conduits and pipes associated with antenna structures. All improvements and alterations made to the space as part of the installation of the antennas will be at SBMS's expense and subject to approval by Eastern.

The lease agreement stipulates that SBMS's ability to use the property is contingent upon meeting all obligations of compliance with any and all environmental laws, including permits, regulations, guidelines, standards, or policies of all local, state and federal agencies. The agreement is being reviewed by the Office of the State Treasurer to ensure that it does not affect the State's tax-exempt status. In addition, the CSU Assistant Attorney General has reviewed it.

The initial term of the lease is for ten (10) years with an annual rental of \$30,000, thereafter increasing by 3% per annum. The agreement will be automatically extended for three (3) five-year terms for a total of 25 years unless terminated by the lessee by giving written notice of at least 60 days prior to commencement of the succeeding renewal term, with the annual rental continuing to increase by 3% per annum. In addition, there will be a one-time payment of \$28,000 due within sixty days of lease commencement. The lease may be terminated by either party at any time upon 90 days' prior written notice to the other party. Upon termination the lessee will remove all equipment and restore the equipment shelter to its original condition within 90 days.

The net present value of this lease, as well as those of the latest two approved leases, are as follows:

Lease	Net Present Value per Square Foot
ECSU lease to Southwestern Bell Mobile Systems, LLC	\$ 1,262.32
CCSU lease to Southwestern Bell Mobile Systems, LLC (Dec. 2002)	\$ 2,222.88
SCSU lease to AT&T (Nov. 2002)	\$ 2,425.79

The Office of the State Treasurer had not yet completed its review of the contract as of the July 3, 2003 Finance and Administration Committee meeting. Therefore, the Committee recommended approval the lease of space contingent upon a satisfactory review of the lease by the Treasurer's Office. That approval was not forthcoming in time for the trustees to vote on the lease at the July 16 Board meeting. It has since been received. Therefore in order to avoid delaying installation of the tower, the Executive Committee, acting on behalf of the full Board and in accordance with Board bylaws, may approve the lease with ratification to follow at the October Board meeting.

CHANCELLOR'S RECOMMENDATION

Approve the lease of space on the radio tower and equipment shelter at Eastern Connecticut State University to Southwestern Bell Mobile Systems, LLC.