

M E M O R A N D U M

To: Howard Tipton, Town Manager
From: Isaac Brownman, Public Works Director
Report date: April 30, 2024
Meeting date: May 6, 2024
Subject: Conduit Lease Agreement: Teleport Communications America, LLC

Recommended Action

Approve a conduit lease agreement with Teleport Communications America, LLC and authorize execution of the agreement by the Town Manager.

Background

As part of the Town's undergrounding project, conduit was installed throughout the entire island for the potential to use for Town fiber-optic purposes and also to enterprise to third parties for fiber-optic propagation and expansion of services.

AT&T and the Town have signed a separate lease agreement for the use of newly installed Town streetlight poles to add antenna points around the mid to north portions of the island. This lease with Teleport Communications as a subsidiary of AT&T to use the Town's conduit to propagate the fiber-optic lines to support the additional antenna infrastructure.

- The base term of the lease is ten (10) years and includes up to two (2) successive five (5) year renewals under the same terms.
- The annual license fee is \$73,920.00 and will increase by an amount of 2.5% per year through the terms of the lease.
- Conduit being leased primarily runs along Gulf of Mexico Drive ("GMD") from 4485 GMD to North Shore Road and also includes a segment down General Harris Street and Penfield Street as well as another segment down St. Judes Drive and St. Judes Drive North.

A large portion of this lease revenue will be used to hire outside vendors to physically locate this Town underground infrastructure on a daily basis in accordance with the Underground Facility Damage Prevention and Safety Act, Chapter 556 of Florida Statutes.

Staff Recommendation

Approve a conduit lease agreement with Teleport Communications America, LLC and authorize execution of the agreement by the Town Manager.

Attachment

Teleport Communications America, LLC – Conduit Lease Agreement (Available in the Town Clerk's Office)

End of Agenda Item