



City of Rochester Hills  
AGENDA SUMMARY  
NON-FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
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[www.rochesterhills.org](http://www.rochesterhills.org)

Legislative File No: 2021-0164

**TO:** Mayor and City Council Members  
**FROM:** Mayor Bryan K. Barnett  
**DATE:** May 10, 2021  
**SUBJECT:** Second Amendment to Ground Lease Agreement – Cellular Tower at Fire Station #4

**REQUEST:**

City Council approval of the Second Amendment to the Ground Lease Agreement between the City of Rochester Hills and Detroit SMSA Tower Holdings, LLC regarding the Cellular Tower located at Fire Station #4.

**BACKGROUND:**

Detroit SMSA Tower Holdings, LLC owns the cell tower located on land it leases from the City at Fire Station #4. The original Ground Lease Agreement was entered into on October 2, 2000, with lease options that run through 2025. A First Amendment to Ground Lease was entered into in 2016 to enlarge by 75 square feet the ground area under lease to make room for a co-locator on the tower, but that amendment was never implemented because the proposed co-location on the cell tower did not happen.

The proposed Second Amendment will amend the existing lease to extend the lease term and to modify the rent. A series of additional optional 5-year renewal terms, if exercised, will extend the lease term through 2045. Upon approval of the Second Amendment, the City will receive a one-time payment of \$30,000, and rent will immediately increase to \$3,000 per month (currently \$2,431 per month), and will escalate by 3% annually thereafter.

**RECOMMENDATION:**

That City Council approve the Second Amendment to the Ground Lease Agreement between the City of Rochester Hills and Detroit SMSA Tower Holdings, LLC regarding the Cellular Tower located at Fire Station #4, and authorize the Mayor to sign on behalf of the City.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
Deputy Clerk		

Contract Reviewed by City Attorney  Yes  N/A