AGENDA ITEM SUMMARY

1. NAME OF ITEM: Cell Tower Lease Approval, USM

2. INITIATED BY: Norman L. Fournier, Chair

3. BOARD INFORMATION: BOARD ACTION: X

4. BACKGROUND:

The University of Southern Maine requests authorization pursuant to Board of Trustees Policy 802 to lease tower space of approximately 325 square feet on the top of the water tower and approximately 2,500 sq. ft. of ground space adjacent to the water tower located at 52 University Way on the Gorham Campus to Portland Cellular Partnership.

Board Policy 802 requires approval of the Trustees whenever a lease exceeds 10 years. This has a potential term of 25 years including optional renewals. This lease, with total lease payments of approximately $1.01 million if all optional renewals are exercised, also exceeds the value threshold which requires Board consideration.

Portland Cellular Partnership is a Maine general partnership d/b/a Verizon Wireless and would be entering the lease for the transmission and reception of communications signals for an initial term of five years with four optional renewal terms of five years each. Portland Cellular Partnership is understood to be entering this lease in connection with use of the facility by Verizon Wireless.

Portland Cellular Partnership will pay the University of Southern Maine an annual fee of $30,000 for the initial term. Portland Cellular Partnership will pay for the electrical consumption for the installed equipment. In addition, Portland Cellular Partnership will pay the University of Southern Maine a one-time fee of $8,000 for the loss of two (2) parking spaces. The University intends to replace these spaces at another location. For the optional renewal periods, the annual fee will be increased by 15 percent from the rent paid during the previous term.

Currently, the University of Southern Maine leases space for communication towers at six different sites at Portland and Gorham locations, including two already on top of the Water Tower. The average annual rent received from these locations is $22,983.

There will be no increased University operating cost for this installation.
5. **TEXT OF PROPOSED RESOLUTION:**

That the Finance, Facilities and Technology Committee forward this item to the Consent Agenda at the July 21, 2014 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the leasing of space at the Water Tower at 52 University Way on the Portland Campus to Portland Cellular Partnership for an initial period of up to five years with the option to renew for as many as four additional periods of up to five years each. The final terms, including rate, associated costs and other terms, shall be negotiated by the University of Southern Maine in the best economic interest of the University, subject to review and approval by the University of Maine System Vice Chancellor of Finance and Administration and General Counsel.