City Council Study Session Agenda

Monday, March 21, 2022 at 6:00 PM
27400 Southfield Road, Lathrup Village, Michigan 48076

HYBRID MEETING: Council Chamber with remote access via Zoom
Webinar ID: 811 3736 3185
Password: Lathrup22
CLICK HERE: Online Zoom Link
Telephone: 646.558.8656 or 312.626.6799
CLICK HERE: Public Comment Form Link

1. **Call to Order** by Mayor Garrett
2. **Discussion Items**
    A. American Tower/Tower Point Offers discussion
    B. Infrastructure Project Update
    C. Items on the Regular Meeting Agenda
3. **Mayor and Council Comments**
4. **Public Comments (speakers are limited to 3 minutes)**
5. **Adjourn**

Interim City Administrators
City of Lathrup Village
27400 Southfield Road | Lathrup Village, MI 48076
sstec@lathrupvillage.org
Office: 248.557.2600 x 223

COUNCIL COMMUNICATION:

TO: Mayor Garrett and City Council Members
FR: Pam Bratschi, Scott McKee, and Susie Stec, Interim City Administrators
DA: March 18, 2022

RE: American Tower/Tower Point Offers discussion

In recent month, City Council has received offers from American Tower and Tower Point to purchase the tower on Sunnybrook. Representatives from both companies have appeared before City Council to discuss the merits of their respective proposals. Both offers are included in the packet. American Tower has requested a decision from City Council.

March 8, 2022

City of Lathrup Village MI ("Landlord")
27400 Southfield Rd
Lathrup Village, MI 48076

Re: Letter of Intent to Purchase Interest in Wireless Site ("LOI")

Dear Bruce Kantor,

In consideration of ten dollars ($10), the receipt and sufficiency of which is hereby acknowledged, your signature below grants to TowerPoint Acquisitions, LLC and its successors and assigns (including its asset holding company TPA V, LLC) ("TowerPoint") exclusivity to purchase your interest in the Lease(s)("Lease(s)" as further described in Exhibit A) through an assignment of the Lease and the grant of an underlying telecommunications easement pursuant to the terms herein (the "Transaction"). TowerPoint may close on the Transaction no later than fourteen (14) days after the Closing Contingencies listed in Exhibit A are met. The basic terms of the transaction are as follows:

Summary of Terms	
PURCHASE PRICE	$1,600,000.00
LEGAL STRUCTURE	Telecommunications Easement
TERM LENGTH	99 Years

- Purchase Price shall be pro-rated at closing based on interim monthly or annual rent payments with TowerPoint retaining from the Purchase Price rent paid by the tenant for any period of time from and after the date of Closing. (Tenants delay rent redirection from the Landlord to TowerPoint by several months while the closing documents are recorded and the redirection is processed. Therefore the Settlement Statement will show a rent credit to TowerPoint in the amount of the two (2) months following closing.)
- Landlord shall only retain rent checks from Tenant for pro-rated periods and during the rent redirection period.
- TowerPoint pays for due diligence costs, the title insurance policy, and standard closing costs. Each party bears its own legal expenses. Landlord pays transfer/stamp or other tax (if any) and recording fees.

From the date you execute this LOI through the date which is thirty (30) days from the date the Closing Contingencies are met, you agree not to directly or indirectly solicit, initiate or participate in any discussions or negotiations with, or encourage or respond to any inquiries or proposals by, any persons, company or group other than TowerPoint concerning your Lease. You agree to promptly notify TowerPoint if any person, company or group seeks to initiate any discussions regarding your Lease. You further agree to work in good faith with TowerPoint to close this Transaction. The terms of this LOI are confidential and may not be disclosed without the prior written consent of TowerPoint, except to professionals engaged to evaluate and conduct the Transaction on your behalf. You acknowledge that TowerPoint has given you no tax or legal advice in evaluating the Transaction.

To the extent the terms of this LOI represent an offer by TowerPoint, the terms herein are subject to change by TowerPoint after March 31, 2022 if this LOI is not mutually executed. TowerPoint reserves the right to change the terms of this LOI following expiration.

Sincerely,
TowerPoint Acquisitions, LLC

Jesse M. Wellner, Chief Executive Officer
March 8, 2022

Accepted and Agreed:
City of Lathrup Village MI

Landlord's Signature Date

Print Name:

Title:

Exhibit A

Site Location and Lease Terms

Site Location: 19625 Sunnybrook Ave, Lathrup Village, Michigan 48076

Wireless Tenants	Current Rent	Rent Payment Frequency	Escalation (CPI, % or $)	Escalation Frequency	Date of Next Escalation
AMT	$1,723.69	Monthly	CPI	Term	03/01/2023
AMT	$1,723.69	Monthly	CPI	Term	03/01/2023
AT&T	$1,723.69	Monthly	CPI	Term	03/01/2023
AMT	$1,723.69	Monthly	CPI	Term	03/01/2023

Pricing is based on the Lease Terms above and is subject to confirmatory due diligence of the Lease Terms.

Closing Contingencies

1. receipt of the due diligence items listed in Exhibit B;
2. receipt of a title commitment from TitleVest Agency, LLC (a subsidiary of First American Title Insurance Company) as the escrow/closing agent showing title clear of any liens, encumbrances, outstanding taxes which are otherwise due and payable, or other unsatisfied title closing requirements necessary for an insured closing with marketable title;
3. your approval of the Easement Agreement in a mutually agreeable form;
4. proper documentation of the Lease and rents, including your affirmation that you have not received any written or verbal notice of termination, modification or other correspondence from the tenant related to the Lease;
5. compliance with any tenant right of first refusal or consent requirement, if applicable, related to Landlord's assignment of the Lease; and
6. TowerPoint's desktop environmental database search returns a determination of "Low" or "Moderate" risk.

Initial Here:

Exhibit B

Required Due Diligence Items

1. Executed Lease including any and all Amendments thereto (as well as any lease commencement letters, notices, or other correspondence regarding the Lease)

2. Proof of Rent Payments under the Lease (minimum of 3 months received in the last 6 months); e.g.: copies of rent checks/stubs and/or direct deposit statements.

3. Landlord Request for Information (RFI): Completed and executed including social security numbers for individuals with 20% or greater ownership positions in the entity which owns the property.

4. Landlord's comments or Landlord's counsel's comments, if any, to the Easement Agreement ("Easement") to be provided under separate cover (to be finalized in a mutually agreeable Easement) or return the Easement with each page initialed showing approval of the form Easement.

5. If an existing mortgage is in place on the property: A Mortgage Statement and Lender contact information for obtaining a non-disturbance agreement from Lender (required only if the property is encumbered by a Mortgage, Deed of Trust, Line of Credit or similar instrument).

6. Legal entity organizational documents (including any Amendments thereto) showing proof of authority, as applicable below, for all entities owning an interest in the Property:

Corporations	LLCs	General Partnership	Ltd. Partnerships	Condo Assoc's	Coop Corp (i.e.: Housing Co-op)	Trust
Articles of Incorporation	Articles of Organization	Certificate of Partnership	Certificate of Limited Partnership	Condominium Declaration	Articles of Incorporation	Trust Agreement
Signed Corporate Bylaws	Signed Operating Agreement	Signed General Partnership Agreement	Signed Limited Partnership Agreement	Signed Condominium Bylaws	Signed Corporate Bylaws	Certificate of Trust

Within 10 days of signing this LOI, I agree to provide to TowerPoint the Required Due Diligence Items listed above to facilitate a timely close under the terms of this LOI.

Initial Here:

Submitted by: Adam Thompson, Ph: (858) 437-5182, Email: adam.thompson@towerpoint.com

February 8 2022

City of Southfield Lathrop Village
Site 310966

Changes in the Wireless Industry:
Today, operating costs continue to escalate and have become a major focus for carriers. Carrier mergers, lease buy-out programs, fewer tenants to which sites can be marketed, and the move to smaller repeater/micro towers are affecting the industry. T-Mobile announced 25,000 Sprint sites were to be terminated along with an additional 10,000 T-Mobile sites. These factors have led to industry wide network evaluations.

Eliminating Risk and Increasing Value:
As a result, American Tower is re-evaluating its portfolio in conjunction with network engineers to review which communications facilities are likeliest to remain active in the network.

Criteria for Cellular Site Retention:
American Tower would like to include this site in its long-term portfolio. To retain the current tenants and attempt to market to others we need to keep the site viable from a financial standpoint. Our goal is to secure cooperation to address the economics of this site allowing us to maintain it in our long-term portfolio.

There are two options to achieve that goal and can improve the long-term security of the Tower Site:

1. **Escalation Reduction -With Term added**
- **Reduce Term escalation from 25% to current Carrier Contract 10% term**
- **We can offer a $1,500 cooperation bonus for this accommodation**
- **Agreement is executed as an amendment to the lease at which time we would add 3 5 year term options to the bac of the current end date.**
- **We request the addition of an Aggregator specific Right of First Refusal the addition of this clause allows me to increase the above signing bonus to $7,500.**

2. **Lease Buyout**
   We can again consider the lease Buy-out option. Lease Buyouts place all future risk on the Tower company. They are executed as easement agreements. The Current "value" for a onetime payment based on TMO remaining at this location would be approximately $1,200,000.00

As this site was flagged in my data for immediate attention, please contact me prior to **3/15/2022.** I would like to do what we can to get the site off the "radar" so it can continue as a positive asset for both you and American Tower.

Best Regards,
Laurene
Laurene Franklin
Senior Lease Consultant,
Tower Alliance LLC (An Authorized Vendor of American Tower)
479-981-2155 Office
lfranklin@towerealliancellc.com

***PLEASE NOTE: Offers subject to change, with required final approval by American Tower, and are for discussion purposes only. The parties will not be bound in any respect until and unless a written agreement is signed by all.*