

RESOLUTION

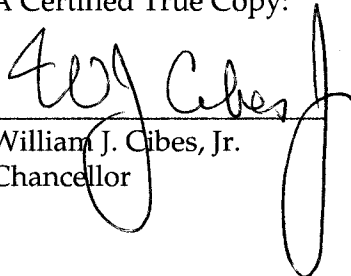
concerning

LEASE OF A PORTION OF THE
RADIO TOWER AND EQUIPMENT SHELTER
AT
EASTERN CONNECTICUT STATE UNIVERSITY
TO
NEXTEL COMMUNICATIONS OF THE MID ATLANTIC, INC.

December 12, 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, Nextel Communications of the Mid Atlantic, Inc. 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 at Eastern Connecticut State University to Nextel Communications for the installation of communications equipment.

A Certified True Copy:



 William J. Cibes, Jr.
 Chancellor

ITEM

Lease of a portion of the radio tower and equipment shelter at Eastern Connecticut State University to Nextel Communications of the Mid Atlantic, Inc.

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

Nextel Communications of the Mid Atlantic, Inc. (a.k.a. Nextel) 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 Nextel’s expense and subject to approval by Eastern.

The lease agreement stipulates that Nextel’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 has been 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 twenty (20) years with an annual rental of \$24,000, thereafter increasing by 4% per annum. The agreement will be extended by mutual accord of both parties for an additional five (5) five-year term for a total of 25 years, with the annual rental continuing to increase by 4% per annum. In addition, there will be a one-time construction cost payment of \$47,000 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 a default of material covenant or term by the other party which is not cured within 30 days of receipt of written notice of such default. 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 at Eastern, are as follows:

Lease	Net Present Value per Square Foot
ECSU lease to Nextel Communications	\$ 2,341.53
ECSU lease to Omnipoint Communications (T-Mobile) (Oct. 2003)	\$ 2,525.81
ECSU lease to Southwestern Bell Mobile Systems, LLC (Aug. 2003)	\$ 2,524.64

CHANCELLOR'S RECOMMENDATION

Approve the lease of space on the radio tower and equipment shelter at Eastern Connecticut State University to Nextel Communications of the Mid Atlantic, Inc.