Contract and Land Management   **Item No. 13**
RECOMMENDATION FOR COUNCIL ACTION

Subject: Approve an ordinance authorizing negotiation and execution of an amendment to a lease agreement, and waiving certain related fees and costs for water service in an amount not to exceed $30,855, for the lease between the City of Austin (Lessee) and NW Communications/KTBC-TV (Lessor) for property on Mt. Larson currently owned by NW Communications/KTBC and being used by the City of Austin for a radio tower.

Amount and Source of Funding: Funding for the construction cost is available in the Fiscal Year 2008-2009 Operating Budget of the Austin Water Utility.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Mike Simpson 927-3209; Lauraine Rizer 974-7078; April Thedford 974-7141

Boards and Commission Action: To be reviewed by the Water and Wastewater Commission on January 14, 2009.

Prior Council Action: March 21, 1985 – Council approved original lease agreement.

The City of Austin currently has a lease with KTBC for the use of land owned by KTBC on Mt. Larson. The property is being used for a City of Austin radio tower at no cost to the City. Currently, the lease renews automatically every March unless written notice is given by either party with 90 days notice.

KTBC has requested that, as a prerequisite to renewal of the lease in March 2009, the City provide water service to the area in exchange for their continued use of the property. It is being requested that the City construct a water line at no charge to KTBC. The Austin Water Utility has been able to use the tower without incurring rental fees for an internal radio communication system resulting in significant savings over the years. Therefore, AWU has agreed and is requesting that Council waive the following fees for KTBC: Capital Recovery Fee $7,500; Tap Fee $855; Construction Cost estimated at $22,500. This includes the cost of materials, labor, equipment and pavement repairs.