

MEMORANDUM

Date: September 30, 2025

To: Mayor Satya Rhodes Conway
City of Madison Common Council
City of Madison Finance Committee
City of Madison Water Utility Board

From: Pete Holmgren, P.E. – Chief Engineer, Water Utility
Lance Vest – Real Estate Specialist, Office of Real Estate
Krishna Kumar – General Manager, Water Utility

Subject: Authorizing the execution of a Restated License Agreement with New Cingular Wireless PCS, LLC at 1202 Northport Drive (Lake View Water Tower)

RECOMMENDATION

Staff recommends authorizing the execution of a restated license agreement with New Cingular Wireless PCS, LLC (“Cingular”) at the Water Utility’s Lake View Water Tower (1202 Northport Drive) for telecommunications purposes.

BACKGROUND

The City currently has a number of license agreements in place that allow for the attachment of telecommunications equipment to City-owned property in various locations throughout Madison. These agreements generate revenue for City agencies and are beneficial to the telecommunications companies for building out their networks. The most common agreements are on parcels with water towers – owned and managed by Madison Water Utility – because of the towers’ height and transmittal potential. These license agreements often run for 20 to 30 years and over time, the status of these agreements can generally range from “active” (as originally agreed); “expired” but in a holdover (continued as-is) state; or active with pending equipment change requests that necessitate renegotiating the terms of the existing agreements. Furthermore, there exists the capacity for the City to accommodate “new” license agreements at many of their sites.

Ongoing and accelerating changes to telecommunications equipment, technology, and standards over the decades have made it difficult for current City staff – particularly in the Water and Real Estate agencies, where agreements are primarily negotiated and evaluated – to ensure that these agreements are appropriately valued and managed in ways that best benefit the City.

In the fall of 2023, the Water and Real Estate agencies worked with City Purchasing to write up and issue a Request for Proposals (RFP) for consulting services related to telecommunications lease negotiations and evaluations. Specifically, proposals were sought for services related to:

- Assisting in negotiating amendments to existing license agreements.
- Assisting in negotiating new license agreements
- Providing engineering services to:
 - Review new equipment change requests from licensees for items including but not limited to:
 - Appropriate site configuration (placement, accessibility, aesthetics, etc.)
 - Structural integrity and certification; engineering analysis as appropriate
 - Acceptability by City agencies to accommodate their primary site and business needs
- Reviewing/auditing existing equipment installations and documentation to:
 - Ensure compliance on City sites
 - Facilitate corrective actions by licensees, as appropriate

City Purchasing facilitated and documented the RFP process and results which led to the recommendation of contracting with Terabonne, Inc. (“Terabonne”) for the services outlined above. The contract between Terabonne and the City of Madison became effective in the spring of 2024. Per that agreement, the City does not pay Terabonne directly for any of their services, rather Terabonne will charge their fees directly to the telecommunications companies as part of new license agreements that are established.

FISCAL IMPACTS

The proposed agreement with with Cingular at the Water Utility’s Lake View Water Tower (1202 Northport Drive) is an example of an active agreement (first established in 1998) with an equipment change request. In coordination with (and on behalf of) the City’s Water and Real Estate agencies, Terabonne negotiated new license terms as shown in Exhibits A through C.

The license “fee schedule” is presented in Exhibit A of the related documents and shows what is due from Cingular as revenue to both the City and Terabonne every month. Compared to the current agreement with Cingular, the City will immediately realize approximately \$2,100 more annually in revenue from this restated agreement, and that figure will grow by 4% every year that the agreement is active.

LEGISLATIVE PATH

- | | |
|----------------------------|-----------|
| 1. Common Council (Intro): | 9/2/2025 |
| 2. Finance Committee: | 9/8/2025 |
| 3. Water Utility Board: | 9/30/2025 |
| 4. Common Council (Final): | 10/7/2025 |

ATTACHMENTS

1. Memo (this document)
2. Exhibit A – License Fee Schedule
3. Exhibit B – Depiction of Premises
4. Exhibit C – Restated License Agreement