

NB 43. DISCUSS A PROPOSED EARLY RENEWAL OF THE DISTRIBUTED ANTENNA SYSTEM (DAS) FACILITY USE AGREEMENT BETWEEN THE CITY OF MIAMI BEACH (LANDLORD), AND CROWN CASTLE FIBER, LLC (TENANT) FOR THE CONTINUED INSTALLATION, OPERATION, AND MAINTENANCE OF THE DAS AT THE MIAMI BEACH CONVENTION CENTER (PREMISES) TO BE COTERMINOUS WITH THE ROOFTOP LEASE AGREEMENT AT ANCHOR SHOPS AND GARAGE FOR A TERM OF NINE (9) YEARS AND 364 DAYS .
Applicable Area:

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Eric Carpenter, City Manager

DATE: June 4, 2025

TITLE: DISCUSS A PROPOSED EARLY RENEWAL OF THE DISTRIBUTED ANTENNA SYSTEM (DAS) FACILITY USE AGREEMENT BETWEEN THE CITY OF MIAMI BEACH (LANDLORD), AND CROWN CASTLE FIBER, LLC (TENANT) FOR THE CONTINUED INSTALLATION, OPERATION, AND MAINTENANCE OF THE DAS AT THE MIAMI BEACH CONVENTION CENTER (PREMISES) TO BE COTERMINOUS WITH THE ROOFTOP LEASE AGREEMENT AT ANCHOR SHOPS AND GARAGE FOR A TERM OF NINE (9) YEARS AND 364 DAYS .

RECOMMENDATION

The Administration recommends that the Finance and Economic Resiliency Committee approve and transmit this item before the City Commission for approval of the early renewal of the DAS Facility Use Agreement at the Miami Beach Convention Center. This renewal will ensure the continued operation of Crown Castle's Distributed Antenna System , which enhances wireless coverage and supports the City's commitment to modernized telecommunications infrastructure.

BACKGROUND/HISTORY

The City of Miami Beach owns key properties that serve as vital hubs for enhancing wireless communication infrastructure, supporting both public and private connectivity needs. Among these properties, the Miami Beach Convention Center stands out as a strategically located venue in a high-traffic area, making it an ideal site for advancing telecommunications infrastructure and expanding wireless coverage.

As part of the City's ongoing efforts to modernize technology and maximize revenue generation, the City has engaged Crown Castle Fiber, LLC (Crown Castle or Tenant) as a tenant under two key lease agreements. One of these agreements includes an early renewal of the Distributed Antenna System (DAS) Facility Use Agreement at the Miami Beach Convention Center, which enables Crown Castle to continue operating the DAS, which provides enhanced wireless coverage for multiple carriers.

The DAS Facility Use Agreement, which expires in January 2027, is structured as a revenue-sharing model, ensuring that the City receives 25% of the monthly gross receipts collected from wireless carriers utilizing the DAS network. Additionally, Crown Castle is responsible for a one-time initial fee of \$25,000 and a \$25,000 carrier fee per new Carrier Agreements, further contributing to the City's revenue stream.

On February 20, 2025, Crown Castle Fiber, LLC formally submitted a Letter of Request (attached as Exhibit A) for the early renewal of the DAS Facility Use Agreement, aligning its term with their Agreement at the Anchor Shops and Garage. This request reflects the Tenant's commitment to continued investment in wireless infrastructure within the City while maintaining compliance with the terms and conditions of the agreements.

The proposed early renewal supports the City's strategic objectives of expanding high-quality

wireless infrastructure, generating stable and growing revenue streams, and ensuring long-term financial sustainability. With a lease structure that places all installation, maintenance, and operational costs on the Tenant, the agreement presents minimal financial risk to the City while enhancing connectivity for businesses, residents, and visitors. Below are the basic terms and conditions outlined:

Lessor: City of Miami Beach

Tenant: Crown Castle Fiber, LLC

Location: Miami Beach Convention Center, Miami Beach, FL

Leased Premises: Portions of the City's structures, including buildings, light poles, and fiber networks, for the installation and operation of a Distributed Antenna System (DAS).

Lease Duration: 9 years and 364 days starting from November 1, 2025.

Rent: Initial Fee: \$25,000 (due within 30 days of the effective date).

Recurring Fee: 25% of monthly gross receipts collected from wireless carriers.

Carrier Fee: \$25,000 per new Carrier Agreement (due within 30 days of execution).

Rent Escalation: N/A

Additional Rent: Any increase in real estate taxes due to the DAS installation must be reimbursed to the City.

Security Deposit: No Security Deposit, however a Performance Bond of \$350,000 is required and currently in place.

Permitted Use: Installation, operation, and maintenance of a small cell wireless communication system (DAS) to be leased to wireless carriers.

Utilities & Maintenance: Tenant is responsible for all installation, maintenance, and operation of its equipment.

The City provides electrical power for DAS nodes up to 20 amps per node at no cost. Any excess usage is charged to the Tenant.

Subleases: Crown Castle may sublease to wireless carriers but must retain control over the system.

Insurance & Liability: General liability: \$1M per occurrence, \$2M aggregate.

Umbrella liability: \$3M.

Property insurance covering full replacement cost.

Indemnification: Tenant must hold the City harmless from any claims related to its DAS operations.

Default & Termination: Termination Rights:

§ The City may terminate for convenience with one year's notice.

§ The Tenant may terminate if eminent domain, casualty, or excessive relocation is required.

§ Non-use for 180 days is considered abandonment, triggering termination.

Default:

§ 15 days to cure monetary defaults.

§ 30-90 days for non-monetary defaults before termination.

Hazardous Materials: Tenant may not store or release hazardous materials and must comply with environmental laws.

Relocation & Removal: The City can require the relocation of equipment at Tenant's expense. Upon termination, Tenant must remove all equipment within 60 days or face penalties.

ANALYSIS

The proposed DAS Facility Use Agreement between the City of Miami Beach and Crown Castle Fiber, LLC establishes a structured revenue-sharing model that supports the City's long-term financial and technological goals. Under this agreement, Crown Castle will remit 25% of the monthly gross receipts collected from wireless carriers utilizing the DAS network, providing the City with a consistent revenue stream. Additionally, the agreement requires a one-time initial fee of \$25,000, along with a \$25,000 carrier fee per executed Carrier Agreement, further enhancing the City's financial benefits.

By leveraging wireless carrier participation, the DAS Facility Use Agreement is expected to generate substantial recurring revenue, with rent payments commencing immediately upon execution. This structure ensures a scalable income model while facilitating the expansion of wireless network coverage in a high-demand urban area.

The proposed agreement also includes provisions for flexibility and property management, including a one-year notice requirement for termination and the City's right to require equipment relocation, with all associated costs covered by the Tenant. This ensures that the City maintains control over its infrastructure while minimizing financial risks.

The proposed agreement aligns with the City's strategic initiative to modernize and expand wireless infrastructure, providing enhanced connectivity while securing sustainable revenue streams. By structuring the lease to place installation, maintenance, and operational costs entirely on the Tenant, the City benefits from technological advancements and financial sustainability without incurring additional expenses.

FISCAL IMPACT STATEMENT

N/A

Does this Ordinance require a Business Impact Estimate? (FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on .
See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

CONCLUSION

The Administration recommends that the Finance and Economic Resiliency Committee approve and transmit this item before the City Commission for approval of the early renewal of the DAS Facility Use Agreement at the Miami Beach Convention Center. This renewal will ensure the continued operation of Crown Castle's Distributed Antenna System , which enhances wireless coverage and supports the City's commitment to modernized telecommunications infrastructure.

The proposed agreement provides a stable and competitive revenue structure, utilizing a revenue-

sharing model that guarantees a consistent financial return for the City. By fostering improved connectivity and infrastructure, the agreement supports ongoing technological advancements, benefiting businesses, residents, and visitors by enhancing communication capabilities in a high-traffic area. Additionally, with Crown Castle assuming full responsibility for all installation, maintenance, and operational costs, the agreement ensures minimal financial risk to the City while maximizing long-term benefits.

This renewal aligns with the City's strategic goals of expanding wireless infrastructure, increasing revenue potential, and driving economic growth. By strengthening the City's telecommunications framework, the agreement enhances the attractiveness and functionality of the leased properties, ultimately benefiting the City and the broader community.

Applicable Area

South Beach

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

No

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Facilities and Fleet Management

Sponsor(s)

Co-sponsor(s)

Condensed Title

Discuss proposed new lease (early renewal) between CMB and Crown Castle Fiber, LLC roof top antenna at the Convention Center.



Alexander Jones
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February 20, 2025

Attn: City of Miami Beach
Facilities and Fleet Management
1833 Bay Rd
2nd Floor
Miami Beach, Florida 33139

Sent Via Overnight Mail

Re: *Notice of Intent to Extend Land Use Agreement*
DAS Facility Use Agreement
Contract ID: 1494725

To Whom It May Concern:

Please accept this letter as written notification that Crown Castle is writing to formally request an extension of the DAS Facility Use Agreement, dated January 27, 2017 (Contract ID: 1494725). The agreement is currently set to expire on January 26, 2027. We are requesting that the expiration date be extended to align with the term of the Rooftop Lease Agreement for 1550 Collins Avenue, Miami Beach, Florida 33139.

Please advise of any additional information or formal amendments that are required to facilitate this extension. Crown Castle remains committed to maintaining a productive and mutually beneficial relationship and appreciates the opportunity to continue utilizing the premises for telecommunications operations.

Sincerely,

A handwritten signature in blue ink that reads 'Alexander Jones'.

Alexander Jones
Client Services Manager
alex.jones@crowncastle.com
Phone: 346 / 552-7995