



ERIE COUNTY WATER AUTHORITY
INTEROFFICE MEMORANDUM

To: Jerome D. Schad, Chair
Peggy A. LaGree, Vice Chair
Michele M. Ianello, Treasurer

Cc: Terrence D. McCracken, Secretary to the Authority
Joyce A. Tomaka, Chief Financial Officer
Charles E. Eaton, Chief Operating Officer
Leonard F. Kowalski, Executive Engineer

From: Mark S. Carney, General Counsel

Date: May 22, 2024

Subject: Lease Extension with Bell Atlantic Mobile Systems, LLC.
(Verizon Wireless) Lease at Wehrle Tank

BACKGROUND

Verizon Wireless has been a tenant at the Wehrle Tank since March 9, 2004, the current lease expired March 9, 2024. Both ECWA's exclusive agent, Francis Clerkin, as well as the Legal Department have been in negotiations with Verizon for nearly eighteen (18) months in an attempt to reach a lease for five years with two extension periods.

The negotiations broke down over a number of issues, including but not limited to;

1. Verizon is unwilling to pay the current rate as calculated by our agent.
2. Verizon being unwilling to provide any form of security deposit or performance bond for the removal of their equipment.
3. Verizon pushing back on providing appropriate subcontractor insurance information or being liable for same.

CURRENT STATUS

On or about April 15, 2024, Verizon advised that they were going to relocate their equipment to a new tower to be provided on land owned by the Town of Amherst and were now simply requesting an extension of the existing lease until the new tower is completed.

Based upon the advice of ECWA's agent, the extension request was denied and Verizon sought outside counsel to negotiate a possible extension. General Counsel entered into discussions with Verizon's counsel to extend their current lease commencing April 1 through December 31, 2024 at an increased rent of \$ 6,000.00 per month. (current rent is \$4033.00 per month) Should Verizon wish to extend this lease beyond January 1, 2025 it will be for a duration of time and rental amount to be mutually agreed upon by ECWA and Verizon.



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Re: Lease Extension with Bell Atlantic Mobile
(Verizon Wireless & Wehrle tank)
May 22, 2023

The lease extension will have a penalty clause of \$500.00 per day rental cost for everyday Verizon has not removed their equipment from the tower, commencing 1/1/2025 unless an extension has been approved.

RECOMMENDATION

It is the opinion of General Counsel that this Lease Extension is in the best interest of the Erie County Water Authority to continue a revenue source as well as to provide additional protection for the Authority to ensure Verizon safely and properly removes equipment from our tower.

MSC:mes