

Navigating Cell Tower Lease Sale and Avoiding Relocation

INTRODUCTION

The case centers around a common misconception among cell tower landlords that tower companies would never opt to relocate their structures. This belief was challenged in an incident involving a ground lease easement sale in Maryland, where a tower company and landlord were at an impasse for an easement purchase where the ground lease was close to expiration. The tower company initiated the relocation of a multi-tenant cell tower.

BACKGROUND

An affiliate in Maryland approached our firm to assist in finalizing salvaging an easement sale of a ground lease for a cell tower. Upon engagement, we discovered that the tower company had already initiated plans to relocate the tower. The tower in question was not just any tower; it was a multi-tenant structure, making the relocation process potentially costly and complex.

CHALLENGE

The immediate challenge was to halt the relocation process to allow the sale of the ground lease to proceed. The task was daunting, given the tower company's skepticism about our ability to mediate effectively. There was also existing tension between the client (the ground lease owner) and the tower company, adding to the complexity of the situation.

STRATEGY AND EXECUTION

Our strategy was to act as a mediator between the parties, diffusing tensions and focusing on the transactional aspect of the deal. Despite the client's disbelief in the possibility of tower relocation and the tower company's initial reluctance, we managed to get a two-week window to align our clients and the tower company to facilitate the sale.

Once the parties realized we could in fact help it took months to worked on finalizing the transaction documents, simultaneously addressing the concerns of both parties. The negotiation was tense and fraught with skepticism, especially from the tower company's side, which had already started ground lease negotiations and plans for an alternative site orchestrated by their relocation department.

RESOLUTION

After intense negotiations and legal deliberations, the sale was finalized for an impressive \$2.5 million, a figure rare in the telecom industry, earning the deal the moniker "Unicorn." This sale not only represented a financial windfall for the client but also demonstrated the potential for lucrative deals in the cell tower leasing market.

CONCLUSION

The case exemplifies the importance of challenging industry misconceptions and the value of effective negotiation and mediation in business transactions. Our firm's ability to navigate a complex and hostile situation, leading to a successful and profitable outcome, underscores our expertise in the telecom real estate sector. This case serves as a testament to our firm's capabilities in overcoming adversities and securing exceptional deals, further establishing our reputation as premier deal makers in the industry.