

CITY OF GREENACRES

Council Agenda Memo
2016.08TL3.015

TO: Mayor and City Council

THROUGH Andrea McCue, City Manager

FROM: Thomas J. Lanahan, Assistant City Manager/Planning and Engineering Director

SUBJECT: **Resolution 2016-33**, Veterans Park Cell Tower #2
Lease Extension
City Council Agenda Item for 08-15-16

DATE: August 8, 2016

COPIES: James D. Stokes, City Attorney
Denise McGrew, City Clerk
File: Veterans Park Tower #2

Background:

On August 2, 2004, the City Council approved a Special Exception (SE-04-01) (Res. 2004-06) and Site Plan (SP-04-02) to allow the construction of a 120 foot monopole telecommunication tower within Veterans Park. Since this was the second such tower approved within the park, it is known as Veterans Park Tower #2. The lease agreement for the tower site (copy attached) was entered into on August 2, 2004 as authorized by Resolution 2004-20 and provided for an initial term of 5 years commencing on October 1, 2004 along with 4 renewal terms. Expiration is, therefore, in 2029. City staff was contacted in April of this year by representatives of SBA Communications Corporation and SBA Steel II, LLC (the current successor lease holder to Sprint Spectrum L.P.) with a request that the City consider amending the lease agreement to add 9 additional 5 year renewal terms.

Analysis:

Through consolidation and various changes in the cellular communication industry, the tower has enjoyed varied success over the years in attracting co-locating carriers. At one time, the tower held 3 carriers (Sprint, MetroPCS and Nextel) and an antenna for the City's police radio system. It now holds equipment for 1 carrier (Sprint). The proposed amendment will extend the term of the lease until 2074 and help ensure that the lease payments continue by providing current and future tenants some certainty that their equipment investments won't have to be relocated before they reach payback. The tower is located in an awkward corner of the Veterans Park site and its continued existence does not obstruct or hinder any of the recreational uses in the park.

Financial:

The lease agreement provided for an initial annual rent of \$29,200 payable upfront for each 5 year term. Upon each renewal, the annual rent increases by 4% compounded annually over 5 years and is then payable in advance for the following 5 year term. The most recent renewal was for the 2014 to 2019 term and required a payment of \$216,115. Through the rest of the existing lease, the City will receive an additional \$582,835. The total payments that will be received through the lease extension and all 5 year renewals through 2069 (expiring 2074) are \$8,696,855. In accord with Council Policy No. 24, the funds are to be deposited into the Recreation Fund (303) since they are derived from a lease on a park site. This fund finances capital improvements at all city parks with money derived from development impact fees and cell tower leases.

Legal:

The Resolution was prepared in accord with the Florida Statutes and City Code requirements.

Staff Recommendation:

Approval of the enclosed lease amendment through the adoption of Resolution No. 2016-33.

Thomas J. Lanahan
Assistant City Manager
Planning and Engineering Director

Attachments:

1. Existing Lease Agreement
2. Proposed Lease Agreement Amendment (Exhibit "A")
3. Resolution 2016-33