

SUBMITTED BY: Xenia Gonzalez, Interim Neighborhoods Resources Director

MANAGEMENT TEAM REVIEW: Ana Urquijo, City Manager; Luis Pedroza, Deputy City Manager

FOCUS AREA: Collaboration

ORGANIZATIONAL IMPROVEMENTS: Provide for improved communications capabilities for City residents

SUBJECT: **SECOND READING OF ORDINANCE NO. 22-1148**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING the LEASE AGREEMENT and MEMORANDUM OF AGREEMENT for SUN STATE TOWERS** to establish a communications facility on a portion of parcel # 409-13-19008 located at 1st Street and E Avenue, Douglas, Arizona, and authorizing the City Manager to execute all necessary documents; establishing severability of components of Ordinances; and establishing an effective date thereof.

EXECUTIVE SUMMARY:

Sun State Towers is requesting to enter into a lease agreement to place an antenna in City property located at 1st Street and E Avenue (parcel #409-13-19008). The initial lease term is for ten (10) years with renewal terms of four (4) successive periods of ten (10) years each at a monthly rent of \$1,250 with a 2% rent increase in year two (2) of the initial term and every year thereafter, including throughout any renewal terms exercised.

BACKGROUND:

Sun State Towers is requesting to install a telecommunications tower that supports multiple telecommunications antennae. The initial lease term is for ten (10) years with option to renew for four (4) successive periods of ten (10) years each. During the initial year of the first term, Sun State Towers will pay the City \$1,250 per month, with an increase amount of 2% (\$1,275) in year two (2) of the initial term, and every year thereafter, including any renewal terms exercised.

DISCUSSION & RECOMMENDATION:

City understands that this agreement will be up to fifty (50) years, including initial lease term and renewal terms; unless the tenant is in violation and fails to cure the violation in accordance with the agreement terms.

FISCAL IMPACT:

\$15,000 initial year revenue, with 2% annual increase including throughout any renewal terms thereafter.

“...I move that the Mayor and Council approve the second reading of Ordinance No. 22-1148, and to place it on third reading by number and title only with modifications as presented.”