



AGENDA ITEM SUMMARY

City Council

STAFF

Keith Hanson, Real Estate Manager
Mike Calhoon, Director of Parks
Ryan Malarky, Legal

SUBJECT

Second Reading of Ordinance No. 091, 2022, Authorizing the Execution of a First Amendment to Lease with New Cingular Wireless PCS, LLC of City-Owned Property at City Park Ballfields.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on August 16, 2022, authorizes the City Manager to execute an amendment extending the existing New Cingular cell site lease at the ball fields at City Park. The amendment would extend the end of the current lease terms from March 8, 2023, to October 20, 2023, and allow an additional 5-year term from October 21, 2023, to October 20, 2028. New Cingular has leased the site from the City since 2005. Annual rent received by the City will increase from \$20,736 to \$24,000 for the first year of the 5-year term with 3% increases every year afterwards.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

BACKGROUND / DISCUSSION

New Cingular has leased its cell site at the ball fields at City Park since 2005, when the original *COLORADO OPTION AND STRUCTURE LEASE AGREEMENT* was executed. New Cingular's cell equipment is situated atop a City-owned light pole that serves the ball fields. Staff has negotiated an amendment to extend the lease for another 5-year term, and annual rent will increase from \$20,736 to \$24,000 for the first year of the 5-year term with yearly 3% increases for the remaining term. The rent is within the range of fair market cell site lease rates for similar locations and set-ups without a dedicated cellular equipment tower. New Cingular will continue to be responsible for all costs associated with the cell site equipment, including maintenance and utilities. There is no cost to the City.

CITY FINANCIAL IMPACTS

The City would receive \$127,419 in rent over the full 5-year term and not incur any expense.

ATTACHMENTS

1. Ordinance for Consideration