

CITY OF MINNETRISTA



CITY COUNCIL WORK SESSION AGENDA ITEM

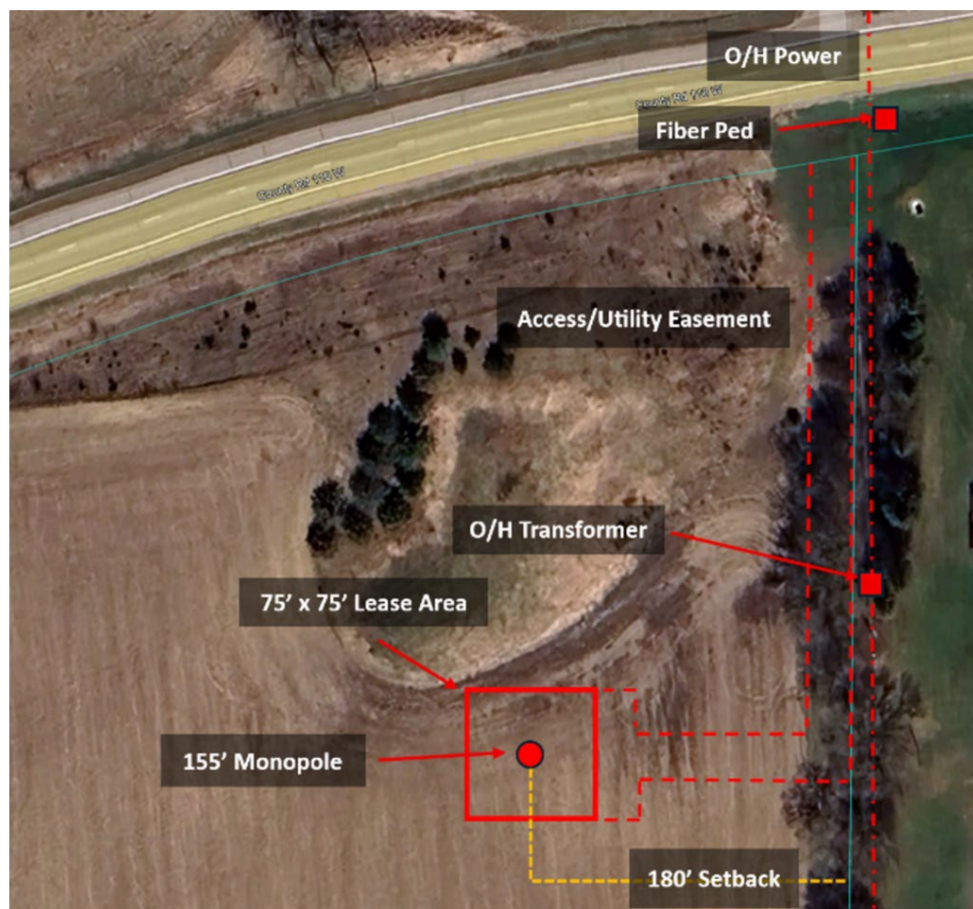
Subject: Land Lease for Cell Tower Discussion

Prepared By: Jasper Kruggel, City Administrator

Meeting Date: September 21, 2026

Issue: Staff would like to provide an update to City Council related to a request from a vendor to lease land from the City of Minnetrista for the purposes of a cell phone tower.

Overview: Staff have been engaged in discussions and negotiations with a vendor requesting a lease of land from the City for the purposes of a cell tower. The cell tower is proposed to be 155' tall and will initially be used for Verizon Wireless but will be marketed to other vendors. Below is a map of the location:



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This area currently has no proposed use by the City, and Public Work Director Peters has indicated that this location works well for what the vendor needs related to access. There is a value for the proposed lease, as you will see below, but a major consideration should be related to service provided to the public. Below is a photo of what the cell tower may look like:



Proposed Lease Terms: Below are the lease terms provided by the vendor.

- 2-Year Option - \$2,000 upfront payment
- Rent: \$2,000.00 per month
- \$250 revenue share for additional tenants after Verizon
- 3% annual escalator
- 35-Year Lease

Lease Proceeds Analysis: Over the 35-year term of the lease with the 3% annual escalator, assuming only Verizon on the tower, would generate \$1,451,090. There is a high likelihood that two other cell vendors would also add equipment to the tower within five years according to the vendor. If this were to happen in year five, the lease value would move to \$1,751,106 with the \$250 per month revenue share clause.

Cell Tower Lease Market Analysis: Telecommunication Attorney Robert Vose has indicated that the \$2,000 per month with a 3% annual escalator is on the bottom range of metro communities, and in the mid to upper range of greater Minnesota communities. Based on that analysis, and Minnetrista's mostly rural setting and geographic location,

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the rent amount of \$2,000 per month with the 3% annual escalator appears to be within the market one would expect for Minnetrista.

Previous Farm Lease Reference: Ending on November 30, 2025, the City of Minnetrista leased 16.3 acres of land on the above referenced parcel to a local ag producer for an annual payment of \$2,251.00.

Update from Verizon: Verizon representatives have indicated that they are evaluating a lease opportunity on private land in the same general area as the proposed City owned parcel location. Any cell tower would require a conditional use permit, but our City Code is set up in a manner that allows cell towers on public/institutional land.

Next Steps: Staff are looking for direction on this topic for final feedback to Verizon representatives.

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