



# City of San Antonio

## Legislation Details (With Text)

**File #:** 15-2481

**Type:** Real Property Lease

**In control:** City Council A Session

**On agenda:** 4/16/2015

**Title:** An Ordinance authorizing a lease agreement with New Cingular Wireless, PCS, LLC, (AT&T) for the collocation of wireless antenna facilities on the newly constructed Verizon communications tower, and authorizing the Aviation Director to terminate the existing Standard Tower lease agreement with AT&T.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Lease Agreement - Collocation with ATT, 2. Draft Ordinance - A, 3. Draft Ordinance - B, 4. Signed Lease with Discretionary Contracts Disclosure Form, 5. Ordinance 2015-04-16-0311

Date	Ver.	Action By	Action	Result
4/16/2015	1	City Council A Session	Motion to Approve	Pass

**DEPARTMENT:** Aviation

**DEPARTMENT HEAD:** Frank Miller

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Wireless Tower at San Antonio International Airport

**SUMMARY:**

Consideration of two Ordinances related to the wireless tower at San Antonio International Airport: [Ed Belmares, Assistant City Manager; Frank Miller, Director, Aviation]

- A. An Ordinance declaring the existing wireless tower, built and owned by AT&T, as surplus to the needs of the City and authorizing the demolition of the structure.
- B. An Ordinance authorizing a lease agreement with New Cingular Wireless, PCS, LLC, (AT&T) for the collocation of wireless antenna facilities on the newly-constructed Verizon communication tower, and authorizing the Aviation Director to terminate the standard tower lease agreement with AT&T approved by City Council in 1996. The term for the new lease agreement is five years which will renew for up to five additional five-year periods.

## **BACKGROUND INFORMATION:**

In August 2014, City Council authorized a lease agreement with San Antonio MTA, L.P. d/b/a Verizon Wireless (Verizon) at the San Antonio International Airport to allow Verizon to design and install a wireless tower on the long term parking garage through Ordinance 2014-08-07-0540. The Ordinance also decommissioned the existing wireless tower which was built by Southwest Bell Wireless, Inc (now AT&T) in the 1990's. This structure needs to be demolished for the construction of the Consolidated Rental Car Facility (CONRAC).

### Declaring the Existing Tower as Surplus to the Needs of the City

Under Municipal Code, all City property must be declared as surplus prior to the disposition of the property. City Council then must approve the declaration of the property as surplus and dispose of the property in accordance with Chapter 272 of the Local Government Code. This Ordinance will declare the existing tower surplus and allow for the demolition and removal of the tower.

### New Lease Agreement

As part of the lease agreement with Verizon, if additional telecommunications providers collocate on the tower, each provider will pay the City an additional \$50,000.00 per year, subject to an annual escalation rate of 3%. The City will keep 80% and pay Verizon the remaining 20%.

New Cingular Wireless, PCS, LLC (AT&T) would like to be collocated on the new wireless tower and lease space on the long-term parking garage for the installation of their antenna facilities. AT&T will pay Verizon 33.3% of Verizon's capital cost to construct the tower and the fair market-based compensation for access to the fiber conduit supporting the tower. AT&T also agrees to the rental rate described above.

### Terminating the Existing Standard Tower Lease Agreement

In April 1996, through the approval of Ordinance 83931, City Council authorized a standard tower lease agreement with San Antonio SMA Limited Partnership, a Delaware Limited Partnership by its General Partner, Southwestern Bell Wireless, Inc (now AT&T). The City is requesting the authorization of the Aviation Director to terminate the 1996 lease agreement.

## **ISSUE:**

City Council approval is required for the termination of the standard tower lease agreement and for the declaration of the structure surplus to the needs of the City the existing tower. In addition, approval of this action is consistent with the City's policy to lease City-owned property to generate revenue.

## **ALTERNATIVES:**

- A. City Council approval is required to allow the wireless structure to be demolished in order to build the CONRAC. Without this approval, additional funding and time would be required to modify the existing design to the CONRAC in order to avoid demolishing the structure.
- B. City Council could elect not to support the new lease agreement or the termination of the existing agreement. However, the new lease agreement authorizes AT&T to collocate on the wireless tower on the long term parking garage and allows for their services to be located to the structure approved by City Council in August 2014.

## **FISCAL IMPACT:**

- A. The declaration of surplus will not have a fiscal impact as the new cell tower will replace the structure.
- B. AT&T will pay an annual rent in the amount of \$50,000.00 subject to an annual escalation factor of 3%. Revenue produced by the collection fees will be split with the City receiving 80% and Verizon receiving 20%. The revenue will be deposited into the Aviation Operating and Maintenance Fund.

**RECOMMENDATION:**

Staff recommends the authorization to declare the existing wireless tower as surplus and authorize the demolition of the structure; the approval of the new lease agreement with AT&T; and, the authorization of the Aviation Director to terminate the standard tower lease agreement with AT&T approved by City Council in 1996.