



# City of San Antonio

## Agenda Memorandum

**File Number:**13-807

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**Agenda Item Number:** 31.

**Agenda Date:** 11/7/2013

**In Control:** City Council A Session

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**DEPARTMENT:** Information Technology Services

**DEPARTMENT HEAD:** Hugh Miller

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

STX Wireless Operations LLC Collocation License for Frio Street Tower

### **SUMMARY:**

An Ordinance approving a Collocation License Agreement for the City's Tower located at 601 South Frio Street, San Antonio, Texas 78237 with STX Wireless Operations, LLC

### **BACKGROUND INFORMATION:**

In accordance with Ch. 37 of the City Code, STX Wireless Operations, LLC ("Grantee") submitted an application to place telecommunications facilities on an existing City tower and in a nearby shelter, which are owned by the City and located in City Council District 5 at 601 South Frio Street, San Antonio TX, 78237 (referred to as the "**Frio Tower**"). City Staff received the application fee and reviewed the application including drawings and specifications of the attachments to be installed on the Frio tower. Based on these drawings and specifications there is currently no issue with the Grantee's proposed installation.

Current City Code provided the basis for the fees that this tower collocation license will generate. The Grantee will make annual payment to the City at a rate of \$21,600, which will increase by 4% per year. The Agreement has an initial term of 10 years with two five-year renewal options. The City reserves the right to revise its rates every five years and in certain other situations involving but not limited to upgrades and changes in the Grantee's use of the licensed space.

City staff recommends the City Council approve this Agreement in order to allow the City to license space on the Frio tower to STX Wireless Operations, LLC and generate revenue on the terms provided for in the Agreement. The City is the only other entity on this tower.

**ISSUE:**

Staff is requesting approval of the Collocation License Agreement with STX Wireless Operations, LLC for space on the City's Tower located at the 601 South Frio site.

**ALTERNATIVES:**

City could refuse to approve the Agreement leading to a loss of the revenue that would be generated from the Agreement and the space on the Frio tower requested by the Grantee would remain unused. Grantee would be forced to look for other property on which to install their telecommunications facilities.

**FISCAL IMPACT:**

The City will receive \$21,600 in rent for the first year after which the rent will increase by 4% annually. The revenue generated by these annual payments will be deposited in the Information Technology Services Fund. A payment schedule is provided in Exhibit E of the Agreement. In addition, there are some administrative costs included in the Agreement allowing for the City to recoup the cost of administering certain tasks associated with the Agreement.

**RECOMMENDATION:**

Staff recommends approval of this item.