



City of San Antonio

Agenda Memorandum

File Number: 15-2916

Agenda Item Number: 16.

Agenda Date: 5/21/2015

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations Department

DEPARTMENT HEAD: Lori Houston

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Amendments Renewing the Tower of the Americas' Master Antenna Lease with Tower FM Consortium, LLC and the Radio Broadcaster Leases with iHeart Media + Entertainment, Inc. and Alpha Media

SUMMARY:

This ordinance authorizes a first amendment to the Master Antenna Agreement with Tower FM Consortium, LLC (Consortium) to continue management of the master antenna on top of the Tower of the Americas. This ordinance also authorizes second amendments to the Broadcaster Leases with iHeart Media + Entertainment, Inc. (iHeart Media) and Alpha Media for continued use of the Tower of the Americas as a transmission site for KZEP, KQXT, and KJXX.

BACKGROUND INFORMATION:

Ordinance 2006-08-31-0976 passed on August 31, 2006 authorized an agreement with the Consortium for installation and management of a master antenna on top of the Tower of the Americas. The master antenna was installed to reduce the number of broadcaster antennas physically located on the Tower's mast while improving signal strength and reducing radiation levels. The agreement, which expires on June 30, 2015, provides for two five-year renewal periods subject to City Council approval. The members of the Consortium are iHeart Media and Alpha Media.

Ordinance 2006-08-64-0974 passed on August 31, 2006 authorized first amendments to the Broadcaster Leases with iHeart Media and Alpha Media. The amendments authorized the first of three renewal terms and updated certain agreement provisions resulting from Willie G's Post Oak, Inc. d/b/a Landry's becoming the operator of

the Tower of the Americas. iHeart Media’s agreements are for transmission of KZEP and KQXT and Alpha Media’s agreement is for transmission of KJXX.

This ordinance authorizes a first amendment to the Master Antenna Agreement for the Consortium’s continued management of the master antenna through June 30, 2020. The amendment does not include rental consideration since the City collects revenue from the broadcasters through their individual Broadcaster Leases. This ordinance also authorizes second amendments to the Broadcaster Leases with iHeart Media and Alpha Media for continued use of the Tower of the Americas as a transmission site for KZEP, KQXT, and KJXX through June 30, 2020. Lease rates for the renewal period were established per a market study completed by RCC Consultants in February 2015. The monthly lease rate for each lease’s first year is \$7,176.00. This rate will increase 2.5% annually thereafter.

ISSUE:

Approval of this ordinance is consistent with the City’s policy of leasing City-owned property to commercial institutions.

ALTERNATIVES:

The City may elect not to approve this ordinance, which would result in a loss of General Fund revenue to the City and radio transmissions ceasing from Tower of the Americas.

FISCAL IMPACT:

The monthly lease rate for each lease’s first year is \$7,176.00. This rate will increase by 2.5% annually thereafter. The following table summarizes the total revenue to be collected for each lease through June 30, 2020.

Lease Period	iHeart Med KZEP Mon	iHeart Med KOXT	Alpha Med KJXX Mon	Annual To
7/1/2015 - 6/30/2018	\$7,176.00	\$7,176.00	\$7,176.00	\$258,336.00
7/1/2016 - 6/30/2018	\$7,355.40	\$7,355.40	\$7,355.40	\$264,794.40
7/1/2017 - 6/30/2018	\$7,539.29	\$7,539.29	\$7,539.29	\$271,414.40
7/1/2018 - 6/30/2019	\$7,727.77	\$7,727.77	\$7,727.77	\$278,199.70
7/1/2019 - 6/30/2020	\$7,920.96	\$7,920.96	\$7,920.96	\$285,154.50
Total	\$37,719.42	\$37,719.42	\$37,719.42	\$1,357,899.00

All revenue generated from the Broadcaster Leases will be deposited into the General Fund.

RECOMMENDATION:

Staff recommends approval of the first amendment to the Master Antenna Agreement with Tower FM Consortium, LLC for continued management of the master antenna on top of the Tower of the Americas. Staff also recommends approval of the second amendments to the Broadcaster Leases with iHeart Media + Entertainment, Inc. and Alpha Media for continued use of the Tower of the Americas as a transmission site for KZEP, KQXT, and KJXX.

