



City of San Antonio

Legislation Details (With Text)

File #: 15-2916

Type: Real Property Lease

In control: City Council A Session

On agenda: 5/21/2015

Title: An Ordinance approving a first amendment to the Master Antenna Agreement with Tower FM Consortium, LLC to continue management of the master antenna on top of the Tower of the Americas and approving 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. [Carlos Contreras, Assistant City Manager; Lori Houston, Director; Center City Development and Operations]

Sponsors:

Indexes: Tower of the Americas Antennas

Code sections:

Attachments: 1. Amendment to Extend Lease, i Heart Media KQXT Counter Signed, 2. i Heart Media Contract Disclosure Form KQXT Lease, 3. Amendment to Extend Lease, i Heart Media KZEP Counter Signed, 4. i Heart Media Contract Disclosure Form KZEP Lease, 5. Amendment to Extend Lease, Alpha Media (KJXX) Counter Signed, 6. Alpha Media Contract Disclosure Form KJXX Lease, 7. Amendment to Extend Lease, Master Antenna Counter Signed, 8. Alpha Media Contract Disclosure Form Master Antenna Lease, 9. i Heart Media Contract Disclosure Form Master Antenna Lease, 10. Draft Ordinance, 11. Ordinance 2015-05-21-0434

Date	Ver.	Action By	Action	Result
5/21/2015	1	City Council A Session	adopted	Pass

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 KQXT	Alpha Med KJXX Mon	Annual To
7/1/2015 - 6/30/2016	\$7,176.00	\$7,176.00	\$7,176.00	\$258,336.0
7/1/2016 - 6/30/2017	\$7,355.40	\$7,355.40	\$7,355.40	\$264,794.4
7/1/2017 - 6/30/2018	\$7,539.29	\$7,539.29	\$7,539.29	\$271,414.4
7/1/2018 - 6/30/2019	\$7,727.77	\$7,727.77	\$7,727.77	\$278,199.7
7/1/2019 - 6/30/2020	\$7,920.96	\$7,920.96	\$7,920.96	\$285,154.5
Total	\$37,719.42	\$37,719.42	\$37,719.42	\$1,357,899

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.