



# City of San Antonio

## Agenda Memorandum

**File Number:** 14-1110

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**Agenda Item Number:** 23.

**Agenda Date:** 8/7/2014

**In Control:** City Council A Session

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**DEPARTMENT:** Aviation Department

**DEPARTMENT HEAD:** Frank Miller

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Wireless Tower Agreement with Verizon, Inc. for the San Antonio International Airport

### **SUMMARY:**

An Ordinance authorizing 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. The lease agreement will generate an annual rental rate of \$50,000.00 subject to a 3% annual escalation rate.

### **BACKGROUND INFORMATION:**

Wireless towers house the physical infrastructure required to support the cellular networks for communications firms. Generally, one firm will build the tower and rent part of the network to the other communications firms.

The current tower at the San Antonio International Airport was built by AT&T in the 1990's. With the construction of the Consolidated Rental Car Facility (CONRAC), the current tower must be decommissioned and a new tower constructed at another location. Verizon would like to design and construct the new tower on the top of the long term parking garage to support Verizon and up to two other telecommunications providers. There will be no costs to the City for the design or construction of the project. Verizon will pay the City \$50,000.00 subject to an annual escalation rate of 3%. In the event additional telecommunications providers collocate on the tower, each provider will pay the City an additional \$50,000.00 per year, of which the City will keep 80% and pay Verizon the remaining 20% for constructing and managing the tower.

The Aviation Department and ITSD have reviewed the lease agreement and support the relocation and lease agreement.

**ISSUE:**

Approval of this action is consistent with the City's policy to lease City-owned property to generate revenue.

**ALTERNATIVES:**

City Council could elect not to support the lease agreement. However, the lease agreement authorizes Verizon to design and construct a new wireless tower at no cost to the City. Due to the construction of the CONRAC, a new location for the tower is required. Both Aviation and ITSD departments have approved the location and the agreement.

**FISCAL IMPACT:**

Verizon 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 of a lease agreement with Verizon at the San Antonio International Airport.