



# City of San Antonio

## Agenda Memorandum

**File Number:**20-3442

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**Agenda Item Number:** 12.

**Agenda Date:** 6/18/2020

**In Control:** City Council A Session

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**DEPARTMENT:** Center City Development & Operations Department

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 1

### **SUBJECT:**

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

### **SUMMARY:**

This ordinance authorizes the second 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 the third amendment to Broadcaster Leases with iHeart Media + Entertainment, Inc. (iHeart Media) and Alpha Media, LLC for continued use of the Tower of the Americas as a transmission site for KZEP, KQXT, and KJXX.

### **BACKGROUND INFORMATION:**

The Tower of the Americas hosts radio antennas on the roof of the top house. A master antenna was installed in 2006 to reduce the number of broadcaster antennas physically located on the Tower's mast while improving signal strength and reducing radiation levels. In August 2006, City Council authorized a Master Antenna Agreement with Tower FM Consortium, LLC which included members iHeart Media and Alpha Media. City Council authorized the renewal of the agreement in May 2015. This ordinance will authorize the second and final renewal of the Master Antenna Agreement which will expire on June 30, 2020. With approval of this renewal, the Consortium will be able to continue management of the master antenna through June 30, 2025. Renewal of the master antenna does not include rental consideration since the City collects from the broadcasters through their individual Broadcaster Leases.

In 2006 and 2015, City Council also authorized the renewals of three Broadcaster Leases with iHeart Media and Alpha Media. iHeart Media's agreements are for transmission of KZEP and KQXT and Alpha Media's agreement is for transmission of KJXX. This Ordinance will authorize the third and final renewal of the Broadcaster Leases which will expire on June 30, 2020. Approval of this ordinance will extend the agreements through June 30, 2025. Lease rates for the renewal period were established per a market study completed by Holt Media in March 2020. The monthly lease rate for each lease's first year is \$8,039.77. This rate will increase 1.5% 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 the Tower of the Americas.

#### **FISCAL IMPACT:**

The monthly lease rate for each lease's first year is \$8,039.77. This rate will increase by 1.5% annually thereafter. The following table summarizes the total revenue to be collected under all three lease renewals:

Fiscal Year	Amount
2020	\$72,357.93
2021	290,517.12
2022	294,875.01
2023	299,298.24
2024	303,787.71
2025	230,394.51
Total	\$1,491,230.52

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

#### **RECOMMENDATION:**

Staff recommends approval of the second 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 third amendments to the Broadcaster Leases with iHeart Media + Entertainment, Inc. and Alpha Media, LLC for continued use of the Tower of the Americas as a transmission site for KZEP, KQXT, and KJXX.