

**CITY OF SAN ANTONIO
City Manager's Office
Interdepartmental Correspondence**

To: Mayor & City Council

Through: Terry M. Brechtel, City Manager

From: Malcolm Matthews, Director of Parks & Recreation

Copies: Andy Martin, City Attorney; Christopher J. Brady, Assistant City Manager; file

Subject: Cellular Tower Lease Agreement

DATE: November 13, 2003

Summary and Recommendation:

An Ordinance authorizing a 25 year ground lease agreement between the City of San Antonio and SpectraSite Communications, Inc. for the purpose of relocating, constructing, maintaining, securing and operating a communications facility at Medina River Park for an initial annual amount of \$7,300, subject to annual adjustment, plus the additional consideration of relocating SpectraSite's existing facilities in support of the City's obligations under the Project Starbright Agreement.

Staff recommends approval.

Background Information:

Starbright Industrial Development Corporation purchased approximately 1,700 acres in May 2003 for the Toyota Project Site. Mary Louise Walsh previously owned this property. There is a communications tower (the "Cell Tower") located near Applewhite Road on the Toyota site that was constructed pursuant to a Communications Site Lease Agreement dated December 23, 1997 between Nextel of Texas, Inc. and Mary Louise Walsh. As part of the Starbright Agreement, the City and Starbright IDC are obligated to move the cell tower from the Toyota site. In order to expedite relocation of the cell tower, the City will assume the existing cell tower agreement and locate the tower on city-owned property.

The existing lease provides a location of 10,000 square feet, no tower height restriction, and no limit to the number of providers that the cell tower can accommodate, and a provision for unlimited access to the cell tower. In addition, there are five remaining five-year renewal terms under the original agreement.

Medina River Park was identified as a possible location for the relocation of the cell tower in July 2003. Parks and Recreation staff met with representatives from SpectraSite at the Medina River Park to determine if the site would be suitable for the relocation of the tower. A site has been located that will not negatively impact future development of the 362 acre park in accordance with the recently completed Medina River Park Master Plan. Other parks such as Monterrey Park and O.P. Schnabel have cell towers located within the park.

The City and SpectraSite have agreed to relocate the cell tower to Medina River Park. Estimated cost for relocation of the cell tower is \$300,000. In exchange, SpectraSite has committed to vacate the existing location in sufficient time for the City and Starbright IDC to meet the deadlines set forth in the Project Starbright Agreement.

Financial Impact:

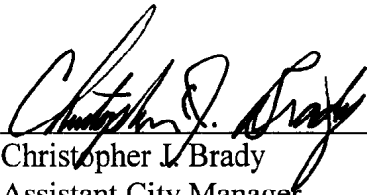
The Starbright Agreement provides for a credit to the City's \$10,000,000 site preparation reimbursement obligation in the amount of \$300,000 for relocating the cell tower. Relocation costs will be paid from the City of San Antonio, Texas Starbright Industrial Development Corporation Contract Revenue Bonds, Series 2003 bond proceeds. Monthly rental proceeds for the cell tower will be dedicated to the Medina River Park for park improvements. There is no impact to the City's operating budget.

Coordination:

This ordinance has been coordinated with the City Attorney's Office, Parks & Recreation Department, Asset Management and Finance Department.



Malcolm Matthews
Director of Parks & Recreation



Christopher J. Brady
Assistant City Manager

Approved:



Terry M. Brechtel
City Manager