



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 22

Agenda Date: June 6, 2024

In Control: City Council A Session

DEPARTMENT: Information Technology Services Department

DEPARTMENT HEAD: Craig Hopkins

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Monterrey Park Tower Lease Extension

SUMMARY:

Ordinance authorizes the last extension to the lease agreement between Crown Castle International Corp., (“Crown Castle”) and City of San Antonio (“City”) to extend the lease 6023 West Commerce Street by five (5) years from July 1, 2024, to June 30, 2029. As a result of this extension, \$95,500.00 in revenue over the five-year term will be received by the City and deposited into the General Fund. In FY 2024, a total of \$19,100.00 will be paid from Crown Castle to the City of San Antonio. [Ben Gorzell, Chief Financial Officer; Craig Hopkins, Chief Information Officer, Information Technology Services]

BACKGROUND INFORMATION:

On August 6, 1999, the City of San Antonio, as landlord, executed a lease with VoiceStream PCS, as tenant, pursuant to Ordinance number 89887. This lease had a term of twenty (20) years, commencing the date of execution with two (2) additional five (5) year extensions after the termination date. However, the second and final five (5) year extension is subject to approval by City Council.

On September 28, 2012, Crown Castle International Corp. assumed all responsibilities of the lease agreement executed with VoiceStream PCS for the premises at 6023 West Commerce Street.

On July 1, 2019, the first five (5) year extension was granted, ending on June 30, 2024.

On March 11, 2024, Crown Castle submitted their renewal notice to extend the lease for the second and final five (5) year period from July 1, 2024, to June 30, 2029. Consistent with the terms of the lease, we are seeking approval from City Council.

ISSUE:

Granting this extension maintains the City's relationship with the commercial telecommunications industry as a good partner. Approving this extension allows the City to continue receiving revenue from this telecommunications provider.

ALTERNATIVES:

City Council could refuse to approve the lease extension for the tower lease leading to a loss of revenue that would be generated under the extended lease terms.

FISCAL IMPACT:

This ordinance authorizes the last extension to the lease agreement between Crown Castle International Corp., ("Crown Castle") and City of San Antonio ("City") to extend the lease at 6023 West Commerce Street by five (5) years from July 1, 2024, to June 30, 2029. As a result of this extension, \$95,500.00 in revenue over the five-term will be received by the City and deposited to the General Fund. In FY 2024, a total of \$19,100.00 will be paid from Crown Castle to the City of San Antonio.

RECOMMENDATION:

Staff recommends approval of the second and final five (5) year extension allowed in the lease agreement with Crown Castle for the Monterrey Park tower site.