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Memorandum

To: Mayor Corbett and Council Members, Paul Briseno, City Manager and Shari Thornes, City Clerk

From: Steven J. Britzman, City Attorney

Date: December 7, 2018

Re: Cell Tower Lease Extension Agreements

Discussion

During the past 4 months, I have been negotiating with 2 representatives of American Tower, which is the company that handles Verizon Wireless' cell towers. American Tower requested on behalf of Verizon to extend their current cell tower leases for 3 locations in Brookings. The three locations are as follows:

1. The East Cell Tower on 8th Street South near Bob Shelden Field;
2. The 22nd Avenue Tower location next to Edgebrook Golf Course; and
3. The North Medary Cell Tower location next to the BMU wells and community gardens.

The leases currently are set to expire in 2030 and 2031 and American Tower has requested 25-year extensions. In exchange, I negotiated lease extension bonuses of \$50,000 for each tower and a revenue share increase from 15% to 20% for any collocation fees from the respective towers. Based on the proposed extensions, the current leases, as extended, will expire in 2055 and 2056. We will continue to receive annual rent from these towers—the current rent is \$13,288.64 to \$13,687.31 per tower, plus an annual 3% increase per tower.

I have reviewed and revised the proposed Lease Extension Agreements and find them acceptable and consistent with the changes outlined above. A Resolution approving the lease extension agreements is also provided with this memo.