

City of Scottsbluff, Nebraska

Monday, May 15, 2023

Regular Meeting

Item Reports3

Council to discuss and consider action on a proposed modification to the Land Lease Agreement with Verizon Wireless for their tower located at Highway 92 and County Road 19.

Staff Contact: Kevin Spencer, Police Chief

Agenda Statement

Item No.

For Meeting of: May 15, 2023

AGENDA TITLE: Council to consider a proposed modification to the Land Lease Agreement with Verizon Wireless for their tower located at Highway 92 and County Road 19.

SUBMITTED BY DEPARTMENT/ORGANIZATION: Public Works

PRESENTATION BY: Kevin Spencer, City Manager

SUMMARY EXPLANATION: Verizon Wireless has a Land Lease Agreement with the City for a tower they have located at Highway 92 and County Road 19. The term of the existing Lease provides for an initial 5-year term and 3 additional 5-year terms extending through September of 2034. The rent payment increases 3% annually. We're currently in the 8th year (1st term) of the existing Lease where current monthly payments are \$983.90.

Verizon Wireless has submitted a letter to have the city consider modifying the rent amount, escalator, and renewal terms of the existing Lease. They're proposing monthly rental payments of \$875.00, which would increase by 15% with each 5-year term. The Lease time period would extend through December of 2058

A spreadsheet is provided to demonstrate rent through the terms of both the original Lease and the proposed modifications.

BOARD/COMMISSION/STAFF RECOMMENDATION: Council to advise and direct staff on how they would like to proceed.

Does this item require the expenditure of funds?

yes no

Are funds budgeted?

yes no

If no, comments:

Estimated Amount

Amount Budgeted

Department

Account Description

Approval of funds available

City Finance Director

EXHIBITS

Resolution

Ordinance

Contract

Minutes

Plan/Map

Other (specify)

Modification Proposal Letter / Lease Rent Spreadsheet

NOTIFICATION LIST: Yes No Further Instructions

Please list names and addresses required for notification.

APPROVAL FOR SUBMITTAL: _____

City Manager

Rev: 12/14/ City Clerk



May 8, 2023

ATTN: Kevin Spencer City of Scottsbluff

Site Name: NE01-HAIG

Site ID: 123701

Dear Kevin,

I am following up with you regarding our recent telephone conversation setting forth Verizon Wireless's Lease Optimization Program. As discussed during our conversation, Verizon Wireless is interested in making certain modifications to the cell site lease regarding the Verizon Wireless communications facility on your property. These lease modifications will allow the cell site on your property to better meet Verizon Wireless's current operational needs and enhance its long term value to the overall network.

Criteria for Cell Site Retention

As we discussed, Verizon Wireless would like to include this site in its long-term portfolio under the following terms:

- **New Rent Amount:** \$875.00 per month, commencing on (December 1, 2023)
- **New Rent Escalator:** Fifteen Percent (15%) every 5 years (next increase on December 1, 2028)
- **Additional Renewal Terms:** Six (6) additional five (5) year renewal terms

The foregoing proposal does not constitute a binding offer to amend the lease. No legal obligation is created by this letter or any other written or oral communications until a written amendment to the lease has been signed by both Landlord and Verizon Wireless. Verizon Wireless will continue to abide by the terms of the current lease until an amendment has been executed or the existing lease has been terminated or expires. Verizon Wireless values its affiliation with you and hopes that you choose to secure your site(s) to continue a long and mutually profitable relationship in the years to come. After having reviewed this proposal, please confirm.

Sincerely,

Lynne Rush

Lease Consultant

Lease Optimization - CENREV

O 469-421-9101

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