



## Legislation Text

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**File #:** 21-008, **Version:** 1

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### **ACTION REQUESTED:**

Communication from the City Manager and Corporation Counsel with a Request to APPROVE the AGREEMENTS to Amend the Leases between the City of Peoria and VERIZON, through Verizon's Agent AMERICAN TOWER CORPORATION.

### **BACKGROUND:**

American Tower Corporation leases and operates multiple cell tower sites across the City of Peoria. American Tower Corporation recently requested lease modifications on three cell tower sites in order to avoid terminating those leases. American Tower Corporation cited industry pressure to reduce costs as well as pressure from the transition toward alternative small cell technology.

The three cell tower sites include: 1) Parcel ID 1407276020 (located on Willow Knolls Drive near its intersection with University Street); 2) Parcel ID 1429302002 (located near the Public Works facility on Dries Lane); and 3) Parcel ID 1817228003 (located on SW Washington Street near its intersection with Edmund Street).

The amended lease for the Willow Knolls tower would add up to three additional five-year renewal terms (through 2051), reduce rent from \$1,685.47 to \$1,500.00, reduce annual rent escalation from 4.0% to 3.0%, and the City would receive a one-time fee of \$12,500.00. The amended lease for the Dries Lane tower would add up to three additional five-year renewal terms (through 2051), maintain rent at \$874.06, reduce annual rent escalation from 4.0% to 3.0%, and the City would receive a one-time fee of \$12,500.00. The amended lease for the Washington Street tower would add up to three additional five-year renewal terms (through 2051), reduce rent from \$1,685.47 to \$1,500.00, reduce annual rent escalation from 4.0% to 3.0%, and the City would receive a one-time fee of \$12,500.00.

American Tower Corporation would also amend their termination rights to guarantee a minimum of ten more years of rent through 2030. American Tower Corporation would also continue to pay all applicable co-location revenue sharing fees.

**NEIGHBORHOOD CONCERNS:** None.

**IMPACT IF APPROVED:** The City will continue receiving rent and co-location revenue from three cell tower sites across the City.

**IMPACT IF DENIED:** The City may lose future rent and co-location revenue from three cell tower sites if American Tower Corporation terminates its leases at the next renewal date.

**ALTERNATIVES:** N/A

**EEO CERTIFICATION NUMBER:** N/A

**WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2017 - 2032 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?**

1. Financially Sound City

**WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?**

1. Keep taxes and fees competitive.

**DEPARTMENT:** Legal