

# STAFF REPORT

To: City Council  
From: Doug Self, Director  
Meeting Date: March 15, 2022



COMMUNITY DEVELOPMENT DEPARTMENT

## ATLAS WIRELESS TELECOMMUNICATIONS TOWER LEASE

### PURPOSE & SUMMARY

Consider authorizing the lease of a 50ft by 50ft area in the Driggs Public Works yard to Atlas Tower 1, LLC, for the placement and operation of a 75ft-tall wireless telecommunications tower over a 20-year term, with four 5-year extension options, in exchange for a monthly lease payment or lump sum payment.

### ATTACHMENTS

- Proposed Lease (reviewed by City Attorney)
- Proposed Location (under review by Public Works)



- Example “monopine” towers:





## ANALYSIS

### 1. Zoning / Land Development Code Regulations

- a. A Conditional Use Permit is required, which may require certain tower designs (e.g., monopine), screening (which is also a standard requirement), location adjustments, etc. to ensure compatibility with the surrounding neighborhood and uses.
- b. A maximum height of 75ft is allowed in the civic zone.
- c. A property line setback of 1ft for every 1ft of tower height is required. The proposed location from Atlas will not meet this requirement, but there are other sites on the property that would.
- d. The applicant must show that it is "necessary to erect" the tower, by demonstrating that one or more of the following reasons exist:
  - i. The planned equipment would exceed the structural capacity of existing or approved structure and those structures cannot be reinforced to accommodate planned or equivalent equipment at a reasonable cost.
  - ii. The planned equipment would result in technical or physical interference with or from other existing or planned equipment and the interference cannot be prevented at a reasonable cost.
  - iii. There is no appropriate existing or pending structure to accommodate the planned equipment. (This is understood to be the applicable reason.)

- iv. Other technical reasons that make it impractical to place equipment planned by the applicant on existing or approved structures.
- e. Co-location cooperation is required to reduce the need for additional towers in the community.
- f. Lighting is prohibited unless required by the FAA.

## **2. Location**

- a. The Driggs Public Works Director is reviewing the proposed location and will identify whether there is an alternative location or no location that will preserve functionality for the Driggs Public Works yard.
- b. The lease also requires vehicle access to the leased land.

## **3. Lease Terms**

- a. The lease proposes a duration of 20 years, with four 5-year renewal options (40 years total), at the option of Lessee.
- b. The lease commences upon the completion of construction, which may be up to 2 years after execution of the lease agreement (the testing period).
- c. The lease may be terminated at any time by the tenant: *...if Tenant otherwise determines, in its sole and absolute discretion, with or without cause, that the Premises is no longer suitable or desirable for Tenant's intended use and/or purposes, Tenant shall have the right to terminate this Lease Agreement upon written notice to Landlord.*
  - i. For this reason, the city should request annual rent to be paid, ideally coinciding with the city's fiscal year.
- d. Tenant is responsible for removing the tower and returning the property to its initial condition at the termination of the lease.
- e. Rent is proposed as either \$1000/month (\$240,000 over 20 years), or a \$96895 lump sum (40% of \$240,000).
  - i. The monthly rent (payable in advance annually) is preferable to a lump sum amount, since the City should typically take the long view.
  - ii. The rent is likely lower than what could be negotiated, since it is the first offer. There may be competing sites, but a counter-offer is also likely expected. The City should seek a minimum monthly rent of \$1500.
  - iii. There is no annual rent increase. It is desirable and typical to insert an annual rent increase of at least 3%.
  - iv. At \$1500/month, increasing 3% annually (\$441,464 over 20 years), the City could create a reasonable revenue source that allows it to pay for employee housing on the south side of Lions Park. Other options that deliver near that amount should also be considered.

## **RECOMMENDATION**

If Public Works approves a location, then the City Council should determine what lease terms may be acceptable and request that staff attempt to negotiate a revised lease accordingly. Once a lease agreement is approved, Atlas Tower 1 would begin the CUP process, unless a more attractive option has been secured.

## **MOTION OPTIONS**

No motion recommended at this time.