



MEMORANDUM

---

**DATE:** March 8, 2021

**TO:** Honorable Mayor and City Councilmembers  
Dave Perrault, City Administrator

**FROM:** David Swearingen, Interim Public Works Director

**SUBJECT:** AT&T Cummings Park Drive Site Use Lease Agreement (Antenna Lease)

Budgeted Amount:  
\$49,499

Actual Amount:  
\$49,499

Funding Source:  
General Fund

---

**Council Should Consider**

Motion to approve, table, or deny the following:

- AT&T Cummings Park Drive Site Use Lease Agreement

*All items need a simple majority for action unless otherwise noted.*

**Background**

The City of Arden Hills entered into a Site Use Lease Agreement with AT&T (New Cingular Wireless PCS, LLC) on April 2014 for cell antenna equipment located at the City’s North Water Tower at Cummings Park. The agreement established an annual lease rate of \$33,000, with an annual adjustment of 4 percent. The lease agreement was amended on July 2015 to provide additional ground lease space to house an emergency power generator. The amendment added \$4,800 to the annual lease rate, with a 4 percent annual adjustment.

AT&T contacted the City to request renegotiation of the current lease at the North Water Tower.

At the November 23, 2020 Work Session City Council directed staff to work with AT&T to renegotiate a lease amendment for a reduced annual rate and an adjustment factor of 3%. The City Attorney prepared the amendment document for the amount of \$40,000 and 3%, which AT&T has accepted and signed (Attachment A).

**Budget Impact**

The 2021 lease payment from AT&T to the City of Arden Hills is \$49,499, with a 4 percent annual adjustment. The proposed amendment to the Site Use Lease Agreement would become effective January 1, 2022, and would not affect 2021 revenues. A negotiated decrease in the annual lease rate or a termination of the lease agreement will decrease revenue to the City's General Fund in future years.

<u>Year</u>	<u>Current Lease</u>	<u>Amended Lease</u>
2022	\$ 51,479	\$ 40,000
2023	\$ 53,538	\$ 41,200
2024	\$ 55,680	\$ 42,436
2025	\$ 57,907	\$ 43,709
2026	\$ 60,223	\$ 45,020
2027	\$ 62,632	\$ 46,371
2028	\$ 65,138	\$ 47,762

**Attachments**

Attachment A: AT&T Site Lease Agreement and Amendment