



MOUNTAINS RECREATION & CONSERVATION AUTHORITY

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MEMORANDUM

TO: The Governing Board

FROM:  Joseph T. Edmiston, FAICP, Hon. ASLA, Executive Officer

DATE: May 7, 2008

SUBJECT: **Agenda Item V(g): Consideration of resolution authorizing amendment to lease agreement with American Tower, LP, at Sage Ranch Park.**

Staff Recommendation: That the Governing Board adopt the attached resolution authorizing amending the existing lease agreement with American Tower, LP, at Sage Ranch Park.

Background: When the MRCA acquired Sage Ranch, it took title to a lease agreement between Meridian Communications and Orrin Sage, the previous owner. In 1992, the MRCA entered into a new ten (10) year lease with Meridian that included options to extend until December 31, 2015.

Since the 1992 lease was executed, Meridian Communications was purchased by American Tower, LP, which took title to all Meridian holdings, including the tower site lease at Sage Ranch.

American Tower approached the MRCA about renewing the lease for an additional four (4) terms of five (5) years each. Due to the volatility in the telecommunications market, service providers are requiring the communications tower operators (such as American Tower) to secure long term leases. Many providers are requiring minimum commitments of 15-20 years prior to renewing agreements.

The current lease is structured to provide the MRCA with a percentage of the profits at the tower site (see attachments for lease details), therefore the more providers American Tower can retain, the MRCA's revenue will increase.

The proposed amendment also includes provisions clarifying potential lease assignments, right to install signage, estoppels, government approvals/permits, and the recordation of a memorandum of lease prior to the sale of any interest in Sage Ranch. None of these terms substantively affect the underlying lease agreement. Please see the original lease and the proposed amendment for details.