

CITY COUNCIL REPORT

DATE: April 18, 2019
TO: Mayor and Councilmembers
FROM: Luis Pedroza, Finance Director City Treasurer
CC: Jerene Watson, Interim City Manager; Department Directors
SUBJECT: MODIFICATION TO ANTENNA LEASE WITH CBP

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This report is to inform the Mayor and Council of a recent change to the land lease agreement with Customs and Border Protection (CBP) for three antennas located on City property.

DISCUSSION:

The City has an existing land lease agreement with CBP that allows them to place three communications antennas on City property. The leases have been in effect for more than 20 years. In 2017 we modified the lease space to 1,600 square feet to accommodate uninterrupted power supply systems by the towers. The three sites are located on Geronimo Trail Road and Duffy Place (next to our reservoir), on International and Customs Avenue and the third is located inside the Wastewater treatment plant. CBP currently pays the City \$200 per month per site (total \$600 per month).

CBP is asking to modify the lease agreement to terminate the Geronimo Trail site since they have recently taken down the antenna. We were told the reason for taking down the antenna was that they are now using better technology and no longer in need of that tower. Revenue will now decrease to \$400 per month.

Please see the following attachment for details.

RECOMMENDATION / CONCLUSION:

This report is for information only.

Attach 1

U.S. Department of Homeland Security

U.S. Customs & Border Protection

SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL AGREEMENT | DATE

NO. One (1)

04/12/2019

TO LEASE NO.

HSBP-7217-L-DA0786

ADDRESS OF PREMISES:

Geronimo Trail, Douglas POE, Rose Plant Various addresses- See exhibit A in lease

THIS AGREEMENT, made and entered into this date and between

City of Douglas

whose address is:

426 E 10th Street, Douglas, Arizona 85607

hereinafter called the Lessor, and the U.S. Government, hereinafter called the Lessee:

WHEREAS, the parties hereto desire to amend the above

CBP Lease# HSBP-7217-L-DA0786

The Geronimo Trail tower site is being deleted entirely from this lease as it has been decommissioned, demolished and disposed of in compliance with CBP lease# HSBP-7217-L-DA0786.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said

Lease is amended, effective May 1, 2019, as follows:

Delete The Following:

- DELETE - 5. Annual Rent \$7,200.00 (On Page 5 of 10)
- DELETE - 6. Term Payment \$600.00 monthly (On Page 5 of 10)
- DELETE - The Payment schedule (On Page 14 of 14)
- DELETE - The following pages entirely from this lease: Page 7 of 14, Page 10 of 14

Insert the following:

- 5. Annual Rent \$4,800.00 (On Page 5 of 10)
- 6. Term Payment \$400.00 monthly (On Page 5 of 10)

Insert The Following:

Payment Schedule:

- 5/1/2019 - 9/30/2020 = \$400.00 monthly in arrears
- 10/1/2020 - 9/30/2021 = \$400.00 monthly in arrears
- 10/1/2021 - 9/30/2022 = \$400.00 monthly in arrears
- 10/1/2022 - 9/30/2023 = \$400.00 monthly in arrears
- 10/1/2023 - 9/30/2024 = \$400.00 monthly in arrears
- 10/1/2024 - 9/30/2025 = \$400.00 monthly in arrears
- 10/1/2025 - 9/30/2026 = \$400.00 monthly in arrears
- 10/1/2026 - 9/30/2027 = \$400.00 monthly in arrears

All other terms and conditions of the lease shall remain in force and effect.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

Lessor:

BY

(Signature)

(Title)

Lessee:

BY

(Signature)

(Official Title)