



CITY OF MANITOWOC

WISCONSIN, USA

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July 3, 2023

TO: Members of the Finance Committee
FROM: Eric Nycz, Interim City Attorney
Re: Proposal to Lease Cell Tower Management

Issue Presented

On or about November 7, 2022, this Office was contacted by Symphony Wireless, a third-party go between for Wireless Propco ("WP"), a company that invests in leases for cell phone towers. WP has thousands of easements on cell towers to manage cell tower leases by AT&T, T-Mobile, and other cellular companies. It has deep pockets that support it, and it offers up-front cash and a potential for future revenue streams in exchange for control of the towers. The City of Manitowoc owns a tower at 736 Revere Drive (in Evergreen Cemetery). The tower is used by the City for emergency services and it leases space to AT&T. The Common Council approved the signing of a letter of intent (see 23-0100 and attached) on February 20, 2023 to move forward with contract negotiations. After an extensive series of revisions, staff recommends that the Committee approved the attached Easement Agreement and Net Profits Agreement, and recommend that the Common Council direct staff to consummate this deal commensurate with the terms therein. Further, staff recommends that the Common Council grant the Interim City Attorney, in addition to the Mayor, the authority to execute any documents necessary to complete the transaction.

Outline of the Deal

WP receives:

- An indefinite lease to manage space on the cell tower.
- Collection of the remaining rent owed by AT&T (\$28,800.00 annually + 2% each year)
- Collection of one-half (1/2) of all rent on future leases

The City of Manitowoc receives:

- A one-time lump sum payment of approximately \$518,400.00.
- Collection of one-half (1/2) of all rent on new future leases
- The right to continue to use the tower for emergency services in perpetuity

Notes: WP is essentially provided 17 years of AT&T's rent, immediately, to the City, in exchange for this Agreement. WP has the incentive to market the tower and receive top dollar from new lessees, something the City is not equipped to do. The City will have to maintain the tower but note that the City would have to do that anyway for its emergency services. Further, any additional lessees is a bonus for the City, financially, but also for our citizens, as they will experience additional cellular service. Staff believes this is a win-win.

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