

DATE: *June 3, 2021*  
 TO: Mayor and City Council  
 FROM: *[Signature]* Assistant City Manager  
 SUBJECT: Ground Lease – 6096 Suwanee Dam Road  
 Sugar Hill Golf Club – Cell Tower



RECOMMENDED ACTION

**Accept the high bid from Vertex Development LLC for the tower lease starting at \$36,000 per year and a potential 20-year value of \$874,705.**

BUDGET IMPACT. The previous revenues generated just over \$400,000 over the past 25 years and in the final years about \$21,000 per year.

DISCUSSION & BACKGROUND. The most recent cell tower lease at this location was initiated in 1998 and after a few extensions, will expire at the close of 2022. The lease is currently managed by American Tower. Staff sought bids for a ground lease with two responses, one from American Tower and the second from Vertex Development, out of Florida. American Tower constructed the tower and has sub-leases for operators for this location, now in their fifth of five extension terms. The bid results are as follows:

		Vertex Development				American Tower			
Term	Year	Annual	Monthly	% Incr.	Year	Annual	Monthly	% Incr.	
1	1	\$36,000	\$3,000		1	\$30,000	\$2,500		
1	2	\$36,720	\$3,060	2%	2	\$30,900	\$2,575	3%	
1	3	\$37,454	\$3,121		3	\$31,827	\$2,652		
1	4	\$38,203	\$3,184		4	\$32,782	\$2,732		
1	5	\$38,968	\$3,247		5	\$33,765	\$2,814		
1	6	\$39,747	\$3,312		6	\$34,778	\$2,898		
1	7	\$40,542	\$3,378		7	\$35,822	\$2,985		
1	8	\$41,353	\$3,446		8	\$36,896	\$3,075		
1	9	\$42,180	\$3,515		9	\$38,003	\$3,167		
1	10	\$43,023	\$3,585		10	\$39,143	\$3,262		
First Term Total:		<b>\$394,190</b>				<b>\$343,916</b>			
2	11	\$43,884	\$3,657		11	\$40,317	\$3,360		
2	12	\$44,761	\$3,730		12	\$41,527	\$3,461		
2	13	\$45,657	\$3,805		13	\$42,773	\$3,564		
2	14	\$46,570	\$3,881		14	\$44,056	\$3,671		
2	15	\$47,501	\$3,958		15	\$45,378	\$3,781		
2	16	\$48,451	\$4,038		16	\$46,739	\$3,895		
2	17	\$49,420	\$4,118		17	\$48,141	\$4,012		
2	18	\$50,409	\$4,201		18	\$49,585	\$4,132		
2	19	\$51,417	\$4,285		19	\$51,073	\$4,256		
2	20	\$52,445	\$4,370		20	\$52,605	\$4,384		
2nd Term Total:		<b>\$874,705</b>				<b>\$806,111</b>			
Ten Year Total			\$394,190		Upfront		\$343,916		
20-YR Lump Sum			\$500,000				\$5,000		
							\$605,000		

Staff is recommending award of the bid for the cell tower ground lease at 6096 Suwanee Dam Road to Vertex Development, LLC in accordance with annual lease payments, subject to legal review.