

COUNCIL COMMUNICATION

DATE: 02/02/26	SUBJECT: ORDINANCE NO. 2026-O-17 Authorizing the City Manager to execute a First Amendment to Ground Lease Agreement (“First Amendment”) by and between the City of Laredo (“Landlord”), a Texas municipality and SBA Steel LLC, a Florida limited liability company (“Tenant”), dated January 10, 2006 for the construction of a 140” self-supporting tower and equipment building for the purpose of providing cellular services; and attached hereto; to extend the term of the lease one (1) additional five (5) year term commencing January 10, 2031; with an additional three (3) five (5) year terms. Rent shall increase from \$39,799.00 to \$45,000.00 per year with a four (4) percent escalation; all other terms and conditions remain in full force and effect.
INITIATED BY: Steve E. Landin, Assistant City Manager	STAFF SOURCE: Jose C. Rivera Information Services & Telecommunications Director
PREVIOUS COUNCIL ACTION: Lease was approved by city council on January 9. 2006. Introductory reading of this ordinance was approved on 1/20/26.	
BACKGROUND: Landlord and Tenant entered into a Ground Lease dated January 10, 2006, whereby Landlord leased to Tenant ground space at the McPherson Water Tower located at 8711 McPherson, Laredo, Webb County, to construct on said premises an equipment building and a 140” self-supporting type tower for the purpose of providing cellular services; and related equipment for use in connection with its communications business. Tenant desires to amend lease to extend the term for an additional four (4) five year terms effective January 10, 2031 so that the tower can be marketed to other carriers on a long term basis. Lease agreement includes revenue share clause. Signing bonus of \$25,000 will be paid upon effective date. Landlord and Tenant agree and acknowledge that Tenant’s rent shall increase to \$45,000.00 per year commencing on January 10, 2031 and shall thereafter increase by 4% each year. All other terms and conditions of the Lease remain in full force and effect.	
FINANCIAL IMPACT: Rent increase from \$39,799.00 to \$45,000.00 to be credited to General Fund line item 101-0000-311-1060.	
COMMITTEE RECOMMENDATION: N/A	STAFF RECOMMENDATION: Staff recommends approval.