

City of Palm Desert Staff Report

Meeting Date: April 23, 2026

Prepared By: Amy Lawrence, Deputy Director of Economic Development

Department: Economic Development

Subject: Amendment No. 1 to Contract No. C19290 for the Hovley Soccer Park Cell Tower Lease

Recommendation

1. Approve Amendment No. 1 to Contract No. C19290 for the Hovley Soccer Park Cell Tower Lease.
2. Authorize the City Attorney to make any necessary nonmonetary changes to the agreement.
3. Authorize the City Manager to execute the amendment and any other documents necessary to effectuate this action.

Executive Summary

Staff recommends approval of Amendment No. 1 to the Communications Site Lease Agreement for the Hovley Soccer Park Cell Tower Lease. The amendment extends the lease term through July 2056 and updates compensation and operational provisions.

The amendment increases monthly rent, transitions to an annual escalation structure, and provides the City with greater flexibility through updated termination and relocation provisions. Approval of the amendment will ensure continued revenue to the City while enhancing long-term control over the site.

Need for Action

The existing lease is scheduled to expire on July 18, 2026. The amendment is needed to extend the lease term, modernize compensation terms, and incorporate provisions that provide the City with greater flexibility for future public use of the property.

Background

On July 19, 2001, the City entered into a Communications Site Lease Agreement with Cox PCS Assets, LLC, for a cell tower site located at the Hovley Soccer Park. The agreement included an initial ten-year term with three optional five-year renewal terms. The current lease is set to expire on July 18, 2026. On March 28, 2024, the City Council directed staff to negotiate an amendment to the lease agreement.

Discussion

Amendment No. 1 includes the following key provisions:

- **Term Extension:** Adds six (6) additional five-year terms, extending the lease through July 2056.
- **Termination Clause:** Beginning ten (10) years after the amendment's effective date, the City may terminate the lease for public purposes with twelve (12) months' written notice.
- **Compensation:**
 - Rent will increase to \$31,200 per year retroactive to August 1, 2025, representing an annual increase of \$3,824.
 - Beginning August 1, 2026, rent will increase 3% annually (allowing for annual compounding), replacing the current structure of a 15% increase every five (5) years.
- **Modifications:** City approval is required for any modifications, expansions, or additional equipment not included in previously approved site plans.
- **Relocation:** Beginning ten (10) years after the amendment's effective date, the City may require one relocation within City property with eighteen (18) months' notice. The lessee will be responsible for all relocation costs and may terminate the lease if relocation is deemed infeasible.

The amendment secures long-term revenue, modernizes lease terms, and provides the City with greater flexibility and oversight of the property.

Legal Review

This report has been reviewed by the City Attorney's Office.

Financial Impact

The current annual rent is \$27,376. Under Amendment No. 1 annual rent will increase to \$31,200 retroactively beginning August 1, 2025. On August 1, 2026, rent will then increase 3% annually. Listed below is the annual rent over the first five-year term, reflecting the escalation rounded to the nearest dollar.

Lease Year	Annual Rent
Year 1 - August 1, 2025	\$31,200
Year 2 - August 1, 2026	\$32,136
Year 3 - August 1, 2027	\$33,100
Year 4 - August 1, 2028	\$34,093
Year 5 - August 1, 2029	\$35,116

All revenue generated from this lease will be deposited into the General Fund.

Attachments

1. Amendment No. 1 to Communications Site Lease Agreement
2. Memorandum of Amendment to Communications Site Lease Agreement

3. C19290 – Executed Agreement
4. Cell Tower Site Map

Conflict of Interest Awareness Checklist

Note: *This checklist is informational only and does not constitute a legal determination. Each Councilmember remains responsible for identifying, disclosing, and evaluating any disqualifying interests under the Political Reform Act and applicable FPPC regulations.*

1. Site-Specific Property Interest

Does this item involve a project site or other identifiable real property?

Yes

No

If yes, identify the project site: 74735 Hovley Lane, Palm Desert, California

Councilmembers should consider whether they own, lease, or hold interests in real property within 1,000 feet of the project site. (Gov. Code § 87103(b); FPPC Reg. 18702.2).

2. SB 1439 / Gov. Code § 84308 Applicability (Campaign Contributions)

Does this item involve a license, permit, other entitlement for use, or a contract or franchise agreement that is not competitively bid, a labor agreement, or a personal employment contract?

Yes

No

If yes, identify the party: Cox PCS Assets, LLC

Councilmembers should review campaign contributions received within the prior 12 months from parties or participants to the proceeding and must not accept contributions over \$500 from those parties for 12 months following the final decision. (Gov. Code § 84308).