

# City of Palm Desert Staff Report

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Meeting Date: April 23, 2026

Prepared By: Amy Lawrence, Deputy Director of Economic Development

Department: Economic Development

Subject: Amendment No. 1 to Contract No. C20220 for the Civic Center Park Cell Tower Lease

## Recommendation

1. Approve Amendment No. 1 to Contract No. C20220 for the Civic Center 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 Contract No. C20220 for the Civic Center Park Cell Tower Lease. The amendment extends the lease term through November 2056, provides a one-time \$10,000 signing bonus, and adjusts future rent escalation terms.

The amendment also updates provisions related to termination, modifications, and potential relocation of the facility. Approval of the amendment will ensure continued revenue to the City while providing greater long-term flexibility and oversight of the site.

## Need for Action

The existing lease is scheduled to expire on November 6, 2032. The amendment is needed to extend the lease term, update compensation terms to reflect current market conditions, and incorporate provisions that provide the City with greater flexibility, including termination and relocation options for future public use.

## Background

On June 27, 2002, the City entered into a Communications Site Lease Agreement with Cingular Wireless, LLC, for a cell tower site located at the Civic Center Park. The lease commenced on November 7, 2002, with an initial term through November 6, 2007, and includes five optional five-year renewal terms. Four renewal terms have been exercised, and the current lease is set to expire on November 6, 2032. 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 five (5) additional five-year terms and one (1) four-year term, extending the lease through November 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:**
  - One-time \$10,000 signing bonus payable to the City within sixty (60) days of full execution.
  - 15% rent increase effective November 1, 2027.
  - Existing 3% annual rent escalator resumes thereafter.
- **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 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 control and flexibility over the use of the property.

## Legal Review

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

## Financial Impact

The current annual rent is \$39,480. The amendment provides a one-time signing bonus of \$10,000, payable to the City within sixty (60) days of full execution. Effective November 1, 2027, rent will increase by 15% to \$45,402, after which the existing 3% annual rent escalator will resume. Listed below is the annual rent over the first five-year term following the 15% adjustment, reflecting the escalation rounded to the nearest dollar:

Lease Year	Annual Rent
Year 1 – November 1, 2027	\$45,402
Year 2 – November 1, 2028	\$46,764
Year 3 – November 1, 2029	\$48,167
Year 4 – November 1, 2030	\$49,612
Year 5 – November 1, 2031	\$51,100

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. Contract No. C20220
4. 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:** 43002 San Pablo Avenue, 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:** Cingular Wireless, 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).*