

# Staff Report

**TO:** Board of Directors  
**FROM:** Greg Jones, Assistant General Manager  
**DATE:** January 22, 2025  
**SUBJECT:** Harmony Ridge Cell Tower Lease Amendment & Extension  
 (Consent)

## **ADMINISTRATION**

### **RECOMMENDATION:**

Adopt a Resolution approving a cell tower lease amendment at 15102 Manzanita Diggings Dr. and authorize the General Manager or designee to execute appropriate documents.

### **BACKGROUND:**

Since 1992, NID has engaged with multiple cell tower developers and has leased selected areas on portions of NID property for cell tower installation and operation. To date, NID has lease agreements with four organizations covering six cell tower sites on NID properties. These sites have been chosen and requested by cell companies over the years due to their location, elevation, power supply availability, and line of site to the public, among other benefits. Below is a list of NID's current cell tower locations, origination date, and land lease end year:

Leassor	Tower Address	Original Lease Date	Lease End Year
American Tower	14050 Pleasant Valley Rd.	10/18/2010	2042
Crown Castle (Frmly AT&T)	28311 Secret Town Rd.	11/1/2004	2035
Crown Castle (Frmly PacBell)	15102 Manzanita Diggings Rd.	1/8/1997	2029
Crown Castle (Frmly Verizon)	Auburn Airport Area	5/5/2014	2040
Educational Media Foundation	Banner Quaker Area	2/23/2000	2033
Lake Wildwood Assoc	18480 Song Sparrow Ct.	3/24/1992	

In January 1997, NID entered into a cell tower lease agreement with Pacific Bell Mobile Services to lease +/- 400 SF at 15102 Manzanita Diggings Dr., Nevada City, for the purposes of installation and operations of a cellular tower. The tower is in gated NID property where three water tanks are located, above highway 20 east of Nevada City. The tower foundation and access is strategically located away from District facilities and has not interfered nor anticipated to interfere in future District operations.

This existing agreement originally expired in 2002, and then provided for nine (9) automatic extension options of three (3) years each. All options to date have been exercised; the existing agreement runs through August 2029.

In January 2014, Crown Castle International Corp. acquired the management and operation rights to 9,700 Pacific Bell towers nationwide, including this tower. The original agreement authorized a monthly lease starting at \$500/month with a 3% per year increase. Currently, Crown Castle leases the land for \$1,269 per month.

In anticipation of the year 2029 lease termination, Crown Castle is seeking to solidify an industry-standard long-term lease agreement extension at this location. NID and Crown Castle have been in discussion over a number of months and have negotiated the following preliminary term details for incorporation into an extension agreement as follows:

- \$1,798.32 per month as of 02/01/2025
- 3.5% annual escalation as of 11/01/2025
- 30-year lease extension (new expiration 8/17/2059)
- NID to receive a 15% revenue share on all newly added carriers to the site
- Right of First Refusal Language (ROFR)

Staff recommends approval of these agreement extension terms and to continue the relationship with this cell tower operator. Financially, there are a number of benefits to NID in agreeing to this lease extension with these terms, including: (i) the annual escalator is greater than existing agreement; (ii) the 30-year term locks in a long-term sustainable revenue source for the District; and (iii) additional revenue may be realized in the future through the revenue share clause. In addition to these direct benefits to NID, this and other cell tower locations provide an invaluable and intangible benefit to our community, one that prioritizes regional communications infrastructure.

**BUDGETARY IMPACT:**

There is no budgetary expense impact on approving this item.

Attachments (1)

- Resolution No. 2025-05



**RESOLUTION NO. 2025-05**  
**OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT**

**HARMONY RIDGE CELL TOWER LEASE AMENDMENT & EXTENSION**

**WHEREAS**, In January 1997 NID entered into a cell tower lease agreement with Pacific Bell Mobile Services to lease +/- 400 SF at 15102 Manzanita Diggings Dr., Nevada City, for the purposes of installation and operations of a cellular tower; and

**WHEREAS**, Crown Castle International Corp. acquired the management and operation rights to 9,700 Pacific Bell towers nationwide, including this tower and currently pays NID approx. \$1,269 per month for the cell tower lease; and

**WHEREAS**, The current existing agreement expires in 2029; and

**WHEREAS**, In anticipation of 2029's lease termination, Crown Castle has engaged in negotiations with NID to extend the lease with the following updated terms:

- Rent Increase: \$1,798.32 per month as of 02/01/2025
- Annual Percentage Escalator: 3.5% annual escalation as of 11/01/2025
- Extension Term: 30-year lease extension (new expiration 8/17/2059)
- Revenue Share: NID to receive a 15% revenue share on all newly added carriers to the site
- New Language: Right of First Refusal Language (ROFR)

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Nevada Irrigation District, as follows:

1. Adopt a resolution authorizing a lease amendment, lease extension, rent increase, revenue share addition and right of first refusal language addition; and
2. Authorize the General Manager or designee to execute appropriate documents.

**BE IT FURTHER RESOLVED** that the General Manager is hereby authorized to execute the appropriate documents.

\* \* \* \* \*

**PASSED AND ADOPTED** by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 22nd day of January, 2025 by the following vote:

<b>AYES:</b>	Directors:
<b>NOES:</b>	Directors:
<b>ABSENT:</b>	Directors:
<b>ABSTAINS:</b>	Directors:

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President of the Board of Directors

**Attest:**

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Secretary to the Board of Directors