



Agenda Item No: 1.j

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: December 2, 2025

Submitted by: Andrew Gonzales

From: Development Services

Subject:

LEASE AGREEMENT AMENDMENT WITH LOS ANGELES SMSA LIMITED PARTNERSHIP DBA VERIZON WIRELESS FOR AN EXISTING WIRELESS FACILITY AT 700 TRUMPET AVENUE (APN: 336-564-01) AKA WAGNER PARK FISCAL IMPACT: REVENUE: \$75,000 ONE-TIME RENT PREPAYMENT; \$2,300/MONTH BEGINNING JANUARY 1, 2028, WITH A 10% RENT INCREASE EVERY FIVE YEARS STARTING JULY 1, 2030

Financial Impact:

Fiscal Impact:

Revenue:

- \$75,000.00 One-Time Rent Prepayment
- \$ 2,300.00 Monthly Rent (Starting 1/1/2028)
- \$ 2,530.00 Monthly Rent (7/1/2030)
- \$ 2,783.00 Monthly Rent (7/1/2035)
- \$ 3,061.30 Monthly Rent (7/1/2040)

Summary:

Los Angeles SMSA Limited Partnership dba Verizon Wireless currently operates a wireless communication facility at Wagner Park under a communications site lease approved by the City Council in 2015. Vertical Bridge, acting on behalf of Verizon through a master prepaid lease arrangement, has approached the City with a request to amend the existing lease. The proposed amendment to the communications site lease provides for a one-time, upfront rent prepayment of \$75,000 covering the period from January 1, 2026 through December 31, 2027. Following the prepaid rent term, Verizon will resume monthly rent payments beginning January 1, 2028 at a rate of \$2,300 per month, with scheduled rent escalations of ten percent (10%) every five years starting July 1, 2030.

The amendment also updates administrative provisions including notice and payment addresses, confirms the City's prior consent to the Vertical Bridge master lease, and retains the existing renewal structure of four (4) additional five-year renewal options. Approval of this amendment will ensure continued wireless coverage at Wagner Park while providing the City with guaranteed near-term revenue and updated lease terms consistent with current industry practices.

Recommendation:

Recommended Action: It is recommended that the City Council:

1. Approve an amendment to the existing lease agreement with Los Angeles SMSA Limited Partnership dba Verizon Wireless to operate a wireless communication facility at Wagner Park, in a form approved by the City Attorney, which provides for a one-time \$75,000 rent prepayment covering January 1, 2026 through December 31, 2027, establishes updated rent terms beginning January 1, 2028, and maintains four (4) additional five-year renewal options; and
2. Authorize the City Administrator to execute the amendment and applicable documents, in a form approved by the City Attorney.

Strategic Plan Statement:

This item is consistent with the City Council–approved Five Year Strategic Goal 1: Fiscal Stability and Organizational Sustainability, specifically, Objective Number 1.5: Continue seeking ways to diversify the City’s revenue sources to prevent over-reliance on any one source (Measure U/Property Tax).

Discussion:

The City Council previously approved the communications site lease with Los Angeles SMSA Limited Partnership dba Verizon Wireless in 2015, authorizing the construction and operation of a wireless communication facility at Wagner Park. Since that time, the facility has operated successfully as part of the City’s broader wireless infrastructure network, which includes similar installations at Tuffree Hill Park, City Hall, Champions Sports Complex, Kraemer Memorial Park, Koch Park, and Richard Samp Park. Together, these facilities strengthen communitywide wireless coverage and support increasing data capacity demands.

In 2024, Verizon Wireless entered into a master prepaid lease agreement with Vertical Bridge, a national telecommunications infrastructure firm that now administers and manages numerous carrier-owned wireless assets. Under this arrangement, Vertical Bridge has assumed administrative oversight of the Wagner Park facility and has requested City approval of an amendment to the existing communications site lease.

Vertical Bridge’s request is driven in part by significant financial pressures affecting the telecommunications tower industry nationwide. The broader sector is experiencing reduced revenue due to the slowdown of new 5G tower builds, carrier consolidation that eliminates redundant tower sites, increased capital and operational costs, and substantial losses tied to divested legacy fiber assets. These market conditions have similarly impacted wireless facilities in cities throughout the region. Vertical Bridge has indicated that, without an adjustment to the rent structure, continued operation of the Wagner Park site may become financially unviable. The existing Communications Site Lease Agreement already includes an early-termination clause (Section 13) that permits the tenant to terminate upon 30 days’ notice under certain conditions, creating a material risk that the facility could be decommissioned if current financial terms remain unchanged. The proposed amendment is therefore intended to preserve the long-term viability of this essential wireless facility and ensure uninterrupted service to the community.

Lease Amendment Terms

The proposed amendment updates the financial and administrative terms of the existing lease while maintaining all previously approved operational characteristics of the wireless facility. Key provisions of the amendment include:

- A one-time rent prepayment of \$75,000, payable on or before January 1, 2026, which

satisfies all rent due for the period of January 1, 2026 through December 31, 2027.

- Updated monthly rent of \$2,300, commencing January 1, 2028, paid in advance.
- Rent escalations of 10% every five (5) years, beginning July 1, 2030, ensuring long-term alignment with market conditions.

All other conditions of the original lease remain unchanged, including insurance requirements, access rights, operational standards, and existing site maintenance responsibilities.

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This amendment does not modify the physical configuration, location, or operation of the wireless facility. The existing monopine structure, equipment enclosure, and associated improvements will remain as previously entitled and approved. No changes to the facility's height, footprint, or equipment specifications are proposed.

The wireless installation continues to operate under Federal Communications Commission (FCC) standards, American National Standards Institute (ANSI) guidelines, and related safety regulations governing radio frequency emissions. The facility has consistently operated within established safety limits, and no issues have been identified.

Fiscal Impact Summary:

The proposed amendment provides a one-time rent prepayment of \$75,000, payable on or before January 1, 2026, which will constitute full rent for the period of January 1, 2026 through December 31, 2027. Following the prepaid rent term, Verizon will resume monthly rent payments of \$2,300 per month (\$27,600 annually) beginning January 1, 2028. In accordance with the amended rent schedule, monthly rent will increase by 10% every five (5) years, with the first adjustment occurring on July 1, 2030, increasing the monthly rent to \$2,530.

Vertical Bridge's Business Summary Report indicates that the site is currently operating at a net monthly loss under the existing rent structure. The revised rent schedule provides a sustainable long-term financial model for the operator while maintaining a stable and predictable revenue stream for the City.

No additional lump-sum administrative or reimbursement payments are included in this amendment. All other financial terms of the 2015 agreement remain unchanged. The amendment provides immediate General Fund revenue through the \$75,000 prepayment and maintains long-term recurring revenue through the updated rent schedule and escalation structure.

Attachments

1. [Verizon Lease Amendment Draft 11.04.25 kfc revised.pdf](#)
2. [Verizon Wireless Lease Agreement 06.24.15.pdf](#)