

TOWN OF WINDSOR AGENDA REPORT

Joint Windsor Town Council, Windsor Redevelopment Successor Agency and Windsor Water District Meeting Date: April 15, 2026

To: Mayor and Town Council
From: Shannon Cotulla, Public Works Director
Subject: Amendment of Communication Site Lease

Recommendation to Council:

Authorize the Town Manager to negotiate and execute a fifth amendment to the Communication Site Lease Agreement with SBA Steel LLC to extend the lease for the cellular communications facility at the Water Reclamation Facility.

Strategic Plan Element:

The recommended action supports the goal of Fiscal Health. Goal Statement: Ensure the economic health and long-term financial viability of the Town.

Background:

On December 1, 1999, the Town entered into a Communication Site Lease with Nextel of California, to lease property for the construction and operation of a cellular facility (cell tower) on property at the Water Reclamation Facility located at 8400 Windsor River Road. The cellular facilities were later constructed. Four amendments to the agreement have occurred, with the last amendment in 2003. None of the amendments adjusted the term of the agreement or the rent that the Town receives for the lease. The term of the agreement was for 5 years, with the leasee having the right to extend the lease for an additional five successive five year periods for a combined term of 30 years. The final five year period of the lease will expire on October 12, 2030. The rent for the lease began at \$1,500.00 per month, with an annual increase of 4%. The current monthly lease amount is \$3,998.74, which will increase by 4% in October 2026 to \$4,158.68.

On April 18, 2013 the Communication Site Lease a Memorandum of Assignment was issued which made SBA Steel LLC the lessee from Nextel of California and its successors.

Discussion:

In 2022 Public Works staff were contacted by SBA Steel requesting to extend the lease under the current agreement terms. After negotiations between SBA Steel and staff, SBA agreed to pay a onetime fee of \$5,000 and an initial annual rent increase from 4% to 10% for that one year. Thereafter the rent would increase by 4% annually for the remainder of the years under the agreement. The new term of the lease would begin on October 13, 2030, and extend for five years, with the lease having the option to extend the lease for an additional five successive five-year periods, for a total of 30 years. Informal consultations with businesses engaged in cellular communication leasing revealed that this arrangement is likely the best financial arrangement available for the Town.

The leased property is owned by the Windsor Water District, and the funds received from the lease are returned to the Water and Wastewater Enterprise funds. Council has directed these funds be utilized to fund a Rate Assistance Program.

Fiscal Impact:

Revenue received from the lease is recorded in the Water and Wastewater Enterprise Funds.

Environmental Review:

The recommended action is not subject to review under the California Environmental Quality Act.

Attachment(s):

1. [Communication Site Lease and Amendments 1-4](#)
2. [Amendment 5 of Communication Site Lease](#)

Prepared by:

Shannon Cotulla
Public Works Director

Approved by:

Jon Davis
Town Manager