

**CITY OF UNALASKA, ALASKA
CITY COUNCIL**

RESOLUTION NO. 2017-46

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING A LONG TERM LEASE AGREEMENT BETWEEN THE CITY OF UNALASKA AND THE ALASKA WIRELESS NETWORK LLC (GCI) FOR A PARCEL OF CITY OWNED LAND NEAR E. BROADWAY ACROSS FROM THE CITY PUBLIC WORKS DEPARTMENT.

WHEREAS, the City of Unalaska is the owner of a land parcel with the legal description as ‘lot 2, block 8 of the replat of the US Survey 778 Tract B in Unalaska AK according to Plat 76-1, Aleutian Island Recording District’, and;

WHEREAS, GCI is a wireless telecommunications corporation with an office located at 2550 Denali Street, Suite 1000 in Anchorage, AK and currently providing services to residents, businesses and industry in Unalaska, and;

WHEREAS, GCI intends to erect a new cellular communications tower and needs a 40’x40’ area (1,600 sq. ft.) of the city’s property, subsequently referred to herein as ‘the site’, to improve the service it provides and upgrade the wireless signal capabilities, and;

WHEREAS, GCI evaluated several possible sites in the near vicinity in the ‘valley’, or area east of ‘downtown’ Unalaska (old plat) and selected this site because it meets the company’s numerous technical specifications required to improve / upgrade service, and;

WHEREAS, increasing / improving communications is in the best interest of Unalaska’s residents and businesses and is consistent with the Unalaska Comprehensive Plan goals to strengthen and diversify the local economy, and;

WHEREAS, the Unalaska City Code requires City Council to approve any long term lease agreement (defined as exceeding five (5) years) which is the intent of this contract due to several renewal options totaling twenty (20) years, and;

WHEREAS, the annual rent is negotiated to be \$14,400 annually but payable in monthly, equal payments of \$1,200 to the City of Unalaska.

NOW THEREFORE BE IT RESOLVED THAT THE UNALASKA CITY COUNCIL approves a long term lease between the City of Unalaska and GCI for an initial term of five (5) years with the option of three (3) additional, consecutive lease renewals of five (5) years each for a total of twenty (20) years subject to other applicable terms as proffered within the lease agreement.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 27th DAY OF June, 2017.


MAYOR

ATTEST:


CITY CLERK



MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
THRU: DAVE MARTINSON, CITY MANAGER
FROM: BIL HOMKA, PLANNING DIRECTOR
DATE: JUNE 23, 2017
RE: **RESOLUTION 2017-46 APPROVAL OF LONG TERM LEASE AGREEMENT BETWEEN THE CITY OF UNALASKA AND THE ALASKA WIRELESS NETWORK LLC (GCI) FOR A PARCEL OF CITY OWNED LAND NEAR E. BROADWAY ACROSS FROM THE CITY PUBLIC WORKS DEPARTMENT**

SUMMARY: The City of Unalaska owns of a land parcel on E. Broadway, across from the City's Department of Public Works and on which a tsunami siren is also located. The proposed use is allowed by the city's zoning ordinance as the property zoning is Public/Quasi Public. The Alaska Wireless Network (GCI) has been searching for a location to erect a new telecommunications tower. This resolution enables the city to enter into a long term lease for an alternate site that is city owned land. The total lease period is twenty (20) years via three renewable leases of five (5) year periods each. The annual lease amount is \$14,400 payable by \$1,200 monthly rent. The city is still working with GCI and attorneys to make sure the details of the lease satisfy city code.

PREVIOUS COUNCIL ACTION: On April 11, 2017 City Council overturned the City Plan Commission's approval of a Conditional Use Permit for a telecommunications tower proposed by GCI on a portion of Lot 7 in the Shaishnikoff Subdivision C, Located at 376 Steward Road. (Res. 2017-06).

BACKGROUND: The proposed site is on a 1,600 square foot portion of city owned land having the legal description as 'lot 2, block 8 of the replat of the US Survey 778 Tract B in Unalaska AK according to Plat 76-1, Aleutian Island Recording District.' This site is situated across E. Broadway from the city's public works department and near another tower that supports the city's tsunami warning system. No new parcel is being created, rather an area measuring 40' x 40' is being leased for the tower's construction.

GCI is a wireless telecommunications corporation with an office located at 2550 Denali Street, Suite 1000 in Anchorage, AK and provides services to residents, businesses and industry in Unalaska. The current level of service is referred to as 3G and the company wants to elevate the service level to 4G. The new tower will increase the local wireless data traffic capacity and should also improve the quality of service for telephone calls. The company has received many complaints regarding 'dropped calls' and it is said that this tower will assist with remedying this problem.

GCI initially proposed another location for a 60' tall tower on Steward Road. The company applied for a conditional use permit that was approved by the City Planning Commission. However a nearby property owner appealed the decision pursuant to Unalaska City Code (UCC Section 8.12.200). On April 11, 2017 the City Council overturned the Plan Commission decision. Subsequently GCI continued its search for a new site to lease, but also filed an appeal to City Council's April decision. That appeal is

proceeding at the same time this application is under review. There is no quid pro quo as part of this request, meaning the outcome of the GCI appeal is not to be determined by the decision of this request and vice versa.

The site is zoned Public / Quasi Public and allows telecommunications towers as a permitted use. Thus the use is not up for discussion or approval by City Council. Unalaska City Code Title 7 ‘Acquisition and Disposal of Municipal Property’ sets forth the process and requirements for leasing land. The lease period is proposed be up to twenty (20) years, thus City Council must approve the lease. The applicable section, 7.12 Lease of City Lands, states “*7.12.020 TERMS OF LEASE. No lease shall be for a term of more than twenty years unless the City Council shall determine from the purpose of the lease or the nature of improvements which may be placed thereon that a longer term would benefit the city. A lease having a term of greater than five years shall first be approved by the City Council. Any renewal period or option to renew the lease period shall be included in the term of the lease in computing the five-year period of time.*”

The proposed site is the result of GCI representatives reviewing other opportunities against locational opportunities / limitations and technical requirements of each respectively. GCI evaluated several possible sites in the ‘valley’, or area east of ‘downtown’ Unalaska (old plat). The company selected this site as a result of the process to evaluate potential sites in order to improve / upgrade service.

ALTERNATIVES: In accordance with § 812.220(C)(2) at the public hearing, the city Council may uphold the action of the Planning Commission, reverse the action of the Planning Commission, modify the action of the Planning Commission.

FINANCIAL IMPLICATIONS: The city could receive annual income of \$14,400 for five years totaling \$72,000. Provisions exist in the contract to adjust the rent after the first and subsequent five (5) year lease periods. If no changes are made to the lease value then the final amount collected after a 20 year lease would be \$288,000.

LEGAL: Brooks Chandler reviewed the lease.

STAFF RECOMMENDATION: Staff recommends the Council approve Resolution 2017-46, approving a five (5) year renewable lease agreement for a 1,600 square foot area of a city owned parcel located off E. Broadway for a total period not to exceed 20 years.

PROPOSED MOTION: “I move that the City Council approve Resolution 2017-46 permitting the City Manager to enter the City of Unalaska to enter into a lease agreement with GCI for a 1,600 square foot area of city owned land on E. Broadway to construct a telecommunications tower.”

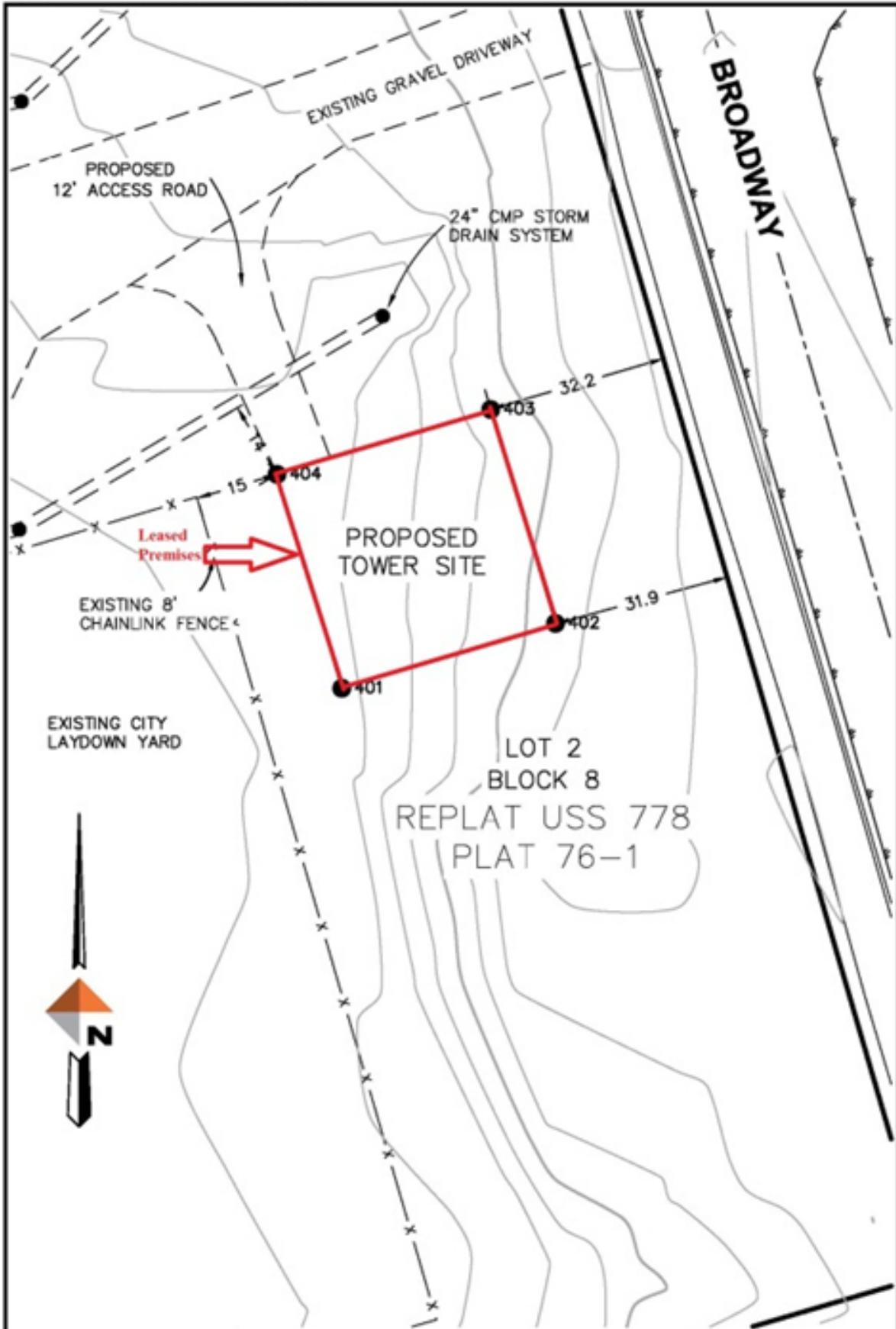
CITY MANAGER’S COMMENTS: Recommend approval of resolution.

Attached:

- *Site Maps*



Approximate location of tower / site



GCI RIVERSIDE SUBD. TOWER SITE
LOT 2, BLOCK 8, REPLAT USS 778
DUTCH HARBOR, ALASKA

PROJECT 1127.62549.01
DATE 06/13/2017

FIGURE 1