



---

---

# CITY OF POMONA COUNCIL REPORT

---

---

June 5, 2023

To: Honorable Mayor and Members of the City Council

From: James Makshanoff, City Manager

Submitted By: Kirk Pelsner, Deputy City Manager

**SUBJECT: APPROVAL OF A TERMINATION AGREEMENT**

---

## **RECOMMENDATION:**

It is recommended that the City Council approve the attached Termination Agreement and Authorize the City Manager to execute the same. (Attachment No. 1).

## **EXECUTIVE SUMMARY:**

The City has an easement right to allow for placement of a monument sign at 8 Rio Rancho Road (at the CA-71 exit near existing Kia dealership) on Assessor Parcel Number 8344-024-013. In 2019, the City and the underlying property owner entered into a certain Settlement Agreement and Release between The City of Pomona and Rio Ventures Group, LLC. That Agreement called for the City and property owner to equally share the lease revenues associated with a License given to T-Mobile for placement of cellular telecommunications equipment on the monument sign. The City receives monthly revenue of \$1,005.70 from the License. The revenues are collected by the Public Works Dept. and go into the City's General Fund. The License has a remaining term that will expire in March 2027 (roughly 45 months). The property owner would like to have an exclusive arrangement with T-Mobile and has therefore proposed an early buy-out of the City's portion of the License and associated revenue.

## **FISCAL IMPACT:**

Under the existing monthly License payments of \$1,005.70, the City will receive a total amount of \$45,256.50 for the period of July 2023- March 2027. The City had its financial consultant, Keyser Marston Associates, prepare a net present value analysis to calculate the appropriate prepayment amount for the early buy-out proposed by the property owner. Assuming the approval of the Termination Agreement and execution of documents in June, the early buy-out amount for July 2023- March 2027 is \$40,835.33. This one-time amount would be deposited into the City's General Fund (101-xxxx-40380-00000).

## **BACKGROUND & DISCUSSION:**

The City has as easement right to allow for placement of a monument sign at 8 Rio Rancho Road (at the CA-71 exit near existing Kia dealership) on Assessor Parcel Number 8344-024-013. In 2019, the City and the underlying property owner entered in to a certain Settlement Agreement and Release between The City of Pomona and Rio Ventures Group, LLC. That Agreement called for the City and property owner to equally share the lease revenues associated with a License given to T-Mobile West for placement of cellular telecommunications equipment on the monument sign. The City receives monthly revenue of \$1,005.70 from the License. The revenues are collected by the Public Works Dept. and go into the City's General Fund. The License has a remaining term that will expire in March 2027 (roughly 45 months). The property owner would like to have an exclusive arrangement with T-Mobile and has therefore proposed an early buy-out of the City's portion of the License and associated revenue.

Under the existing monthly License payments of \$1005.70, the City will receive a total amount of \$45,256.50 for the period of July 2023- March 2027. The City had its financial consultant prepare a net present value analysis to calculate the appropriate prepayment amount for the early buy-out proposed by the property owner. Assuming the approval of the Termination Agreement and execution of documents in June, the early buy-out amount for July 2023- March 2027 is \$40,835.33. This one time amount would be deposited into the City's General Fund.

Prepared by:

---

Kirk Pelser  
Deputy City Manager

## **ATTACHMENTS:**

Attachment No. 1 – Termination Agreement