MEMORANDUM

Date: October 1, 2021

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: Use of Cell Tower 50-Year Lease Monies for Park Improvements

The Board of Supervisors recently approved auction of 50-year easements for telecommunication facilities located on County property. The auction will occur on October 13, 2021. We believe the value will be nearly $3.4 million or more.

To demonstrate the value of this lease for existing telecommunication facilities, which means the County will forego annual rent payments for a lump sum payment, I have asked the Natural Resources, Parks and Recreation (NRPR) Department to program the expected long term lease proceeds to capital improvements associated with our public recreation facilities.

These improvements will include development of the following:

- two, new lighted rectangular fields at Winston Reynolds Manzanita Park,
- installation of energy and cost saving LED lights at the Mike Jacob Sports Park, and
- new light installation at Diamond fields in existing parks.

More information and details are included in the attached memorandum from NRPR Director Chris Cawein.

CHH/anc

Attachment

c: Jan Lesher, Chief Deputy County Administrator
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer, Health and Community Services
Chris Cawein, Director, Natural Resources, Parks and Recreation
MEMORANDUM

Date: September 30, 2021

To: CH Huckelberry, County Administrator

From: Chris Cawein, Director

Subject: Use of Cell Tower 50-Year Lease Monies for Park Improvements

Based on our recent conversations pertaining to the constructive use of cell phone tower lease purchases, I have developed a list of several capital investment projects at NRPR facilities that I believe are of significant value to the community. It should be noted that the 50-year easements that are currently being advertised for sale include those at several defined parks including Denny Dunn, Thomas Jay, Tucson Mountain Park, and the Southeast Regional Park; therefore, the reinvestment of dollars obtained from the sale of those leases into park amenities for the public seems reasonable and appropriate.

It is my understanding that the 50-year easements are being auctioned off to the highest bidder by rule on October 13, even though an unsolicited offer of $3.4M has already been made on the easement sale. Therefore, it is assumed that $3.4M will be the base amount available for capital project reinvestment in our parks facilities. Recommended projects for implementation utilizing those revenues from the sale of these easements are briefly described below:

1. **Winston Reynolds Manzanita Park – Development of Two New Lighted Rectangular Fields:**
   **Estimated Total Cost $2.4M/Cell Tower Lease Contribution $2.3M**

   This proposed project, which has been deemed a critical project by NRPR for several years, consists of the new development of two lighted rectangular sports fields at the Winston-Reynolds Manzanita Park (Manzanita). These two dedicated rectangular fields will complement the existing four diamond (baseball/softball) fields that are currently at the park and help to advance our regional sports strategy as they will be used for sports such as soccer, football, rugby, and lacrosse as well as other sports that require a large rectangular field.

   There are presently no dedicated rectangular, multi-sport fields in the southwest area of eastern Pima County operated by NRPR with only two “hybrid” rectangular fields (back-to-back diamond fields) that are seasonally used to support rectangular field sports. These two new multi-sport fields will allow for the expansion of sports activities (particularly youth sports) in this area of town while also allowing for an increase in available field time for use of the diamond fields at
Manzanita, given that two of the back-to-back diamond fields have been used as a hybrid rectangular field for a portion of the year to support youth football in the area.

These two new lighted fields, which will be built on land already owned by the County, will be developed in a vacant area of the park that would also allow for additional field expansion in that area should the future need arise as anticipated. It is expected that the development of these fields will serve the needs for rectangular fields for multiple youth and adult sports activities in the southwestern portion of the community for many years and temper the immediate need for the development of a new regional park.

Based on discussions with the Capital Projects Office, these initial two multi-sport rectangular fields are expected to be completed in approximately 20 months, or by June 2023, at an estimated total cost of $2.4M. Previously funded and on-going preliminary design and investigative costs will leave a residual cost of approximately $2.3M that is proposed to be funded by the cell tower lease buyout payments. Although this estimated cost consumes the majority of the revenues anticipated to come from the Cell Tower lease purchase, we believe that it meets one of the greatest current needs for new facility development in the NRPR system and will provide the greatest benefit for the youth sports community.

2. Mike Jacob Sports Park LED Light Conversion: Estimated Total Cost $1.2M/Cell Tower Lease Contribution $500k

The Mike Jacob Sportspark (Sportspark) is currently operated under Special Use Permit issued by NRPR to Tucson Leagues Inc. and contains six lighted softball fields, lighted sand volleyball courts, one lighted rectangular multiuse field and two concession areas as well as appurtenant parking, pathway and other support facilities. Due to some recent changes made in 2020 by Tucson Electric Power (TEP) to their charge out criteria, the site has recently been reclassified as a “Large General Service” user, based on transient high power demand (~345kW) that occurs when lighting banks for the fields are engaged in the evening. Although NRPR attempted to reduce the transient power loads by adjusting the schedules for light engagement, those efforts have not reduced the peak demand for electricity which forms the basis for TEP classification and therefore the site remains classified by TEP as a Large General Service user.

That TEP reclassification has placed Sportspark in a category where a Large General Service demand surcharge is assessed by TEP on a monthly basis. That surcharge totals approximately $7,300 per month above and beyond what was previously paid for power supply at Sportspark. As Sportspark is intended to be primarily a recreational facility, the costs charged to the current operator by NRPR and the costs that are passed on to facility users are relatively modest. Therefore the additional electrical costs cannot be recovered by adjusting user fees and must be borne by NRPR to keep the facility open and operating. Although COVID-related facility shutdowns reduced electric usage and costs at the site during 2020, peak demand for electrical usage at the Sportspark facility with current infrastructure is expected to remain in the Large General Service User category as the facility resumes full operations.
NRPR has worked closely with the County Facilities Management Energy Manager to analyze the site electrical usage data and to explore the possibility of reducing power usage such that the site would no longer be classified as a large user and therefore not subject to the Large General Service user surcharge. Staging of light engagement, as stated above, was determined to not be a viable means of power reduction. NRPR therefore identified a project to convert older inefficient lighting banks at the six ballfields to more energy efficient LED lights that would be expected to reduce energy consumption.

Due to the desire to reduce power consumption and therefore eliminate the Large General Service user surcharge as quickly as possible, NRPR working with our Capital Projects Office, reprogrammed a total of $700,000 in PayGo monies allocated to NRPR during the current fiscal year to fund this project. This amount was anticipated to be adequate to fund LED conversion of one of the ballfield light systems at one of the three-field complexes of at Sportspark. Subsequent analyses of the anticipated reduction in energy usage at the site with this proposed partial LED conversion, indicated that the reduction might be insufficient to reduce the peak power usage to below the 300kW Large General Service user threshold. Therefore, a more robust solution to develop a strategy to transition lighting systems for both three-field complexes from the current ballfield lighting system to a LED system was deemed prudent to provide sufficient electric use reduction to achieve the goal of removing the current Large General Service surcharge at Sportspark.

Recent bidding of the proposed lighting project (September 2021) indicated a low bid of $1.2M to convert both three-field complexes to LED. Given that the conversion of both sets of lighting banks will save the Department an estimated $88,000 per year in surcharge costs (payback period of under 15 years) plus reductions in actual electric costs due to the more efficient LED lighting, we believe it prudent to advance this project as quickly as possible. Additionally, this conversion would be expected to result in lower light scatter at the site, plus it aligns with the Pima County Sustainable Action Plan goals. Therefore, the allocation of $500,000 of the proceeds from the Cell Tower easement sale, added to the $700,000 previously allocated from PayGo, is deemed a reasonable and prudent expenditure of these funds.

3. New Light Installation at Existing Diamond Fields: Estimated Total Cost $700k/Cell Tower Lease Contribution $600k

Pima County owns and maintains a total of 62 diamond fields (42 baseball fields and 20 softball fields) in our parks that are utilized for youth and adult baseball and softball. A total of 16 of the baseball fields and 10 of the softball fields are unlit which significantly reduces the availability of those fields, allowing use during daylight hours only. NRPR has determined that the annual usage of these fields can be dramatically increased to potentially 2 or 3 times typical daylight usage if lighting is added, depending on specific location and user demand. Although the present costs to add lighting to existing diamond fields is high, it has been determined to be significantly lower than developing additional unlit fields.

Ann Day Park presently has two unlit softball fields and Arthur Park Regional Park presently has three unlit youth baseball and softball fields (the Hardy Road fields). In addition, there are over
20 other diamond fields managed by NRPR throughout the community that are presently unlit. We believe that it is prudent to plan for the addition of lights over time as funds become available to those fields where youth baseball and/or softball participation is high and field availability is low. Therefore we would propose that the remaining funds from the Cell Tower Lease sale would be used to install a lighting system at one or more sites containing diamond ballfields that are presently unlit. The exact field(s) that would be retrofitted with lights, and the costs for such a lighting project, would be determined based on analysis of current and projected future field user metrics analysis and funding availability. **However, it is anticipated that the remaining $600k of the anticipated $3.4M from the Cell Tower Lease would be entirely used to fund this diamond field lighting project.**

We appreciate your consideration of this proposal to reinvest the estimated $3.4M in funds from the proposed sale of 50-year cell tower leases in the capital projects listed herein at several public park sites throughout the County. These projects will advance the mission of NRPR to serve the needs of a growing community and also provide a template for reducing power usage at lighted ballfields by converting lighting systems to more efficient LEDs. While there are numerous other possible projects that are or will be necessary to serve the needs of our growing community, we hope that such additional projects can continue to be considered and funded annually through the County PayGo program.

Please let me know if questions arise or if additional information is required.

C: Carmine DeBonis, Deputy County Administrator  
Nancy Cole, Director, Capital Projects Office  
Robert Padilla, Deputy Director