



MEMORANDUM

To: Finance Committee

cc: Mark Lubberda, County Administrator
Dave Gerber, Sheriff
Tom Hausner, Undersheriff

Corporation Counsel

Michael P. Cotter
Corporation Counsel

From: Estee E. Scholtz, Deputy Corporation Counsel 

Date: April 17, 2023

Estee E. Scholtz
Deputy
Corporation Counsel

Re: Request for approximate 50/50 co-location revenue sharing with landowners who lease land to the County for radio tower.

Lee D. Huempfer
Assistant
Corporation Counsel

Captain Neumann and his team have been working diligently on the emergency radio communications projects which includes the construction of numerous towers throughout the County. Although the purpose of the towers is to provide the best operations for the radio communications system, each tower will be constructed to support an additional two co-locators such as private cell phone companies or internet providers, as there is a market for tower space on these towers.

Haley J. Johnson
Assistant
Corporation Counsel

Cortney J. Iverson
Assistant
Corporation Counsel

The purpose of this memo is to seek your input and approval on a targeted 50/50 revenue sharing between the County and the private property owners or municipalities with the potential co-location income. I have been assisting Captain Neumann with drafting and negotiating the lease agreements and inter-governmental agreements (IGA) for the various sites. The goal with the lease agreements has been to treat each property owner and municipality who is leasing us the land fairly and equitably, while also recognizing their generosity in leasing the land to the County for the construction of a tower.

Dawn Nettesheim
Legal Assistant

There are eleven towers needed for the system's current design. Three are towers that the County will construct on land owned by a municipality (Village of East Troy, City of Whitewater, and Village of Genoa City). Four are towers that the County will construct on land leased from a private landowner (Lake Geneva WLKG site, Poltermann Farms, Taylor Farms, and Polson Farm). Two towers will be constructed on County owned property and one will utilize an existing tower owned by the County. The County will only be leasing space on one privately owned tower.

Nicole Hill
Legal Assistant

Below is a table that outlines the tower sites:

Walworth County
Judicial Center
1800 County Rd NN
P.O. Box 1001
Elkhorn, WI 53121
(262) 741-7221 Tel
(262) 741-7224 Fax

TOWER LOCATION	PROPERTY OWNER	LEASE OR IGA	PRICE
Whitewater Wastewater Plant	City of Whitewater	IGA	Zero
Whitewater Lake	Walworth County	NA	NA
Darien Cty Tk X/Cty Tk K	Walworth County	NA	NA
Sharon	Tower Sites Incorporated	Lease of Tower Space	\$750/month
Cobblestone	Poltermann LLC	Lease of Land	\$2,500/year
Genoa City	Village of Genoa City	IGA	Zero
East Troy	Village of East Troy	IGA	Zero
Spring Prairie	Mark and Geraldine Polson	Lease of Land	\$2,500/year
LaGrange	Taylor's Round Prairie Farms	Lease of Land	\$2,500/year
County Campus	Walworth County	NA	Zero
Lake Geneva	BATEK LLC	Lease of Land	\$2,500/year

With the goodwill of Captain Neumann and the overall benefit to the community for public safety, Captain Neumann has been able to secure a yearly lease price of \$2,500 on the four privately owned lease sites. The initial terms of the agreement are 15 years with two renewal options for five years each and a year-to-year basis after that. The \$2,500 is a remarkable price, as renting space on a privately owned tower was difficult to get at \$1,000 per month and was only offered because it reduced the threat of a competing tower being built nearby.

Additionally, the County will aim to have the \$2,500 per year lease price reduced to zero in the event that the landowner's portion of the co-location revenue exceeds the \$2,500.

We feel that a 50/50 revenue sharing will be enough to offset most, if not all, of the ongoing operational costs of the system if enough carriers would choose to co-locate on the county owned towers. Those costs are estimated to be about \$500,000 per year.

Just some rough math to show why this number is reasonable. If we estimate that each co-locator can generate a minimum of \$3,000 per month (a modest estimate), then each tower could generate approximately \$6,000 per month and bring in a total of \$72,000 per year. Multiplying that by the 10 towers that have co-location revenue potential brings the total to \$720,000. Subtracting half of the revenue for seven of those towers that will have revenue sharing at 50/50, will reduce this by \$252,000 thereby leaving the County's revenue with a modest estimate of \$468,000.

In conclusion, we feel this is in the best interests of the County and offers a fair value to the landowners who very generously agreed to work with the County on

a project that benefits the entire community. The revenue on the towers we need to build ourselves is likely to carry the operational costs per year on the system.

If this is acceptable, we will move forward with executing the agreements with the private property owners which will be signed by Susi Pike, County Clerk, as the signatory for real property leases. Any future co-location agreements will be signed by the Sheriff, consistent with the ordinance for revenue generating agreements.

EES/drn