



Legislation Text

File #: 19-0790, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute all documents necessary for a First Amendment to Amended and Restated Lease No. 24384 with Los Angeles SMSA Limited Partnership, dba Verizon Wireless, to amend the term and rent provisions of the lease to allow for the continued use of City-owned property within El Dorado Park Golf Course for the operation of a wireless telecommunications facility through June 30, 2027, with six additional five-year renewal options. (District 4)

On August 15, 1995, the City Council authorized Lease No. 24384 (Lease) with Los Angeles SMSA Limited Partnership, dba Verizon Wireless (Lessee), for the use of approximately 3,600 square feet of City-owned property within El Dorado Park Golf Course, at 2400 Studebaker Road (Leased Premises) for the operation of a Wireless Telecommunications Facility (WTCF). The existing WTCF, which includes an 80-foot-tall collocatable monopole tower disguised as a pine tree (Monopine), prefabricated building, antennae, and ancillary support equipment, is situated adjacent to the San Gabriel River, between the tenth hole green and eleventh hole tee. As the WTCF is located within a Park Zoning District, all revenue from the Lease accrues to the General Fund Group in the Parks, Recreation and Marine Department (PRM), which is used to support general park programming and administration.

On April 2, 2013, City Council authorized an amendment and restatement of the Lease, which extended the initial term through June 30, 2022 (Initial Term), with one, five-year renewal option through June 30, 2027 (Renewal Term). In October 2018, American Tower Corporation, an authorized agent of the Lessee, notified the City of Long Beach (City) of the Lessee's intent to exercise its Renewal Term and inquired about the possibility of adding six additional five-year renewal options (Additional Renewal Options) for a total of 30 years, in exchange for a one-time lump sum payment of \$60,000 (Additional Rent Payment). To memorialize the amendment of terms and Additional Rent Payment, a First Amendment to the Lease is required.

The Economic Development Department, on behalf of the Parks, Recreation and Marine Department, negotiated a First Amendment to Amended and Restated Lease No. 24384 containing the following major amended terms and provisions:

- **Amended Term:** The term of the Lease will be extended five years through June 30, 2027.
- **Renewal Options:** Lessee, at its sole discretion, will have the option to further extend the Lease for up to six additional five-year periods, for a total of 30 years.

· Amended Rent:

- o Annual Base Rent: Annual Base Rent will be unaffected by the proposed Amendment and will continue to be increased annually by a rent escalator of 3 percent. As of July 1, 2019, Annual Base Rent is \$35,822, which is anticipated to be increased to \$39,143 upon the start of the Renewal Term, and \$45,378 upon the start of the first Additional Renewal Option.
- o Monthly Collocation Rent: Monthly Collocation Rent will be unaffected by the proposed Amendment. City will continue to receive 40 percent of gross rents received from any subleases with collocators, pursuant to Use Authorization and Consent Agreement No. 32883 with American Tower Corporation, which manages the WTCF on behalf of the Lessee.
- o Additional Rent Payment: Within 60 days following the execution of the proposed Amendment, and as consideration for the extension of the Lease and additional Renewal Options, Lessee will make a one-time lump sum payment (Additional Rent Payment) in the amount of \$60,000.

This matter was reviewed by Deputy City Attorney Taylor M. Anderson on July 11, 2019 and by Budget Management Officer Rhutu Amin Gharib on August 1, 2019.

City Council action is requested on August 20, 2019, to finalize and execute the First Amendment to Amended and Restated Lease No. 24384 in a timely manner.

Amending the Lease will result in an Additional Rent Payment (ADR) of \$60,000 in FY 20. The one-time ADR and the Annual Base and Monthly Collocation Rents will accrue to the General Fund Group in the Parks, Recreation and Marine Department. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no impact to jobs associated with this recommendation.

Approve recommendation.

JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

GERARDO MOUET
DIRECTOR OF PARKS, RECREATION AND MARINE

APPROVED:

PATRICK H. WEST

CITY MANAGER