

## CITY OF LONG BEACH

## DEPARTMENT OF PUBLIC WORKS

333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6383 • FAX (562) 570-6012

34849

October 6, 2017

## VIA E-MAIL AND FIRST CLASS MAIL

Paul O'Boyle, Outside Legal Counsel Crown Castle 200 Spectrum Center Drive Suite #1800 Irvine, CA 92618

Re:

Confirmation of Interpretation of "License Agreement Between The City of Long Beach and Crown Castle NG West LLC for the Use of City-Owned Properties for Wireless Telecommunications Facilities (Installed Upon City-Owned Streetlight Standards)"

Dear Mr. O'Boyle:

This letter follows-up on a series of emails between you and the City of Long Beach's outside counsel, Jeffrey Melching, regarding the interpretation and implementation of the "License Agreement Between the City of Long Beach and Crown Castle NG West LLC for the Use of City-Owned Properties for Wireless Telecommunications Facilities (Installed Upon City-Owned Streetlight Standards)" ("License Agreement").

As you are aware, the License Agreement was approved by action of the City Council of the City of Long Beach on Tuesday August 15, 2017. Prior to that meeting, you and Mr. Melching exchanged emails and phone calls regarding the interpretation and implementation of that agreement. Specifically, you each agreed on behalf of your clients – the City of Long Beach and Crown Castle NG West LLC, a Delaware limited liability company ("Crown Castle")—as follows:

1. Notwithstanding anything to the contrary in the License Agreement, and further notwithstanding the fact that the Term of the License Agreement shall commence on the City Council's approval, and the City's execution of, the License Agreement, the pro-ration of the initial Annual License Fee due to the City under Section 5.1 of the License Agreement shall be based upon an April 1, 2017 installation date for the Permit Approved Equipment.1 In other words, the initial Annual License Fee due in 2017 for each of the 21 Permit Approvals (and their associated Permit Approved Equipment) shall be \$1,125 (i.e., \$1,500 per year, pro-rated for the 9 months between April 1, 2017 and December 31, 2017). Thus, for the 21 Permit Approvals, the

<sup>1</sup> Capitalized terms used in this letter that are not otherwise defined herein have the meaning assigned to such terms in the License Agreement.

initial Annual License Fee shall be \$23,625 (i.e., \$1,125 per location, multiplied by 21 locations).2

- 2. Adjustments to the Annual License Fee shall be governed by Section 6.1 of the License Agreement, and not by Section 5.2 of the License Agreement. For reference, Section 6.1 of the License Agreement provides in full as follows:
  - "6.1 Beginning in year 2 of the Term, and for each successive year of the Term, the Annual License Fee shall be adjusted upward by an amount equal to the percentage change during the prior twelve months in the United States Department of Labor, Bureau of Statistics Consumer Price Index for All Urban Consumers in the Los Angeles Metropolitan Statistical Area ("CPI"); provided, however, that (1) if the CPI decrease, the Annual License Fee shall remain unchanged as compared to the prior year, and (2) the maximum annual increase in the Annual License Fee shall be three percent (3%)."

In the space provided below, please confirm Crown Castle's agreement to the foregoing by obtaining the counter-signature of Rod Hanson, Vice President/General Manager – the individual that signed the License Agreement on behalf of Crown Castle.

Craig Beck

Sincerely,

Director of Public Works

City of Long Beach

<sup>2</sup> This calculation reflects the amount owing to the City for the initial Annual License Fee only. All other fees and obligations – including without limitation the payment of the Public Works Service Fee of \$5,000 per Permit Approved Facility under Section 5.5 of the License Agreement, which is due and payable concurrent with the initial Annual License Fee – shall remain due and payable to the City.

Crown Castle NG West LLC

I HAVE READ AND AGREE TO THE FOREGOING CLARIFICATIONS AND AGREEMENTS REGARDING IMPLEMENTATION OF THE "LICENSE AGREEMENT BETWEEN THE CITY OF LONG BEACH AND CROWN CASTLE NG WEST LLC FOR THE USE OF CITY-OWNED PROPERTIES FOR WIRELESS TELECOMMUNICATIONS FACILITIES (INSTALLED UPON CITY-OWNED STREETLIGHT STANDARDS)."

THE CITY CHARTER.

a Delaware limited Liability company	
By: 66	~
Name: Rod Hanson	<del></del>
Title: Vice President/General Manage	er
Date: 11/16/17	
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City of Long Beach a California municipal corporation	
By: ZRUL.	A
Name: Patrick H. West	Tom Modica
Title: City Manager	Assistant City Manager
Date: 11/28/17	
	EXECUTED PURSUANT TO SECTION 301 OF

APPROVED AS TO FORM

**DEPUTY CITY ATTORNEY** 

JM:jtm

cc: Jeffrey Melching

CHARLES PARKIN