

CITY OF LONG BEACH

C-4

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

333 West Ocean Boulevard 3rd Floor • Long Beach, CA 90802 • (562) 570-6099 • Fax (562) 570-6380

October 13, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for the Second Amendment to Lease No. 33631 with CCATT, LLC, a Delaware limited liability company, under limited power of attorney for NCWPCS MPL 29 – Year Sites Tower Holdings, LLC, a Delaware limited liability company, as successor in interest to AB Cellular LA, LLC, for the continued use of City-owned property at 901 W. Willow Street for a wireless telecommunications facility. (District 7)

DISCUSSION

Since 1996, NCWPCS MPL 29 – Year Sites Tower Holdings, LLC (Lessee), has leased approximately 1,134 square feet (SF) of City-owned property at 901 W. Willow Street (Leased Premises) for the operation of a wireless communications facility (Cell Tower). The Leased Premises includes a monopole antenna tower and a prefabricated building, which are situated at Storm Pump Station SD-6 (SD-6) as Willow Street rises to cross the Los Angeles River. In 1998, the City transferred ownership of SD-6 to the Long Beach Water Department (Water) and Water executed the current Cell Tower lease (Lease) with Lessee. In 2003, ownership of SD-6 was returned to the City; however, Water continued to manage the Lease. In April 2011, Water transferred all rights and interests in the Lease to the City and the Lease was assigned with City Contract No. 33631. The Lease will terminate September 30, 2016. The revenue from the Lease serves to augment funding for the Department of Parks, Recreation and Marine (PRM).

CCATT LLC (Agent) has been granted limited power of attorney to manage and negotiate Cell Tower leases on behalf of Lessee. Agent has requested to extend the term of the Lease for up to an additional 15-year period through September 30, 2031. PRM is supportive of the request in order to maintain an additional revenue source. City staff have negotiated the proposed Second Amendment to Lease No. 33631 containing the following major terms and provisions:

- Lessor: City of Long Beach, a municipal corporation.
- Lessee: CCATT LLC, a Delaware limited liability company, under limited power of attorney for NCWPCS MPL 29 – Year Sites Tower Holdings, LLC, a Delaware limited liability company.

- Leased Premises: The Leased Premises shall consist of approximately 1,134 square feet of land located at 901 W. Willow Street.
- Use: The Leased Premises shall be used for the operation of a wireless communications facility. Lessee shall have the right to sublease the use of the improvements to other wireless communication providers for colocation subject to the City's ordinance regarding wireless telecommunications facilities.
- Lease Term: The term of the Lease shall be extended five years through September 30, 2021. Lessee, at its sole discretion, shall have the option to further extend the Lease for up to two additional five-year periods.
- Option to Expand Leased Premises: Lessee shall have the option to increase the Leased Premises by up to an additional 500 SF for the purposes of modifying the equipment to allow for colocation by an additional wireless communication carrier.
- Rent:
 - Monthly Base Rent: Effective and retroactive to October 1, 2015, the monthly base rent shall be \$1,800 per month. Thereafter, the monthly base rent shall increase annually on October 1 by three percent.
 - Sublease Percentage Rent: In addition, City shall receive 40 percent of gross rents received from any sublease for colocation with another wireless communication carrier.
 - Additional Rent: Within sixty days following execution of the Second Amendment, Lessee shall make an Additional Rent payment in the amount of \$25,000. Thereafter, five Additional Rent payments of \$24,600 each shall be due annually beginning October 1, 2016 and terminating with the last payment on October 1, 2020.
- Insurance: Insurance provisions within the Lease shall be updated to reflect current requirements of the City's Office of Risk Management.

All other remaining terms and provisions shall remain in full force and effect.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on September 16, 2015, and Budget Management Officer Victoria Bell on September 21, 2015.

TIMING CONSIDERATIONS

City Council action is requested on October 13, 2015 in order to finalize and execute the Second Amendment to Lease No. 33631 in a timely manner.

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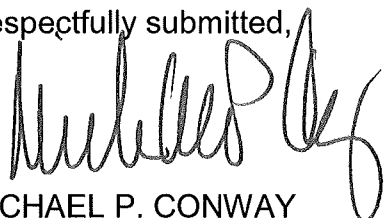
FISCAL IMPACT

Revenue in the amount of \$46,600 in FY 16 shall accrue to the General Fund (GF) in the Department of Parks, Recreation and Marine (PR) as will any future sublease percentage rent. There is no impact to jobs associated with this action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL P. CONWAY
DIRECTOR OF ECONOMIC
AND PROPERTY DEVELOPMENT



STEPHEN P. SCOTT
INTERIM DIRECTOR OF
PARKS, RECREATION AND MARINE

MPC:SS:JLR:JMV

APPROVED:



PATRICK H. WEST
CITY MANAGER