



## Legislation Text

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**File #:** 17-0693, **Version:** 1

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Recommendation to authorize City Manager, or designee, to execute a License Agreement with Crown Castle NG West, LLC, a Delaware limited liability company, for the non-exclusive use of City-owned properties for wireless telecommunications facilities for a ten-year term. (Districts 1,2)

The growing use of smart phones, mobile web browsing, and streaming video has led to higher demand in cellular data. For the telecommunication industry to support this demand, providers are installing more compact, localized micro cell stations to supplement the shortfalls of traditional larger macro cell stations.

Micro cell sites are used by the telecommunications industry to fill gaps in the macro cell network and to provide focused coverage and capacity to supplement the data capability of macro cell sites. Populated areas with tall, dense buildings that create physical barriers to radio frequencies limit the potential coverage area of a macro cell station. As a result, micro cells are used to fill in gaps in these highly urbanized areas and thus, provide uninterrupted wireless connectivity to the end user. Micro cells have a range of approximately 30 to 6,500 feet and each station typically consists of a single omnidirectional distributed antenna system (DAS), two radio units, and a low voltage converter.

Crown Castle NG West, LLC (Crown Castle), owns, operates and leases shared wireless infrastructure across the continental United States and Hawaii. They provide wireless carriers such as Verizon, AT&T, Sprint and T-Mobile with the infrastructure to stay connected utilizing approximately 40,000 towers and 15,000 small cell nodes supported by approximately 16,000 miles of fiber optics in hundreds of U.S. markets.

As a State-licensed public utility, telephone corporation, in California, the California Public Utilities Commission (CPUC) granted Crown Castle a Certificate of Public Convenience Necessity (CPCN) to construct, own, and operate facilities based on telecommunications services networks within the public rights-of-way (ROW). California law grants CPCN telecommunications companies a statewide franchise to place facilities in the ROW. While the CPUC grants telecommunication companies this opportunity, cities have the authority to regulate use of City-owned property, such as buildings and streetlight poles.

Long Beach is a densely populated area that requires more cellular capacity to adequately serve system users, especially in the waterfront area. Crown Castle, representing Verizon Wireless (Verizon) on this project, claims Verizon typically receives numerous customer complaints for dropped calls during large events, such as the Toyota Grand Prix of Long Beach and the Long Beach Pride Parade and Festival. To improve connectivity and meet the

need for localized coverage and capacity in the waterfront area, Crown Castle submitted applications to place 31 micro cells on specified streetlight poles in the City's ROW and City-owned lots. The area of these proposed cell sites is bounded by Ocean Boulevard to the north, Shoreline Drive to the south and east, and Long Beach Freeway to the west, and on Pine Avenue between Ocean Boulevard and 3<sup>rd</sup> Street (Exhibit A). Of the 31 sites submitted, staff supports the approval of 21 sites, subject to Conditions of Approval.

Crown Castle's proposed project includes the replacement of the approved 21 existing streetlight poles with new light poles in the same location. The proposed pole replacements, paid for by Crown Castle, will closely match the appearance of existing streetlight poles with a slightly larger pole diameter, not to exceed a 13-inch base and 10-inch top, to provide adequate space to run all necessary small cell components. To further lessen visual impact and ROW intrusion, support equipment will be placed in a below-grade vault unless Crown Castle provides proof it is not feasible; if placed above ground, equipment will be placed outside the path of travel and reviewed to the satisfaction of the Director of Public Works. Any future expansion to the site or ancillary equipment will require approval from the Director of Public Works.

To facilitate this project, Crown Castle will enter into a License Agreement (Agreement) with the City. The Agreement will authorize Crown Castle to use City-owned properties under certain conditions, with each site to be reviewed and approved/denied subject to the terms of the Agreement. As part of the Agreement, Crown Castle will be responsible for the installation, maintenance, bonding and insurance, undergrounding of electric and fiber optic lines, use of latest technology and smallest equipment, restrictions on transfers, and other obligations. To compensate the City for use of streetlight poles, Crown Castle shall provide the City a one-time Public Works service fee of \$5,000 for each permit-approved site and an annual license fee amount of \$1,500 per site, or \$31,500 for all 21 approved sites. In addition to such fees, Crown Castle is dedicating a total of 6.78 miles of fiber assets (Exhibit B).

Staff will continue to work with the City Attorney's Office to finalize and bring forward an ordinance to establish a fee structure to be included in the Citywide Master Fees and Charges Schedule. The recommendation will be presented for City Council approval and will cover additional installations of new small cell sites throughout the City.

This matter was reviewed by Deputy City Attorney Linda T. Vu on July 10, 2017 and by Budget Analysis Officer Julissa José-Murray on July 24, 2017.

## SUSTAINABILITY

The License Area is located within the City permit jurisdiction Coastal Zone or Appealable Area. Crown Castle will be required to obtain any necessary approvals or exemptions/exclusions from the California Coastal Commission prior to issuance of any City permits.

City Council approval is requested on August 15, 2017, to move forward with implementation of the License Agreement.

The Public Works Department (PW) estimates the City will receive first-year revenues totaling \$136,500, including \$105,000 in one-time revenue derived from permit fees and \$31,500 from annual license fees. The annual license fee of \$1,500 per site is subject to annual adjustment based on the United States Department of Labor, Bureau Statistics Consumer Price Index for All Urban Consumers (CPI-U) in the Los Angeles Metropolitan Statistical Area. The maximum annual increase is limited to 3 percent, however, if the CPI decreases, the annual license fee shall remain unchanged as compared to the prior year.

Revenues will be deposited in the General Fund (GF) in the Public Works Department (PW) and utilized for future pole replacement in the waterfront area and administrative costs to the City as a result of this project. Crown Castle will be responsible for all operating and maintenance costs associated with each site. There is no local job impact associated with this recommendation.

Approve recommendation.

CRAIG A. BECK  
DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST  
CITY MANAGER