



City of Huntington Beach

File #: 19-575

MEETING DATE: 5/20/2019

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Lori Ann Farrell Harrison, Interim City Manager

PREPARED BY: Kellee Fritzal, Deputy Director of Economic Development

Subject:

Approve and authorize execution of Second Amendment to Site License Agreement between the City of Huntington Beach and T-Mobile West Tower, LLC at Murdy Park

Statement of Issue:

The City Council is asked to approve Second Amendment to Site License Agreement ("Second Amendment") with T-Mobile West Tower, LLC, ("T-Mobile") for existing equipment mounted on a stadium light fixture located at 7000 Norma Drive, Huntington Beach (Murdy Park); extending the current term set to expire on June 18, 2020, while adding five (5) additional, five (5) year renewal terms ending on June 18, 2045, and provide rent increases.

Financial Impact:

The rent will be increased from \$2,208 per month to \$3,800 (current market rent) after two months following the execution of the Second Amendment. On June 19, 2020, and every five years thereafter, the rent shall increase based on the Consumer Price Index with a minimum of 10% and a maximum of 15% increase. T-Mobile will also pay an amount of \$45,000 within 30 days after execution for processing the extension. Revenue will be deposited into the General Fund (10000100.45110).

Recommended Action:

A) Approve "Second Amendment to Site License Agreement" between the City of Huntington Beach and T-Mobile West Tower, LLC; and,

B) Authorize the City Manager, and City Clerk to execute the Second Amendment to Site License Agreement and other related documents.

Alternative Action(s):

Do not approve Second Amendment and direct staff accordingly.

Analysis:

On February 22, 2000, the City Council approved a Site License Agreement with Pacific Bell Wireless, LLC, ("Pac Bell Wireless") predecessor in interest to T-Mobile West Tower, LLC, to utilize a 70 foot stadium light standard to mount wireless communication equipment at Murdy Park. The term was for one initial five-year term with three additional five-year options, extending the lease to June 19, 2020, with an initial base rent of \$1,500/month. The initial rent has increased every five years based on the Consumer Price Index.

Staff received a request from T-Mobile to extend the Site License Agreement. Staff negotiated the proposed Second Amendment in accordance with the following business terms:

- Processing Fee: \$45,000 due within 30 days of execution
- Rent Increase: \$2,208/month to \$3,800/month
- Renewals: (5) five-year terms
- Escalations: CPI increases at term renewal (10% min, 15% max)

In order to modify existing equipment, T-Mobile will still need to obtain permits from all regulatory agencies having oversight and jurisdiction over the property.

Environmental Status:

Not required

Strategic Plan Goal:

Strengthen long-term financial and economic sustainability

Attachment(s):

1. Second Amendment to Site License Agreement
2. Map