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February 27, 2020

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 305, City Hall
Los Angeles, CA 90012

Attention: Armando Bencomo, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A
LEASE AMENDMENT WITH LEIGH HOLMES FOR ADDITIONAL
ANTENNA EQUIPMENT AND TOWER SPACE AT 1050 MONTECITO DRIVE**

The Department of General Services (GSD) requests authority to negotiate and execute a lease amendment with Leigh Holmes for additional space at 1050 Montecito Drive to upgrade Los Angeles Police Department (LAPD) antenna equipment and install a communications tower.

BACKGROUND

On July 2, 2019 the City of Los Angeles (City) executed a lease (C-133412) as authorized by City Council with Mr. Leigh Holmes (landlord) for the continued use and maintenance of radio towers and dedicated radio equipment on the grounds and within a garage located at 1050 Montecito Drive. The current term is for five years from the execution date (July 2, 2019).

Subsequent to the execution of the lease, the Office of the Mayor received an \$8.8 million Phase 2 grant for 18 Los Angeles area communication site systems supported by the Homeland Security's Urban Areas Security Initiative (UASI). The Information Technology Agency (ITA) advised the equipment is necessary to migrate LAPD from the existing radio band it operates to a new one in the different spectrum. The migration is a federal

mandate under HR3630 and is installed to meet the UASI Grant performance period requirements. ITA and LAPD contracted Motorola Solutions Inc. (MSI) to install the equipment updates at various locations including the Montecito site.

The Montecito installation includes a new 45-foot tower adjoining the southwest face of the residence which required increased space for its construction. The landlord agreed to the additional tower on the condition it be classified as new equipment space exclusive of the existing radio equipment, therefore it requires an additional base rent fee.

In all, the new equipment includes three additional utility racks, a 45-foot antenna and related cable and power lines. The space used for the existing three utility racks is located within the garage currently leased and is not recognized as new space. There is no space requirement for the cables and power lines that connect the equipment. Rent for the new tower and antenna outside the garage would be retroactive based on the month the equipment was installed and operating, which is August 2019.

TERMS AND CONDITIONS

The lease amendment revises the following Sections: Premises (2), Use (3) and Rent (4). Section 2 and 3 are revised to reflect the increased equipment and space requirements which includes the new 45-foot tower and three additional utility racks. Section 4 is revised to reflect increased Rent retroactive August 1, 2019.

Additional terms and conditions are outlined on the attached term sheet.

MARKET ANALYSIS

The lease pricing is based on the Telecommunications Lease Rate Guidelines Matrix (Matrix) established by the State of California – Department of General Services Fiscal Year 18-19. Government entities and/or non-state entities can access the matrix for telecommunication, including radio, public safety radio, television and cellular communication guidelines and rates. The guidelines outline the type of user, lease type, and utilizes U.S. Census Bureau California County Total Population data to establish a rate based on geographical location and type of equipment (number of antennas and square footage of enclosed area).

Per the guidelines, the site is defined as a Public / Non-Commercial facility, serving emergency and non-emergency users, and utilizes a Telecommunications Vault type lease Rack and Antenna space. The resulting rate based on the guidelines resulted in an annual lease rate increase of approximately \$35,010 for the Base Year (See below Chart).

EQUIPMENT	ANNUAL RATE
New Microcell - Annual Base Fee (1-3 Antennas)	\$ 34,072
New Antenna (1)	\$ 938
NEW SPACE TOTAL (BASE YEAR):	\$ 35,010
Existing Antennas and Rack Space Costs	\$ 62,400
AMENDED TOTAL COST:	\$97, 410

FISCAL IMPACT

The lease is currently funded in the FY 20 budget for \$5,200 monthly or \$62,400 annually. Additional funding of \$35,010 will be needed from the General Fund to finance this lease in the current year and next year.

RECOMMENDATION

That the Los Angeles City Council, subject to approval of the Mayor, authorize GSD to negotiate and execute a lease amendment with Leigh Holmes for continued use of space for radio equipment and towers at 1050 Montecito Drive, Los Angeles, CA 90031, under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

LEASING TERM SHEET

MFC DATE	02/27/2020
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LANDLORD	Leigh Holmes, an individual
ADDRESS	634 Indiana Avenue, Venice, CA 90291
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TENANT	City of Los Angeles, LAPD
ADDRESS	200 North Main Street, Los Angeles, CA 90012 c/o GSD Real Estate Services
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LOCATION	1050 Montecito Drive, Los Angeles, CA 90031
AGREEMENT TYPE	Ground Lease
USE	Radio Antenna and related equipment
SQUARE FEET	40
TERM	5 Year - to run concurrent with C-133412 to 08/01/2024
RENT START DATE	08/01/2019
LEASE START DATE	Upon attestation by City Clerk
OPTION TERM	(2) Five Year Options
HOLDOVER	Conditional Month-to-Month basis after lease expiration date
SUBLET/ ASSIGNMENT	No Right to Sublease/Assign
TERMINATION	Both parties have the right to terminate with 18-month notice
RENTAL RATE	\$3,183 per Month
ESCALATION	3% per Year
RENTAL ABATEMENT	n/a
ADDITIONAL RENT	n/a
PROPERTY TAX	n/a
OPEX	n/a
CAM	n/a

OTHER	n/a
SECURITY DEPOSIT	n/a
MAINTENANCE/ REPAIR	Tenant
MAINTENANCE/ REPAIR DETAILS	Landlord maintains premises, Tenant maintains equipment
TENANT IMPROVEMENTS	(1) 45- foot antenna, related cable and power lines and interior equipment racks
PARKING	Free parking for tenants
UTILITIES	Tenant pays for power, Landlord pays for water
CUSTODIAL	Tenant maintains all installed interior and exterior radio equipment
SECURITY	The premise is alarmed
PROP 13 PROTECTION	Other
INSURANCE	City shall indemnify and hold harmless Landlord
OTHER:	<p>1) Property shall not be used for short term housing</p> <p>2) This amendment carries the same terms and runs concurrent with Lease # C-133412</p> <p>3) Both parties have the right to terminate the agreement with 18-month notice</p>