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# CITY OF LOS ANGELES

CALIFORNIA



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July 30, 2020

Richard H. Llewellyn Jr., Chair  
Municipal Facilities Committee  
200 N. Main Street, Suite 1500  
Los Angeles, CA 90012

## **REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A NEW LICENSE WITH T-MOBILE, LLC, DBA CROWN CASTLE FOR CELL PHONE AND ANTENNA EQUIPMENT**

The Department of General Services (GSD) requests authority to negotiate and execute a new license with T-Mobile, LLC, DBA Crown Castle (T-Mobile) for approximately 400 square feet at 1400 ½ Gaffey Street, San Pedro, 90731 to provide cellular service coverage for its customers in the area.

### **BACKGROUND**

Under Council File 98-2396, the City of Los Angeles was given authority to enter into an agreement with Pacific Bell Mobile Services which eventually merged with T-Mobile now doing business through Crown Castle. Under contract A-109, the City of Los Angeles entered into a one year agreement with a non-option to renew effective May 5th, 1998. This original contract remained in holdover and is now at a current rate of \$1800 per month while the company went through a series of name changes, mergers and negotiations about whether the equipment would remain in place. T-Mobile has now agreed to the City's increased rate structure and completed their City Contract Ordinance documents in late 2019.

Ordinance 175602 provides the Municipal Facilities Committee with authority to direct the Department of General Services to negotiate and execute cellular tower leases with no further Council action. GSD recently reviewed the Ordinance with the City Attorney to confirm. Upon approval and execution, the new license rate will rise by \$600 to a market rate of \$2400 per month.

The Los Angeles Bureau of Sanitation utilizes the site for recycling services. The department has confirmed this equipment does not impact their operation. The property was purchased prior to 1963 and there are no records within GSD's Real Estate Services Division to determine if special funds were utilized for this acquisition, so the revenue has historically been collected for the General Fund.

The equipment consists of a Propane Tank, Generator, ¾ inch gas pipe, a Delta APU Genset unit that converts electricity, conduit, and a Monopole with antenna. ITA has approved this equipment and use.

### TERMS AND CONDITIONS

The term of the license agreement is five years with one five-year option to renew at licensee's option. The license agreement calls for a \$600 monthly increase in rent over the \$1800 currently paid with 5% annual increases. The licensee will assume all custodial, maintenance and tenant improvement responsibilities. Additional terms and conditions are outlined on the attached term sheet.

### MARKET ANALYSIS

The rental rates are consistent with the State Telecommunication Guidelines and other cell tower locations for the same type of equipment as noted below:

Location	Monthly Rates
111 E 1 <sup>st</sup> Street (AT &T), Los Angeles	\$3102.66
2130 E 1 <sup>st</sup> Street (AT & T), Los Angeles	\$1265.00
Hyperion Treatment Plant (AT & T), Los Angeles	\$2954.91
1700 Palos Verdes Drive, Rancho Palos Verdes	\$2349.00
1520 Pacific Coast Highway, Wilmington	\$1984.00
25300 Frampton Ave, Harbor City	\$2180.00
840 Mahar Ave, Wilmington	\$2218.00
<b>Average Market Rate</b>	<b>\$2241.94</b>
<b>Proposed T-Mobile Rate (1400 ½ Gaffey Street)</b>	<b>\$2400.00</b>

### FISCAL IMPACT

The new license will generate annual revenue of \$28,800 to the General Fund with annual rent increases of 5%.

### RECOMMENDATION

That the Municipal Facilities Committee authorize GSD to negotiate and execute a license agreement with T-Mobile, LLC for the continued use of cell phone tower space at 1400 1/2 Gaffey Street, San Pedro, California 90731 under the terms and conditions substantially outlined in this report.



Tony M. Royster  
General Manager

Attachments: Term Sheet  
Ordinance 175602

## LEASING TERM SHEET

MFC DATE

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LANDLORD

ADDRESS

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TENANT

ADDRESS

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LOCATION

AGREEMENT TYPE

USE

SQUARE FEET

TERM

RENT START DATE

LEASE START DATE

OPTION TERM

HOLDOVER

SUBLET/  
ASSIGNMENT

TERMINATION

RENTAL RATE

ESCALATION

RENTAL ABATEMENT

ADDITIONAL RENT

PROPERTY TAX

OPEX

CAM

OTHER	N/A
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	Tenant  
MAINTENANCE/ REPAIR DETAILS	Tenant is responsible for all maintenance
TENANT IMPROVEMENTS	Tenant is responsible
PARKING	N/A
UTILITIES	Tenant is responsible
CUSTODIAL	Tenant is responsible
SECURITY	Tenant is responsible
PROP 13 PROTECTION	Landlord will NOT provide Prop 13 protection.  
INSURANCE	Tenant shall indemnify and hold harmless the City
OTHER:	N/A

