

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

Agenda Item No. 5

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AND
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November 16, 2023

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, California 90012

Attention: Mandy Morales, Legislative Assistant

****REVISED** REQUEST FOR AUTHORITY TO NEGOTIATE AND
EXECUTE A NEW LICENSE WITH P&Y BROADCASTING
CORPORATION AT 4600 CARTER DR. LOS ANGELES, CA 90032**

The Department of General Services (GSD) requests authority to negotiate and execute a license agreement for installation, maintenance, and operation of antennas and equipment cabinets on the rooftop of 4600 Carter Drive Los Angeles, CA 90032. The Information Technology Agency (ITA) advises this site is an integral part of the City's 911 operations.

This matter was originally considered by the Municipal Facilities Committee (MFC) on September 28, 2023. Based on ongoing communications with the Landlord, both parties have agreed to a revised start date of April 1, 2023, which was when both parties engaged to commence negotiations for this project.

Per the recommendation of the MFC committee, GSD reengaged the Landlord to pursue a longer term. GSD followed up with the Landlord and negotiated a three-year term commencing from April 1, 2023 with a 4% annual increase. This is the only material change from the original report (which was originally a 2-year term with a 3% annual rent increase).

BACKGROUND

On May 2, 1989 a contract was approved for the City to lease the site with Spanish Broadcasting Systems (C-69443) for a radio communication building and a tower associated with antennas for the City's Fire Command and Control system that expired March 31, 1994 with an annual automatic renewal. ITA has reviewed this site and is still required for City use. The property was sold and purchased by P&Y Broadcasting and now the landlord has sought to renew with revised terms and conditions. The Landlord is seeking a short term because they may be looking to sell the site.

Council recently approved a two-year lease with a one-year option to extend. However, GSD recently negotiated a three-year lease with a one-year option with a 4% annual increase. Due to the revised start date agreed upon with the landlord, the new end date is March 31, 2026, providing the City with more time to review long-term plans for this City requirement.



TERMS AND CONDITIONS

The license is for 36 months from April 1, 2023 through March 31, 2026. The new license fee will be \$3,334.00 monthly with 4.0% annual increases. A complete set of terms and conditions are outlined on the attached term sheet.

MARKET ANALYSIS

According to State Telecommunications Guidelines, a commercial telecommunications facility lease in the Prime Urban Category for a Macro-cell site is estimated to cost approximately \$5,198 per month. The City negotiated this license to limit the rent increase but the Landlord was insistent on revised terms due to the lack of increase to reflect current market conditions.

Location	Pad Size	Equipment	Monthly Fee
12000 Vista Del Mar	440 SQ FT	12 antennas, 1 microwave dish, 1 GPS	\$4,157.86

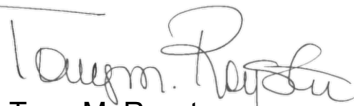
FISCAL IMPACT

The General Fund impact is currently \$25,677 as the Citywide Leasing Account has a 2023-2024 Fiscal Year Budget of \$10,986 for the license agreement at this location. However, the new annual cost is \$40,008.00. It is anticipated that this increase will be offset by other savings within the Citywide Leasing Account this fiscal year. Future fiscal year impacts will be managed through the annual budget process.

4600 Carter Drive Antenna Tower	Monthly Proposed Costs	2023-24 Estimated Expenses	2023-24 Budget	2023-24 Estimated Balance (Shortfall)
License Fee	\$ 3,334	\$ 40,008.00		
Total	\$ 3,334	\$ 40,008.00	\$ 10,986	\$ (29,022.00)

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize the Department of General Services to negotiate and execute a new license agreement with P&Y Broadcasting to construct, maintain and operate rooftop antennas and its equipment at 4600 Carter Drive Los Angeles, CA 90023 to enhance wireless coverage for the City's fire emergency communications under the terms and conditions substantially outlined in this report.


Tony M. Royster
General Manager

Attachments: Term Sheet

LEASING TERM SHEET

MFC DATE	November 16, 2023
LANDLORD	P&Y Broadcasting Corporation
ADDRESS	3700 Wilshire Blvd. Suite 600 LA, CA 90010
TENANT	City of Los Angeles - GSD
ADDRESS	111 E. First St. 2nd Floor LA, CA 90012
LOCATION	4600 Carter Dr. LA, CA 90032
AGREEMENT TYPE	License Agreement
USE	Antenna Use
SQUARE FEET	APN: 5214-014-001 & 5214-014-002 - approximately 1,000 SF where City's equipment is located - 16' x 20' building with Antenna Area with fence
TERM	36 Months
RENT START DATE	04/01/23
LEASE START DATE	04/01/23
OPTION TERM	1 Year Option to Extend on a Year to Year Basis with maximum 4.0% annual increase
HOLDOVER	Month to Month
SUBLET/ ASSIGNMENT	None
TERMINATION	None
RENTAL RATE	\$3,333.00 Monthly
ESCALATION	4.0% annual increase after month 12
RENTAL ABATEMENT	None
ADDITIONAL RENT	None

PROPERTY TAX	None
OPEX	None
CAM	None
OTHER	None
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	Tenant shall be responsible for its own equipment. Tenant shall be responsible to maintain its own equipment
TENANT IMPROVEMENTS	None
PARKING	As available on site, subject to availability.
UTILITIES	Tenant shall be responsible for all utilities
CUSTODIAL	N/A
SECURITY	Tenant shall be responsible to secure the Premises
PROP 13 PROTECTION	N/A
INSURANCE (City)	Landlord shall indemnify and hold harmless the City
OTHER:	
PRINT:	
SIGNATURE:	