

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
111 EAST FIRST STREET
LOS ANGELES, CA 90012
(213) 928-9555
FAX NO. (213) 928-9515

February 27, 2020

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

Attention: Armando Bencomo, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A NEW
LICENSE WITH LOS ANGELES SMSA LIMITED PARTNERSHIP
DBA VERIZON WIRELESS AT 12000 VISTA DEL MAR, PLAYA DEL REY**

The Department of General Services (GSD) requests authority to negotiate and execute a new license with Los Angeles SMSA Limited Partnership dba Verizon Wireless (Verizon Wireless) for installation, maintenance, and operation of antennas and equipment cabinets on the rooftop of Hyperion Water Treatment Plant operated by the Bureau of Sanitation located at 12000 Vista Del Mar, Playa Del Rey, CA 90293.

BACKGROUND

On November 1, 2019, the City Council adopted a motion authorizing GSD to negotiate a license agreement with Verizon Wireless (C.F. 19-0985).

In February 2017, the Los Angeles Bureau of Sanitation (LA Sanitation) contacted Verizon Wireless to add wireless service at their property for internal use due to almost non-existent signals. Other City departments impacted at this site daily by poor coverage are, Bureau of Engineering, Department of General Services, Contract Administration, Industrial Safety & Compliance Division, Information & Control System Division, and multiple contractors/subcontractors. The proposed installation will provide coverage to the immediate property and surrounding area. Preliminary studies were made to demonstrate the limited coverage in the area.



Currently, another wireless communications provider, AT&T, holds two license agreements with the City for antennas on the rooftop of the same building. AT&T's contract is not exclusive for telecommunications equipment at the site. Verizon's proposed design is similar to AT&T. Verizon Wireless proposes an installation consisting of three sectors with four antennas each for a total of 12 antennas, one four-foot microwave dish and two equipment cabinets on the rooftop. Verizon wireless has already received approval for its application with the City of Los Angeles Planning Department on January 22, 2018.

TERMS AND CONDITIONS

The license is for five years with five five-year extension options. The license fee will generate \$41,040 annually to the General Fund with three percent annual escalations throughout the agreement. The Licensee will be responsible for tenant improvements and pay a flat fee of \$300 for monthly electrical consumption. Either party may terminate the license beyond the tenth year by providing a 90-day written notice. 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. Verizon Wireless requested a discounted rate because the area has a low-density population and the current service meets their operating standards. They had no future plans to enhance wireless service in the area prior to LA Sanitation's request. Since this was an unplanned project and due to high equipment and installation costs, Verizon initially proposed a rate of \$1,800 per month. GSD renegotiated to \$3,420 per month which is within range of other telecommunication licenses on site as shown below.

Location	Pad Size	Equipment	Monthly Fee
12000 Vista Del Mar	440 SQ FT	12 antennas, 1 microwave dish, 1 GPS	\$4,157.86
12000 Vista Del Mar	440 SQ FT	12 antennas, 1 microwave dish, 1 GPS	\$3,420.68

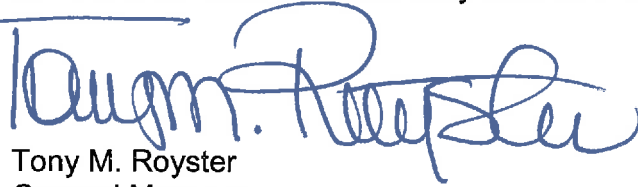
FISCAL IMPACT

The fee of this license will generate revenue of approximately \$41,040 annually to the General Fund along with escalations throughout the license term.

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 Los Angeles SMSA Limited Partnership dba Verizon Wireless to construct, maintain and

operate rooftop antennas and its equipment at 12000 Vista Del Mar, Playa Del Rey, CA 90293 to enhance wireless coverage for employees, contractors, and guests under the terms and conditions substantially outlined in this report.

A handwritten signature in blue ink, reading "Tony M. Royster". The signature is stylized and cursive, with a long horizontal line extending to the left from the start of the name.

Tony M. Royster
General Manager

Attachments: Term sheet
Site plan

LEASING TERM SHEET

MFC DATE	02/27/2020
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LANDLORD	City of Los Angeles
ADDRESS	111 E 1st Street, Los Angeles, CA 90012
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TENANT	Los Angeles SMSA Limited Partnership dba Verizon Wireless
ADDRESS	One Verizon Way, Mail Stop 4AW100 Basking Ridge, New Jersey 07920
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LOCATION	12000 Vista Del Mar, Playa Del Rey 90293
AGREEMENT TYPE	Receivable License
USE	Construction, maintenance, and operation of wireless site and equipment
SQUARE FEET	Approximately 90 SQ FT pad
TERM	Five (5) Years
RENT START DATE	Date attested
LEASE START DATE	Date attested
OPTION TERM	Five (5) five (5) year options
HOLDOVER	150% of license fee for last month of the prior term
SUBLET/ ASSIGNMENT	Right to Assign - Landlord approval
TERMINATION	Beyond the 10th year, either party may terminate with ninety (90) day notice
RENTAL RATE	\$41,040.00 annually / \$3,420.00 monthly
ESCALATION	3% increase annually
RENTAL ABATEMENT	None
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	Licensee at its sole cost and expense shall be responsible for the maintenance of its Equipment and improvements
TENANT IMPROVEMENTS	Tenant build-to-suit as approved by the City. Three (3) sectors with four (4) antennas each for a total of twelve (12) antennas, one (1) 4-ft microwave dish and two (2) equipment cabinets including required cabling on the rooftop.
PARKING	Right to occasionally park vehicles for installation, maintenance, and servicing
UTILITIES	\$300.00 monthly flat rate based on estimated electrical consumption
CUSTODIAL	N/A
SECURITY	N/A
PROP 13 PROTECTION	Other
INSURANCE	Tenant shall indemnify and hold harmless the City
OTHER:	

