Agenda Item No. 2

CITY OF LOS ANGELES
CALIFORNIA

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August 27, 2026

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

Attention: Adam Lid, Legislative Assistant

REQUEST FOR AUTHORITY TO NEGOTIATE AND EXECUTE A NEW LICENSE AGREEMENT 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 with P&Y Broadcasting Corp (Landlord) 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.

BACKGROUND

On May 2, 1989 a contract was approved allowing the City to lease the site from Spanish Broadcasting Systems (C-69443) for a radio communications building and a tower associated with antennas for the City's Fire Command and Control system. The contract expired March 31, 1994 but had annual automatic renewals. ITA reviewed this site and determined it is still required for City use. The property was sold and purchased by the current Landlord, P&Y Broadcasting. The Landlord is seeking a short-term agreement because they may be looking to sell the site.

Council approved a three-year lease with a one-year option to extend (CF#23-1308). As the lease expiration date is approaching (March 31, 2027), GSD, at ITA's request, negotiated a three-year extension commencing April 1, 2027 in lieu of the remaining one-year option. The current monthly rent is $3,749.17.

This site is a critical LAFD radio and microwave location supporting mission-essential operations, and no other City site can provide the necessary radio coverage for this area. To date, the City of Los Angeles has invested approximately $3.5 million to upgrade the equipment, electrical systems, HVAC, generator, shelter, and tower. The City has also complied with all code requirements and coordinated with the Landlord to ensure zero interference between the City's radio system and the other nearby non-City stations.

ITA and GSD have explored potential longer-term solutions, including one at a DWP-owned site at the bottom of the hill. However, constructing a new tower and shelter at an alternative location would take at least five years and cost an estimated $10 million. Given the substantial investment already made, the upcoming LA28 event, and the City's current financial situation, at this juncture, the lease is the best viable option.

GSD has explored the possibility of acquisition, but the owner's asking price is currently unreasonable. Given the site's critical importance to the City, GSD and ITA continue to evaluate long-term alternatives, including a viable LADWP-owned location at the bottom of the hill. However, constructing a new facility would be costly and time-intensive, making this lease extension the most viable interim solution.

CURRENT EQUIPMENT LIST

The City's current equipment consists of the following:

Equipment Description	Qty
Omni Antenna	3
Microwave Dish	3
Indoor Emergency Generator	1
Automatic Transfer Switch (ATS)	1
Load Bank	1
Radio Signal Filters	2
Air Conditioning Units	2
Shielded Rm (Inside Shelter to prevent FM radio interference)	N/A
Battery Racks	3
Equipment Racks (Microwave and LAFD radio)	5

TERMS AND CONDITIONS

The proposed license agreement is for 36 months effective April 1, 2027 through March 31, 2030. The new monthly license fee will be $3,899.53 monthly with 4.0% annual increases. The landlord would not provide additional options. 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 rent value is approximately $5,124.42 per month. The City negotiated this license to limit the rent increase and the proposed rent reflects annual increases consistent with other lease agreements. For reference, there are not many comps in the market place.

FISCAL IMPACT

The General Funded Citywide Leasing Account Budget for 2026-27 Fiscal Year includes $45,444.42 for the license agreement at this location. The annual cost for the proposed lease is $45,444.12 resulting in a negligible budget surplus of $3.30. There is no effective impact to the General Fund. Funding for future fiscal years will be requested through the annual budget process.

Proposed Fiscal Year 2026-27 Costs at 4600 Carter				
	Monthly Proposed Costs	**2026-27 Estimated Expense (12 mo.)**	**2026-27 Budget**	**2026-27 Estimated Surplus/ (Deficit)**
Current License Fee (9 mo.)	$3,749.17	$33,742.53		
New License Fee (3 mo.)	$3,899.53	$11,698.59		
TOTAL		**$45,441.12**	**$45,444.42**	**$3.30**

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 Corporation 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

Attachment: Term Sheet

LEASING TERM SHEET

MFC DATE	August 27, 2026
LANDLORD	P&Y Broadcasting Corporation
ADDRESS	22 Centerpointe Drive Suite 100, La Palma, CA 90623
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	04/01/2027
LEASE START DATE	Upon City Clerk Attestation
OPTION TERM	None
HOLDOVER	Month to Month
SUBLET/ ASSIGNMENT	None
TERMINATION	None
RENTAL RATE	$3,899.53/ per month
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 along with maintenance.
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 site.
PROP 13 PROTECTION	N/A
INSURANCE (City)	To be further defined by CAO's Risk Management per 146R
OTHER:	
PRINT:	
SIGNATURE:	