

# Agenda Report

April 20, 2020

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Information Technology  
**SUBJECT: AUTHORIZATION TO EXTEND LEASE AGREEMENT 17,304-3 WITH CCATT LLC FOR LEASE OF SPACE FOR WIRELESS TELECOMMUNICATIONS FACILITY**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the following proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301(C) (Existing Facilities); and
2. Authorize the City Manager to amend 17,304-3 with CCATT LLC to extend the term of the agreement for five years, and provide an option to renew for an additional 5-year term.

## **BACKGROUND:**

In an effort to address the rapidly expanding cellular phone market, AB Cellular Holding, LLC d/b/a AT&T Wireless Services partnered with the City in 2000 to lease space near Victory Park in support of their regional expansion strategy. This partnership was reflected in lease agreement 17,304 which allowed AT&T to implement a cellular tower located at 2727 Paloma Street. The tower was designed to blend in with the adjacent Marine base and included a protective, painted cinder block wall to minimize visibility of the tower to nearby residents.

In 2010 the City extended the original lease agreement for an additional five years. Three years later, in 2013, CCATT, LLC (one of many entities within Crown Castle USA, Inc.) acquired the wireless facility from AB Cellular Holding, LLC thereby becoming the official assignee of the lease. In 2015 the City and CCATT LLC exercised a provision to extend the lease agreement for an additional five years which will conclude on May 15, 2020.

Earlier this year CCATT LLC approached the City with a request to renew the existing lease and staff is recommending a five year extension of the lease with an optional five year extension which if fully exercised could extent the lease to 2030. The proposed lease extension includes annual license fee increase of three and one-half percent (3.5%) to align with market value increases and restricts physical alteration of the existing tower facility.

**COUNCIL POLICY CONSIDERATION:**

Extension of this agreement supports the City Council Strategic Goal to “Support and promote the quality of life and the local economy”, leveraging the customer’s wireless telecommunications network to help meet the communication needs of Pasadena residents. Additionally, the agreement supports the City Council Strategic Goal to “Maintain fiscal responsibility and stability”, by generating revenue that will facilitate ongoing city operations.

**ENVIRONMENTAL ANALYSIS:**


The proposed agreement extension is exempt from the California Environmental Quality Act (CEQA) in accordance with Section 15301(c) Existing Facilities which exempts actions related to existing facilities or structures where there is negligible or no expansion of the use. The proposed action relates to lease of space and usage of telecommunications equipment that is already installed.

**FISCAL IMPACT:**

This action will generate revenue to the Telecommunications Fund (408) from the lease fee of \$265,044 during the five year extension of the agreement. Additional revenue may be generated if CCATT LLC opts to renew for the additional 5-year extension.

The anticipated impact to other operational programs or capital projects as a result of this action will be minimal.

Respectfully submitted,

  
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Attachment A -- TPA