



Agenda Report

June 10, 2024

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A SITE LEASE REVENUE AGREEMENT WITH METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA FOR THE MIRADOR WATER RESERVOIR SITE RESULTING IN UP TO \$540,000 IN REVENUE TO THE CITY

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed herein is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 (Existing Facilities) and 15303 (New Construction or Conversion of Small Structures); and
2. Authorize the City Manager to enter into a ten-year Site Lease Revenue Agreement with the Metropolitan Water District of Southern California (MWD) for the purpose of installing communications equipment on City-owned land at the Mirador Water Reservoir site, resulting in up to \$270,000 in revenue to the City, with the option for the City Manager to extend the agreement for an additional ten-year period, at an amount of up to an additional \$270,000 in revenue.

BACKGROUND:

In 2021, the Metropolitan Water District of Southern California (MWD) initiated discussions with Department of Information Technology (DoIT) staff regarding a long-term lease for City-owned land, specifically identified as the Mirador Water Reservoir located at 2010 Glen Oaks Canyon (see Attachment A). MWD's objective is to secure a long-term lease for the access and utilization of ground space within this location to accommodate radio and microwave equipment related exclusively to MWD's telecommunications needs.

MWD's telecommunications facilities play a vital role in transmitting water within their system by relaying essential information about their pipelines. This communication infrastructure is indispensable for ensuring the smooth operation of MWD's water

conveyance system. The plan is to install an antenna structure to serve as a backup data pathway, enhancing the system's reliability. However, to proceed with installation on the proposed site, MWD must enter into a Site Lease Agreement with the City, granting them and their subcontractors access and usage rights to install and maintain the communications tower on City property.

The proposed agreement with MWD will have an initial period of ten years, with one optional ten-year extension available. Under the agreement, the annual site lease fee is set at \$27,000, amounting to a total of \$270,000 for the initial ten-year period. If the extension is exercised, the cumulative lease fee over the full twenty-year period will amount to a grand total of \$540,000.

COUNCIL POLICY CONSIDERATION:

This agreement supports the City Council Strategic Goal to maintain fiscal responsibility and stability by generating revenue that will facilitate ongoing City operations.

ENVIRONMENTAL ANALYSIS:

This project has been determined to be exempt from environmental review pursuant to State CEQA Guidelines Section 15301, Class 1, Existing Facilities and 15303, Class 3, New Construction or Conversion of Small Structures, and that there are no features that distinguish this project from others in the exempt class; therefore, there are no unusual circumstances. These sections specifically exempt from environmental review the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing structures where there is negligible or no expansion of the use and the construction of limited numbers of new, small facilities or structures. Entering into a lease agreement, for the purpose of constructing communication equipment on City-owned land, is considered a negligible change to an existing use.

FISCAL IMPACT:

This action will generate revenue to the Telecommunications Fund from the site lease fee of up to \$270,000 during the initial ten-year term of the agreement, and up to \$540,000 if the optional ten-year extension is executed. The anticipated impact to other operational programs or capital projects as a result of this action will be minimal.

Respectfully submitted,



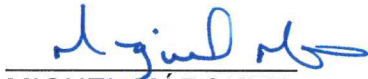
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MIGUEL MÁRQUEZ
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Attachment A: Proposed Site