



AG 94-082 (1.17)
APPROVED
BY THE CITY COUNCIL

JUN 21 1994

OFFICE OF THE
CITY CLERK

DEPARTMENT OF
PUBLIC WORKS

ENGINEERING DIVISION

CITY OF SACRAMENTO
CALIFORNIA

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CONSTRUCTION SECTION
640 BERCLUT DRIVE
SUITE B
SACRAMENTO, CA
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April 8, 1994

City Council
Sacramento, California

Honorable Members In Session:

SUBJECT: LEASE TO STATE FOR TELECOMMUNICATIONS TOWER - BERCLUT DRIVE

LOCATION/COUNCIL DISTRICT: 111 Berclut Drive in Council District 1.

RECOMMENDATION:

This report recommends that the City Council, by resolution, authorize the execution of a lease with the State of California for installation of a 260 foot telecommunications tower and related equipment on excess ground at the City's current communications center on Berclut Drive.

CONTACT PERSON: Ronald F. Soos, Real Property Agent, 264-7902

FOR COUNCIL MEETING OF: June 8, 1994

SUMMARY:

A 50-year lease with either party able to terminate at 30 years has been negotiated with the State of California, Department of General Services for land at the current City Communications Center for the installation of a 260 foot communications tower and related equipment. All costs of installation and maintenance are the responsibility of the State. Various State agencies will have equipment on the tower. The City retains defined rights to the tower and equipment vaults. There are provisions to allow private communications companies to sublease tower space with revenue split between the City and the State. Annual lease payments begins at \$3,600.00 in year 1 and increases to \$7,104.00 in year 30 with steady increases during the firm term of 30 years.

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COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

The State of California needs to relocate and consolidate its Public Safety Communications System. After considering several sites, the City's Communications Center on Bercut Drive was considered the best alternative. A draft Environmental Impact Report was prepared in October 1992 and was reviewed by the City Attorney's office who found it legally adequate with the visual impact of the 260 foot tower as the only non-mitigated impact.

Further discussions regarding business points of the long term tenancy have taken place sporadically over the last 20 months with general agreement on most points. The State intends to serve several state agencies as well as federal needs. Space is reserved for the City to switch over its equipment to the tower and vaults provided by the State. A revenue sharing agreement has been reached if private telecommunications companies want to sublease tower and vault space. All subleases are subject to City approval and no other equipment is allowed to interfere with City frequencies or uses. Since the State is bearing the entire cost of construction, installation, and maintenance and must provide the City with tower and vault space at no charge, the annual rental value may seem low. However, the revenue sharing portion of the agreement could generate monies to the City over the life of the lease. The City presently leases space to Cellular One and Nextel at various sites at \$1400.00 per month per site.

FINANCIAL CONSIDERATIONS:

Lease payments will generate \$155,320 over the firm 30 year term of the agreement. Revenue sharing could enhance that figure. All costs of construction, maintenance, and repair are borne by the State. The State will be required to repair any damage to City property incurred during construction or operation of the tower. Lease payments will be deposited into the General Fund Account 101-310-3135-3709.

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POLICY CONSIDERATIONS:

This item conforms with current policy which encourages agreements with other government agencies that improve necessary public safety communications systems. The proposed operation will not interfere with existing City operations and will improve the City's own telecommunications system when it is attached to the new tower.

MBE/WBE:

None. No goods or services are being purchased.

Respectfully submitted,



WALT UEDA
Special Services Division Manager

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR
City Manager

APPROVED:



MICHAEL KASHWAGI
Deputy Director of Public Works

RS:nl
RE3-01.C.LS
4.894

Attachments

RESOLUTION NO. 94-395

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AUTHORIZING THE EXECUTION OF GROUND LEASE
WITH THE STATE OF CALIFORNIA,
FOR INSTALLATION AND MAINTENANCE OF A TELECOMMUNICATIONS TOWER
& RELATED EQUIPMENT AT 111 BERCUT DRIVE**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the City Manager and City Clerk are hereby authorized to execute the Lease Agreement for tower and related equipment located at 111 Bercut Drive to commence May 1, 1994. Lease payments are to be deposited into the General Fund Account 101-310-3135-3709.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

JUN 21 1994

OFFICE OF THE
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____