



CITY COUNCIL AGENDA STATEMENT



May 11, 2021

File ID: 20-0342

TITLE

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AUTHORIZING EXECUTION OF A MASTER COMMUNICATIONS SITE LICENSE AGREEMENT WITH CROWN CASTLE TOWERS 06-2 FOR WIRELESS TELECOMMUNICATIONS FACILITIES ON PUBLIC PROPERTY

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

The City currently is under agreement with eight cell service and/or tower providers for macro cell towers. A new company, Crown Castle Towers 06-02 (Crown Castle), has approached the City requesting to construct macro cell tower facilities on City-owned property. Crown Castle proposes to construct, own, and maintain macro cell towers which they will market to cell providers to operate. The purpose for these proposed towers is to improve service in specific areas of the City. Currently the company is only proposing one tower, but the agreement provides for up to 25 over the life of the agreement (up to 30 years).

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required. Although environmental review is not required at this time, once the scope of potential individual projects has been defined, environmental review will be required for each project and the appropriate environmental determination will be made. In addition, notwithstanding the foregoing, the Development Services Director has also determined that the "Project" qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

On March 18, 1997, the City Council approved Resolution 18601, conceptually approving the marketing of City properties for use by telecommunications companies. On September 16, 1999, the City Council

approved Master License Agreements (MLA) with AT&T and Cox PCS, Assets, LLC, for installation and operation of as many as 50 wireless communication sites on property owned or controlled by the City. The City also approved an MLA with Pacific Bell Wireless, LLC for as many as 25 sites in November 2002, with Cricket for as many as 35 sites in February 2006, with the New Cingular (AT&T) for as many as 25 sites in July 2007 and T-Mobile for 25 sites in December 2007. In 1998, when the City began negotiations, City Council directed staff to negotiate rates that would provide wireless carriers an incentive to come to Chula Vista. It was City Council's desire to see Chula Vista's commercial and residential consumers have the opportunity to be early adopters of the technology and benefit from the competition of multiple carriers. Staff reached out to the industry, held workshops, and invited them to the City to structure "master" agreements that would provide prompt entry at below-market rates. Twenty years later, now that the latest telecommunication technology is readily available to Chula Vista consumers, City Council requested that staff balance the goals of ensuring that the City continues to attract state of the art, competitive service options for consumers with market rate lease payments for City sites. City Council also requested that staff emphasize co-location, stealth installations, and other methods or reducing visual impacts.

Additionally, over a relatively short period of time, the technology has evolved from a unique business tool, used by a few people, primarily in commercial areas, to a common business and household convenience used almost everywhere by almost everyone. That has put tremendous demand on sites in predominantly residential areas with few site options. The increase in sites to cover the varied topography of a growing city increases exponentially by: 1) the limitations that each site can carry during peak periods, 2) the increased intensity of bandwidth use for items such as video, internet, and music uses versus the original voice functions, and 3) the desire to accommodate more carriers with the expectation of fostering greater consumer choice, competition for price and service quality. The public demand for these services continues to grow and all of these issues place a greater demand on sites, particularly in residential neighborhoods. City staff has worked with industry for many years on a "Master License Agreement" (MLA) approach to reduce the pressure on siting these facilities in less appropriate areas.

The MLAs provide the City with an opportunity to work cooperatively with the carriers to expedite their projects, provide the coverage needed to meet public demand, provide incentives to pursue sites that have the least impact to residents, and meet the aesthetic and safety goals of the community, while capturing revenue that helps the City fund public services at no additional cost to the ratepayer. Above all, the wireless industry values rapid deployment, and works with the City to accommodate the community's objectives based predominantly on our ability to demonstrate a record of timely zoning and construction approvals that support that goal.

MASTER LICENSE AGREEMENT: The MLA allows Crown Castle to install up to 25 wireless telecommunications facilities (WTF) on property owned and/or controlled by the City and to operate within the scope of this MLA for a period of five years. The MLA allows for up to five additional five-year terms, each with the written request of Crown Castle Wireless and the subsequent written approval of the City. Prior to the renewal of each five-year term, the annual license fee is subject to renegotiation to ensure that the City is receiving market value for its facilities. Crown Castle has completed that negotiation on what staff considers to be mutually beneficial terms. Crown Castle annual license fees vary based on the number of cabinets and antennae at each site and the footprint of the site. The annual fee for each WTF site that includes as many as 7 equipment cabinets and 12 antennas would be adjusted as follows:

	Macro Site Annual Fee*	Cabinets Only Annual Fee	Antennae Only Annual Fee	Options Annual Fee**
2021	\$30,000.00	\$18,000.00	\$12,000.00	\$4,944.00
2022	\$30,900.00	\$18,540.00	\$12,360.00	\$5,092.32
2023	\$31,827.00	\$19,096.20	\$12,730.80	\$5,245.09
2024	\$32,781.81	\$19,669.09	\$13,112.72	\$5,402.44
2025	\$33,765.26	\$20,259.16	\$13,506.11	\$5,564.52
2026	\$34,778.22	\$20,866.93	\$13,911.29	\$5,731.45
2027	\$35,821.57	\$21,492.94	\$14,328.63	\$5,903.39
2028	\$36,896.22	\$22,137.73	\$14,758.49	\$6,080.50
2029	\$38,003.10	\$22,801.86	\$15,201.24	\$6,262.91
2030	\$39,143.20	\$23,485.92	\$15,657.28	\$6,450.80

* Maximum 10'x20' area standard enclosure or a 15'x30' area non-standard where a backup generator is included in enclosure footprint and site conditions allow the additional size

**Approximately 3'x3'x3' or 27 cubic feet cabinet and up to (3) three standard antennae.

In some instances, Crown Castle will require a site for antennas or cabinets only. Staff has also included a rent option for a smaller site configuration that other carriers have requested in the past and expect to use frequently. The annual license fee for those facilities will be less than a full site as identified in the table above. The MLA would also continue to include a clause that reduces these rates by as much as 40% with Crown Castle and other contractors if they propose projects that underground the cabinets and pedestals or take other similar measures to reduce the impacts to land use.

Crown Castle is required to comply with all local, state and federal applicable laws. The Schedule of Premises (SOP) shall be administratively approved for each site and contain specific conditions that must be satisfied and maintained in order to use the wireless facility. Crown Castle shall continue to pay the appropriate full staff costs for processing each submittal. All of Crown Castle's construction, installation, maintenance, and removal of the WTF facilities will be at their sole responsibility and cost. If Crown Castle causes any damage to the public right of way or City property, they are required to repair it promptly at their sole cost. Crown Castle will not be allowed to activate their site until the City signs off on final construction. The original MLA, the Schedule of Premises for each site, and the City's Municipal Code provide for a number of risk mitigation measures for the City including: indemnity; insurance requirements; limitation on remedies available to Crown Castle in the event of a City breach; and reservation of the City's emergency and police powers.

IMPACTS ON CITY PROPERTY: The installations will vary depending on the site. As mentioned, Crown Castle will be required to obtain all applicable permits (land use, building, engineering etc.) and work closely with City departments to assure that they do not interfere with City operations or facility maintenance. The three primary types of installations are building mounted, ground mounted, and light standard mounts. Building mounted installations generally involve mounting antennas on the facade or on the roof of the building, in addition to accommodating equipment cabinets on the ground or on the roof. Ground mounted applications involve construction of a "monopole" or more stealth applications where the monopole is camouflaged as an artificial pine, broadleaf or palm tree, flagpoles or complimentary structures such as clock towers or facility signs. In this case the cabinets are generally mounted on a concrete slab adjacent to the antenna structure. The largest size cabinet systems with a backup generator use an area of approximately 15 by 30 feet. Both applications will require some trenching and cabling. The installations will require maintenance and

administration on a limited basis. Staff will encourage Crown Castle to take advantage of reductions in monthly site payments by undergrounding the cabinets and other structures whenever possible.

FINANCIAL BENEFITS: Crown Castle will be compensating the City for use of each site by paying an annual license fee to the City General Fund for each system installed. Crown Castle annual license fee for a typical site that includes both antennas and cabinets is approximately \$30,000. The MLA authorizes as many as 25 WTF facilities by Crown Castle. The annual fee increases by 3% a year beginning January 2022 and is subject to renegotiation prior to the renewal of each five-year term to ensure the City is receiving market rate rent.

Staff will also work with Crown Castle and other carriers to implement basic facility improvements or enhancements at each site to help them compliment the facilities' function when the construction and demolition or site programming warrant it. For example, it is common for WTF equipment shelters to provide extra storage for Recreation or the Library, a pad for water fountains, vending machines or other amenities not currently available in that part of the facility. It is also common for light standards to be replaced or upgraded when antennae are added. These improvements are typically in addition to the lease payments.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware and has not been informed by any city Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

This action in and of itself will have no fiscal impact in the current fiscal year. Revenue generated out of subsequent site approvals will generate approximately \$30,000 per year per site in the fiscal year in which they become operational.

ONGOING FISCAL IMPACT

Revenue generated out of individual site approvals based upon this agreement will generate approximately \$30,000 per year per site in the fiscal year in which they become operational.

ATTACHMENTS

1. Proposed Crown Castle Master Communications Site License Agreement

Staff Contact: Rick Ryals, Real Property manager