



## Legislation Details (With Text)

<b>File #:</b>	2020-0284		
<b>Type:</b>	Consent Calendar Item	<b>Status:</b>	Agenda Ready
<b>File created:</b>	5/12/2020	<b>In control:</b>	General Services
<b>On agenda:</b>	5/12/2020	<b>Final action:</b>	
<b>Title:</b>	New Lease with State Department General Services at Oakridge for Telecommunications Purposes		
<b>Sponsors:</b>	General Services		
<b>Indexes:</b>			
<b>Attachments:</b>	1. Att3-Sheriff Letter in Support of Cooperator Status.pdf, 2. Summary Report.pdf, 3. Att1-Lease Premises and Site Map Depiction.pdf, 4. Att2-REDCOM Letter in Support of Cooperator Status.pdf, 5. Att4-Budget Resolution.pdf		

Date	Ver.	Action By	Action	Result
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**To:** Sonoma County Board of Supervisors

**Department or Agency Name(s):** General Services

**Staff Name and Phone Number:** Caroline Judy, 565-8058; Pamela Asselmeier, 565-1753

**Vote Requirement:** 4/5th

**Supervisory District(s):** Fifth

**Title:**

New Lease with State Department General Services at Oakridge for Telecommunications Purposes

**Recommended Action:**

- Delegate authority to the Director of General Services to negotiate and execute a lease agreement, in form approved by County Counsel, for a telecommunications facility at the Oakridge Lookout site near Annapolis, with the California State Department of General Services (DGS) (Lease No. L-0875) on approximately 352 sq. ft. of ground space, for an initial 10-year term commencing on or about July 1, 2019, with two 5-year optional extensions, for a base rent not to exceed \$20,016/annually (the "Lease Agreement"), and annual road maintenance fee, not to exceed \$625/annually, each payment subject to a 3% annual escalation, for continued use by the Sheriff's Office Telecommunications (T-Comm) Bureau's operations, and its subtenants.
  - Authorize Director of General Services to enter into agreements with subtenants and/or sublicensees at the site for space in County's vault on form approved by County Counsel under terms to be negotiated, subject to payment of market rent or other consideration in the public interest as determined by the Director, and consistent with the new Lease Agreement including provision for revenue sharing with State DGS.
  - Adopt a resolution approving budget adjustment in the FY 19/20 budget in the amount of \$2,107 in additional appropriations and revenue for the new agreement with DGS.
- (Fifth District) (4/5<sup>th</sup> Vote Required)

**Executive Summary:**

The County's current Lease with the State DGS for the placement of County's communications equipment

vault at Oakridge site had a term that expired on June 30, 2019. The County has remained on site with State DGS consent under holdover letter agreement dated May 6, 2019. The County General Services Department together with the Sheriff's Office T-Comm Bureau submitted an official application to the State for a new agreement to continue operation of the Sheriff T-Comm Bureau equipment for the maximum period allowed by the State, namely a new 10 year term with two 5-year options to extend.

The State DGS and Cal Fire reviewed and approved the application and issued written approval dated July 18, 2019. The County's vault containing its radio equipment and a backup generator are located on State DGS property. The County's antennas are located on a tower owned by Crown Castle at the site under a separate lease agreement, the term of which commenced August 1, 2015 and continues for a period of 10 years with two automatic renewals of 5 years each, thus providing a total lease term for the tower space through August 1, 2035, unless earlier terminated. Sheriff's T-Comm Bureau maintains approximately 19 spaces on the Crown Castle tower for microwave and other antennas and fire watch cameras.

County has several subtenants in its vault, including State of California Highway Patrol (CHP) and the County of Mendocino Sheriff's Office. The County installed a fire watch camera at the tower at this location under the Sonoma Water Pilot Project initiated in the fall of 2018. The tower, vault, and equipment provide critical public safety communications for the north Sonoma County coastal area.

#### **Discussion:**

The County as lessee entered into a Lease with State DGS as of May 1, 1995 (Original Lease), to lease approximately 353 square feet of ground space at the Oak Ridge Lookout site for a vault to house its noncommercial telecommunications broadcast/receiver/repeater equipment and for its 15kw emergency backup generator with a 1,000 gallon propane tank. The County owns the vault at this site. Under the Original Lease, the County was not obligated to pay monetary rent as it provided a beneficial work of improvement at the site, namely installing a vault used by other State entities including the CHP. The State DGS has stated that it will no longer allow County to maintain its vault on State lands without payment of monetary rent.

Related to said Original Lease, the County also has a license with Crown Castle Company ("Crown Castle") for space on its tower at the same site for siting and operation of County's microwave and other antennas and fire watch camera equipment. County has several subtenants in its vault namely State of California Highway Patrol (CHP) and the County of Mendocino Sheriff's Office for their respective radio equipment related to safety and emergency response.

Pursuant to the First Amendment to the Original Lease with State DGS, the County's lease term was amended to expire on June 30, 2019, and there are no additional renewal option periods. (The State has issued the County a holdover letter allowing the County to remain in possession under the current terms until a new lease is executed). A new Lease with the State DGS (Lease No. L-0875) for the vault space and location of radio equipment together with the existing license with Crown Castle for tower space for the County's antenna are both necessary for the T-Comm Bureau to operate at Oakridge. Due to State DGS's new policy, the County will be required to pay no less than 50% of State DGS determined fair market rent for State owned facilities. GSD staff made application to State DGS to obtain a preferred operator status to earn the reduced rental rate of 50% off market rent, by demonstrating a "broad public benefit" based on its safety, fire and emergency related uses. Depending on the outcome of negotiations with State DGS, County expects to charge rent from any subtenants (including CHP rent for its equipment in County's vault) and possibly have to pay 50% of such to

the State DGS.

Because of the fluid nature of negotiations with the State and the interconnected issues raised by the related Crown Castle tower agreement, staff recommends that the Board delegate authority to the Director of General Services to further negotiate and execute the Lease, in a form approved by County Counsel with the following terms: the initial term of the Lease will be for ten (10) years commencing July 1, 2019; County will have the right to extend the Lease for up to two additional 5 year terms; base rent payable by County will be no more than \$20,016/annually. County will also have the right to sublease/sublicense space in its vault to third parties including CHP and County of Mendocino, and to the extent County collects rent from such subtenants/sublicensees, County shall remit any required revenue share to the State. The Lease will provide with annual escalations of rent not to exceed 3% on the anniversary of the term. County is also obligated to pay for road maintenance to the State in an amount commencing at \$625/ annually with 3% escalations. County may share said costs with its subtenants/sub-licensees. Staff recommends the execution of this Lease as a continued presence at Oakridge Look Out is in the public interest, supports continued and improved communication coverage of fire and emergency services and protects the safety of County residents and their property.

**Procedural Authority:**

Government Code Section 25350 requires two (2) Board actions, which includes publication of a notice of intent for three (3) consecutive weeks, for an agreement where County is tenant, the lease agreement is valued at more than \$50,000, and the term is greater than three (3) years. At the July 9, 2019 hearing staff submitted the Notice for publication, and by approving said agenda item, the Board directed the Clerk of the Board to publish said notice in accordance with Government Code Section 25350. The required notice publication period has concluded, any public comments have been received and staff now recommends that the Board approve the final Lease Agreement, and authorize the General Services Director to execute the Lease Agreement attached to this item.

**Prior Board Actions:**

Board Declaration to execute Ground Lease dated July 9, 2019, Agenda Item No. 5; Notice of Intent published subsequent to the July 9, 2019 hearing;

Board Declaration to issue Notice of Intent to Execute Lease pursuant to Summary Report dated May 21, 2019 Agenda Item 15;

Resolution No. 95-0555, Dated May 2, 1995 to Approve the Lease with the State for Telecommunications at Oakridge; and

Resolution No 95-0397 dated April 5, 1995 - Notice of Intent to Enter into Lease.

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 19-20 Adopted</b>	<b>FY20-21 Projected</b>	<b>FY 21-22 Projected</b>
Budgeted Expenses	\$18,534	\$21,260	\$21,898
Additional Appropriation Requested	\$2,107		
<b>Total Expenditures</b>	<b>\$20,641</b>	<b>\$21,260</b>	<b>\$21,898</b>

<b>Funding Sources</b>			
General Fund/WA GF	\$18,534	\$19,090	\$19,663
State/Federal			
Fees/Other	\$2,107	\$2,170	\$2,235
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$20,641</b>	<b>\$21,260</b>	<b>\$21,898</b>

**Narrative Explanation of Fiscal Impacts:**

Due to State DGS' new policy, the County will be required to pay no less than 50% of State DGS determined fair market rent for State owned facilities. As a result a retroactive payment commencing July 1, 2019, not to exceed \$1,668/mo and \$20,016 as annual base rent and \$625/year as road maintenance for a total of \$20,641 will be necessary for continued operation of the Sheriff T-Comm equipment. Base rent for the Premises will remain at this reduced level during the term provided that County continues to provide broad public benefit and retains its "cooperator" status, otherwise County will be obligated to pay 100% of State DGS fair market value rent. The base rent and road maintenance fee are both subject to 3% annual adjustments. The County may seek contribution from its subtenants/sublicensees for their proportionate share of base rent based on the number of radios and related requirement in County's vault and any antennas it provides to subtenants on the Crown Castle Tower going forward, and FY 19-20 includes an estimated contribution of \$2,107 plus 3% annual increases thereafter.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

None

**Attachments:**

Attachment 1: Leased Premises and Site Map Depiction

Attachment 2: RedComm Letter in support of Cooperator status dated June 26, 2019

Attachment 3: Sheriff Letter in support of Cooperator status dated July 23, 2019

Attachment 4: Budget Resolution

**Related Items "On File" with the Clerk of the Board:**

On File 1 - Declaration of Intent May 2019