



Legislation Text

File #: 2019-0638, **Version:** 1

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: Majority

Supervisory District(s): 5th

Title:

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

Recommended Actions:

- A) Declare intent to execute a ground lease for a telecommunications facility at the Oakridge Lookout site near Annapolis, with the California State Department of General Services (DGS), for an initial 10-year term commencing on or about July 1, 2019, with three 5-year optional extensions, for an base rent not to exceed \$37,063/annually (the "Ground Lease Agreement"), subject to a 3.5% annual escalation, for continued use by the Sheriff's Office Telecommunications (T-Comm) Bureau's operations, and its subtenants.
- B) Direct the Clerk of the Board to publish a Notice of Intent pursuant to Government Code Section 25350 to execute the Ground Lease Agreement.

(Fifth District)

Executive Summary:

The County's current Ground Lease with the State DGS for the placement of County's communications equipment vault at Oakridge site is expiring on June 30, 2019. The County General Services Department together with the Sheriff's Office T-Comm Bureau has submitted an official application to the State to request approval for continued operation of the Sheriff T-Comm equipment for the maximum period allowed by the State, namely a new 10 year term with three 5-year options to extend.

On April 26, 2019, the County submitted the State required the *TD-312* application to renew the ground lease. The State DGS will be reviewing the County's lease renewal application setting forth the County's equipment list and operational needs, together with the equipment and needs of County's sublicensee, the County of Mendocino Sheriff's Office. While the County's vault is located on State DGS property, the County's antenna is located on a tower owned by Crown Castle at the site.

The County's lease with Crown Castle for its microwave antenna commenced on 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.

The County has a fire watch camera installed at the tower at this location under the Sonoma Water Pilot Project initiated in the fall of 2018. The tower and equipment provides critical public safety communications for the north Sonoma County coastal area.

Discussion:

The County as lessee entered into a Ground Lease with State DGS as of May 1, 1995, 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. The County owns the vault.

Related to said Ground Lease, the County also has a license with Crown Castle GT Company for space on its tower at the same site for siting and operation of County's microwave antenna. The County also provides vault space to Mendocino County for its radio equipment for no monetary consideration in exchange for the County operating its equipment at a Mendocino County site (Fish Rock) at no monetary consideration.

Currently, State DGS allows the County to operate its telecommunications equipment at the Oakridge site for no monetary consideration in exchange for County permitting California Highway Patrol to license space in the County's vault for no monetary consideration.

Pursuant to the First Amendment to the Ground Lease with State DGS, the County's 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). For this reason, the County is obligated to commence a renewal of the Lease term and submit payment of fees. A renewed Ground Lease with the State DGS 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 new guidance issued by State DGS, the County will be required to pay no less than 50% of State DGS determined fair market rent for State owned facilities.

Staff recommends that the Board delegate authority to the Director of General Services to execute this Ground 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 expiring June 30, 2029; County will have the right to extend the Lease for up to three additional 5 year terms; base rent payable by County will be no less than \$18,534/annually (if County is acknowledged as providing a *broad public benefit*), but no more than \$37,063/annually. The Lease will provide with annual escalations of rent not to exceed 3.5% on the anniversary of the term. Execution of this Ground Lease is consistent with the Safe, Health and Caring Community Goals of the County and promotes the public interest as it 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. Staff has prepared the attached notice for publication, which sets July 9, 2019 as the date and time of the meeting to approve the lease agreement and authorize its execution. By approving this agenda item, the Board directs the Clerk of the Board to publish the notice in accordance with Government Code Section 25350. Upon conclusion of the required notice publication period, the Board would receive any public comments at its regular meeting on or about July 9, 2019, approve the final Lease Agreement, and authorize the General Services Director to

execute the Lease Agreement.

Prior Board Actions:

Resolution No 95-0397 dated April 5, 1995 - Notice of Intent to Enter into Lease; Resolution No. 95-0555, Dated May 2, 1995 to Approve the Lease with the State for Telecommunications at Oakridge.

FISCAL SUMMARY

Expenditures	FY 18-19 Adopted	FY19-20 Projected	FY 20-21 Projected
Budgeted Expenses	\$2,500	\$0	
Additional Appropriation Requested		\$42,063	
Total Expenditures	\$2,500	\$42,063	
Funding Sources			
General Fund/WA GF	\$2,500	\$39,563	
State/Federal			
Fees/Other		\$2,500	
Use of Fund Balance			
Contingencies			
Total Sources	\$2,500	\$42,063	

Narrative Explanation of Fiscal Impacts:

State Cal Fire charges the County a technical review fee to review the TD 312 application to extend the lease of \$2,500, upon submittal. After the technical review is complete (expected to be in the next fiscal year), the County will also be required to pay another \$5,000 to the State DGS for preparing and processing the new Ground Lease. The County has asked the County of Mendocino to reimburse the County for \$2,500 as part of these processing fees.

Due to new guidance issued by State DGS, 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 beginning in FY 19-20, an additional General Fund contribution not to exceed \$39,563 will be necessary for the ground lease rent required for continued operation of the Sheriff T-Comm equipment. Base rent for the Site will be no more than \$37,068 /annually, commencing July 1, 2019 for the initial 10 year term, subject to 3.5% annual adjustments. The County may seek contribution from its subtenants for their proportionate share of base rent going forward.

Staffing Impacts:			
Position Title (Payroll)	Monthly Salary Range (A - I Step)	Additions (number)	Deletions (number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Attachment 1: Oakridge Ground Lease Board Approval 1995

Attachment 2: Oakridge County Lease with State, May 1, 1995

Attachment 3: Oakridge County Lease Amend #1 with State, July 25, 2008

Attachment 4: Oakridge Holdover Letter from State, May 6, 2019

Attachment 5: Oakridge Notice of Intent

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

None