



Report to City Council

TO: Mayor and City Council
Mayor and City Council Acting in its Capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Jeremy Bubnick, Parks & Community Services Director

AGENDA DATE: November 19, 2024

TITLE: SECOND AMENDMENT TO TELECOMMUNICATIONS LICENSE AGREEMENT – WESTON PARK (REPORT OF: PARKS AND COMMUNITY SERVICES)

TITLE SUMMARY: Second Amendment to Telecommunications License Agreement – Weston Park (Site ID #RS0029-01) with NCWPCS MLP 35 – Year Sites Tower Holdings, LLC

Recommendation(s)

That the City Council and CSD:

1. Authorize the City Manager/Executive Director of the Moreno Valley CSD to execute a Second (2nd) Amendment to the Telecommunications Lease Agreement with Licensee, NCWPCS MLP 35- YEAR SITES TOWER HOLDINGS, LLC, a Delaware limited liability company, by and through its Attorney In Fact, CCATT LLC, a Delaware limited liability company, to extend the renewal terms with the Licensee, for an additional eight (8) five-year (5-year) terms at the beginning rates of \$4,526.76 per month for rent and \$160.47 per month for graffiti removal and landscape maintenance fee, each to be adjusted annually by CPI or 3%, whichever is greater, per the terms of the 2nd Amendment; and,
2. Authorize the expansion of the Telecommunications Licensed Area, ground space or Premises, located at 13156 Lasselle Street, Moreno Valley, CA 92553, known as Weston Park, by 430 square feet of contiguous land space as more specifically identified on the Site Plan, per the terms of the 2nd Amendment, identified as Second Additional License Area; and,

3. Allow Licensee to sublicense to Sublicensee, T-Mobile or an affiliate or subsidiary ("TMO Sublicensee"), a portion of the Premises, as expanded to TMO Sublicensee for the installation/maintenance/operation of a wireless communications facility thereon in return for a separate revenue share of rents for Sublicensee at a rate of fifty percent (50%) of the rents collected by Licensee from Sublicensee, payable to the Licensor (City) for rent associated with Sublicensee's use of the Telecommunications Cell Site Premises or Premises, as expanded, at 13156 Lasselle Street, Moreno Valley, CA 92553, known as Weston Park. Licensee to inform Licensor of Sublicensee Agreement/Arrangement, including rental amounts and terms at least annually upon such subleasing agreement/arrangement; and

4. Authorize the City Manager/Executive Director of the Moreno Valley CSD and/or their designee to submit necessary budget adjustments as applicable.

SUMMARY

Staff recommends that the City Council and the City Council in their capacity as the Board of Directors of the Moreno Valley Community Services District (CSD), hereafter referred to as "City", (Licensor) authorize the City Manager and the City Manager in their capacity as Executive Director of the Moreno Valley Community Services District to enter into (execute) the Second Amendment to the Telecommunications License Agreement ("2nd Amendment") with Licensee, NCWPCS MLP 35 – Year Sites Tower Holdings, LLC, to extend the renewal terms of the Telecommunications License Agreement with the Licensee for an additional eight (8), five (5) year renewal periods at the adjusted rental and maintenance fee rates, which includes annual adjustments of CPI or 3%, whichever is greater, for each fee rate per the terms of the 2nd Amendment, allow for expansion of the present license/lease area (premises) by 430 square feet, which is more specifically identified in the 2nd Amendment, and allow Licensee to sublicense/sublease a portion of the license/leased premises to national broadband carrier T-Mobile or an affiliate or subsidiary, referred to in the 2nd Amendment as "TMO Sublicensee". Licensee will collect and submit with their monthly rents to Licensor a separate revenue share of rents collected from Sublicensees/Subtenants paid to Licensee and Licensee shall then remit to Licensor a portion of those rents at a rate of fifty percent (50%) of the rents collected by Licensee from Sublicensee(s)/Subtenant(s) for use of improvements and/or premises at the existing cell facility located on the property at, 13156 Lasselle Street, Moreno Valley, CA 92553, known as Weston Park.

DISCUSSION

Representatives with Licensee, NCWPCS MLP 35 – Year Sites Tower Holdings, LLC, the current successor/assigned, met with Parks and Community Services staff to review and discuss their request to extend the renewal terms of the Telecommunications License Agreement associated with the cell site located at the Premise, 13156 Lasselle Street, Moreno Valley, CA 92553, known as Weston Park, for an additional eight (8), five (5) year renewals periods with rental rates and maintenance fees to be increased annually each August 1st at a rate of either CPI based on the Riverside-San Bernardino-Ontario Index

CPI (U) all items for 12 months or 3%, whichever is greater.

Licensee also requests, per this 2nd Amendment, to expand the License Area (identified in the 2nd Amendment as Second Additional License Area) by 430 square feet of license/lease land space contiguous to the existing License/Lease land area, (existing Premises), which is more particularly described in the 2nd Amendment.

Further, Licensee requests, per this 2nd Amendment, to sublicense/sublease a portion of the Premises and/or Second Additional License Area to broadband carrier, T-Mobile or an affiliate or subsidiary (“TMO Sublicensee”) for purposes of installation, maintenance and replacement of equipment, antennas, cables, fiber, and related accessories, and operation of a wireless communications facility on the Premises with the understanding that a revenue share of 50% of monthly rents paid by sublicensee/subleasee to Licensee will be remitted to Licensor (revenue share) of the rents paid by sublicensee(s)/subleasee(s) to Licensee that has entered into a sublease or license with Licensee for the use of the Improvements on or after the Effective Date of the Second Amendment.

Due to increased demand for telecommunications services, resulting from the proliferation of various personal communication devices making use of cellular tower facilities necessary to meet consumer demand. Parks and Community Services found that Service providers are in continued need of sites to operate cellular facilities and are willing to work with other broadband carriers to accommodate the public’s service needs. The original executed Telecommunications Lease Agreement (“Agreement”) was entered into with New Cingular Wireless PCS, LLC, a Delaware limited liability company, dated August 8, 2008, and whereas NCWPCS MLP 35 – Year Sites Tower Holdings, LLC is the current Licensee\Lessee under the Agreement as successor in interest to the Original License\Lease Agreement, which is allowed per Section 13 of the Agreement for subsidiaries and, whereas under the Original Lease Agreement, section two, Lessee may only with Licensor permission, sublicense to an unaffiliated carrier the right to sublease within the premises the cell facility to another communication provider and will provide compensation monthly to the Licensor for additional rents from sublicensee as paid by Licensee to Licensor.

All terms of the Original Telecommunications Agreement, entered on August 8, 2008, and a First Amendment Agreement, which was entered into on July 29, 2022, will remain in full force and effect, except for those portions modified by this Second (2nd) Amendment to expand the term of the License Agreement for eight (8) additional five-year terms, starting from the Commencement Date. Commencement Date to be August 1, 2024, at the Licensee monthly rental rate of \$4,526.76, per month, and Maintenance Fee of \$160.47 per month, both rental and maintenance fee to be increased annually on the anniversary of the Commencement Date by CPI, based on the Riverside-San Bernardino-Ontario Index CPI (U) all items for 12 months, or 3%, whichever is greater, and Licensee shall with written consent to Licensor, sublicense/sublease to applicable Sublicensees/Subtenants and compensate Licensor with a 50% revenue share of rents collected by Licensee in the month following collection by Licensee.

ALTERNATIVES

- 1. Approve the recommendations as outlined on this Staff Report. *Staff recommends this alternative as it would result in the potential for additional revenue to the City.*
- 2. Do not approve the recommendations as outlined on this Staff Report. *Staff does not recommend this alternative as it would result in a loss of potential revenue to the City.*

FISCAL IMPACT

There is no need to request a budget adjustment at this time. Below is a summary of the anticipated revenue under this Second (2nd) Amendment.

At a minimum, Licensee will pay \$4,526.76 per month for rents and \$160.47 per month for Maintenance Fee for the 1st year and thereafter those amounts will increase by a minimum of 3% or CPI, whichever is higher. This will result in an increase in the monthly rental and maintenance fee for the facility; the revenues of which will be credited to Zone A Parks.

Minimum Revenue (1 st Year)	
Rental (Account No. 5011-50-57-35210-463080).....	\$54,321.12
Maintenance (Account No. 5011-50-57-35210-501000).....	\$ 1,925.64
Total Minimum (1st Year).....	\$56,246.76

NOTIFICATION

Posting of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Sharon Goodale
Management Analyst

Department Head Approval:
Jeremy Bubnick
Director of Parks and Community Services

Concurred By:
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CITY COUNCIL GOALS

Revenue Diversification and Preservation: Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Report Approval Details

Document Title:	STAFFREPORT_PCS_2ND_AMEND_TO_TELCOM_AGMT_WESTON PARK.docx
Attachments:	- Attachment A_2nd Amendment.pdf - Attachment B_1st Amendment Fully Executed.pdf - Attachment C_Original Agreement._Executed.pdf
Final Approval Date:	Nov 12, 2024

This report and all of its attachments were approved and signed as outlined below:

Jeremy Bubnick

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