

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

September 26, 2023

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department

LYNN FYHRLUND, Chief Information Officer, Innovation and Technology Department

SUBJECT

License Amendment with GTP Acquisition Partners II, LLC for Rack and Antenna Space in Lake Havasu, Arizona

RECOMMENDATION(S)

1. Find that approval of Amendment No. 2 to License Agreement No. 06-841 with GTP Acquisition Partners II, LLC for rack and antenna space is an exempt project under the California Environmental Quality Act Guidelines Section 15301 – Existing Facilities (Class 1).
2. Approve the Real Estate Services Department's use of an alternative procedure in lieu of a Formal Request for Proposal as allowed per San Bernardino County Policy 12-02 – Leasing Privately Owned Real Property for County Use, to extend the term of the License two years, for the period of September 1, 2026 through August 31, 2028, and add three, five-year automatic options to extend the term of the License, for a potential aggregate term of 37 years, for the Innovation and Technology Department.
3. Approve Amendment No. 2 to License Agreement No. 06-841 with GTP Acquisition Partners II, LLC, to provide for the addition of four antennas to San Bernardino County's antenna array on the GTP Acquisition Partners II, LLC-owned antenna tower, adjust the license fee schedule effective October 1, 2023, decrease the annual license fee adjustment rate to three percent annually, provide for the payment of an annual generator fee by San Bernardino County, and for the use of rack and antenna space at the Crossman Peak Communication Site in Lake Havasu, Arizona, all for the additional amount of \$484,958, which includes utility costs, and to extend the term of the License by two years, for the period of September 1, 2026 through August 31, 2028, with three, five-year automatic options to extend the term of the License, for a total contract period of September 1, 2006 through August 31, 2043.
4. Direct the Clerk of the Board of Supervisors to file and post the Notice of Exemption for the project as required under the California Environmental Quality Act.
(Presenter: Terry W. Thompson, Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The total cost of Amendment No. 2, for the period from September 1, 2023 through August 31, 2028, is \$484,958. Other costs associated with License Agreement No. 06-841

**License Amendment with GTP Acquisition Partners II, LLC for Rack and Antenna Space in Lake Havasu, Arizona
September 26, 2023**

(License) include an annual electrical power generator fee, which will be paid from the Innovation and Technology Department (ITD) Telecommunication Services budget. Sufficient appropriation is included in the 2023-24 ITD budget and will be included in future recommended budgets. Annual license fees are as follows:

<u>Period</u>	<u>License Fee</u>	<u>Utility Costs</u>
September 1, 2023 – September 30, 2023	*\$1,899	**(\$0)
October 1, 2023 – August 31, 2024	***\$81,630	***\$3,300
September 1, 2024 – August 31, 2025	\$91,722	\$3,600
September 1, 2025 – August 31, 2026	\$94,473	\$3,600
September 1, 2026 – August 31, 2027	\$97,307	\$3,600
September 1, 2027 – August 31, 2028	<u>\$100,227</u>	<u>\$3,600</u>
Total Cost	\$467,258	\$17,700

*Increased license fee for September due to automatic term extension.

**Utility cost of \$75 for this period is included in the license fee per the terms of the License.

***11-month period

BACKGROUND INFORMATION

On August 8, 2006 (Item No. 28) the Board of Supervisors (Board) approved the three-year License with GTP Acquisition Partners II, LLC (GTP) for antenna tower space and equipment shelter space at Crossman Peak Communication Site (Crossman) in Lake Havasu, Arizona. The License included two, three-year term extensions that occur automatically unless the County provides written notification that the term will not extend, at least 60-days prior to the commencement date of the new term. Following the two, three-year term extensions, the License continued on a permitted month-to-month term for the period of September 1, 2015 through December 31, 2015.

On December 15, 2015 (Item No. 44) the Board approved Amendment No. 1, that extended the term of the License two years and eight months, added one automatic five-year and one automatic three-year option, and increased the annual license fee adjustment rate to 4% per year. On September 1, 2018, the License term was automatically extended through August 31, 2023. On September 1, 2023, the License term was automatically extended through August 31, 2026, and which extension triggered an increase of 4% of the license fee for the 30-day period of September 1, 2023 through September 30, 2023.

ITD initiated a project to reconfigure its radio and microwave antenna array at Crossman to improve emergency radio communications and microwave connectivity along the Colorado River corridor. ITD requested the Real Estate Services Department (RESO) to engage GTP to prepare an amendment providing for the addition of four antennas to the GTP-owned antenna tower at Crossman. The additional antennas are needed to increase the power to transmit and receive transmission. Negotiations with American Towers, Inc., the appointed Crossman site management firm, produced the amendment referenced in Recommendation No. 2 which accomplishes ITD's request.

The project to approve Amendment No. 2 to the License with GTP was reviewed pursuant to the California Environmental Quality Act (CEQA) and determined to be categorically exempt under Guidelines Section 15301 – Existing Facilities (Class 1) because approval of a license agreement for existing facilities is an exempt activity under CEQA. There is no possibility that

**License Amendment with GTP Acquisition Partners II, LLC for Rack and Antenna Space in Lake Havasu, Arizona
September 26, 2023**

the licensing of the subject property will have a significant effect on the environment; therefore, the activity is exempt from the provisions of CEQA.

Summary of License Terms

Licensors:	GTP Acquisition Partners, II
Location:	Crossman Peak Communication Site in Lake Havasu, Arizona
Size:	Rack and Antenna Space
Term:	September 1, 2006, through August 31, 2028
Options:	Three, five-year automatic options to extend the term unless the County provides written notice to terminate at least 60 days prior to each automatic option term
Rent:	Monthly: \$7,421, commencing on October 1, 2023 Annual: \$89,050 *High-range for comparable facilities in the Lake Havasu, Arizona area due to the limited availability of space and cost of development for highest and best radio signal pathway and distance; a competitive set analysis is on file with RESD
Annual Increases:	3%
Improvement Costs:	Provided by County
Maintenance:	Provided by County for County's radio equipment and antennas; provided by Licensee for Licensee's equipment shelter and tower
Utilities:	Provided by Licensors for electric but reimbursed by County through a provision of the License
Insurance:	The Certificate of Liability Insurance, as required by the License, is on file with RESD
Right to Terminate:	County has the right to terminate with 60-days' written notice prior to each renewal

PROCUREMENT

On August 6, 2006 (Item No. 28), the Board approved the License, which was procured according to an Exception to County Policy 12-02 – Leasing Privately Owned Real Property for County Use (Policy 12-02) via an alternative procedure process.

The Policy Exception provides that the Board may approve the two-year term extension and the addition of three, five-year automatic options to extend the term of the License through the use of an alternative procedure instead of a formal Request for Proposal (RFP) process, whenever

**License Amendment with GTP Acquisition Partners II, LLC for Rack and Antenna Space in Lake Havasu, Arizona
September 26, 2023**

the Board determines that compliance with the formal RFP requirements would unreasonably interfere with the financial or programmatic needs of the County, or when the use of an alternative procedure would otherwise be in the best interest of the County. RESD, acting as the delegated agent of the County Administrative Office completed a competitive analysis of comparable properties and found the proposed rental rate to be competitive. This site best meets the anticipated long-term requirements of ITD in the Lake Havasu, Arizona area for the Public Safety Radio Communication system, and if the options are exercised, would minimize disruption to ITD's operations and save moving costs. RESD requests the Board approve the alternative procedure for the two-year term extension and the addition of three, five-year automatic options to extend the term of the License.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, Deputy County Counsel, and Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on August 31, 2023; Innovation and Technology (Tim Trager, Chief of Public Safety Communications Division, 388-5563) on August 31, 2023; Purchasing (Michelle Churchill, Supervising Buyer, 387-2070) on September 1, 2023; Finance (Ivan Ramirez, Administrative Analyst, 387-4020, and Garrett Baker, Administrative Analyst, 387-3077) on September 11, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on September 11, 2023.

(KB: 677-7961)

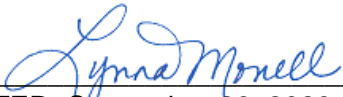
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Record of Action of the Board of Supervisors
San Bernardino County

OFF CALENDAR

Moved: Joe Baca, Jr. Seconded: Jesse Armendarez
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: September 26, 2023



cc: File - Real Estate Services
JLL 10/12/2023