

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

December 17, 2019

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department

LARRY AINSWORTH, Interim Chief Information Officer, Information Services Department

SUBJECT

Amendment No. 2 to License Agreement with American Tower Management, LLC for Antenna Space for the Information Services Department at Searchlight Communication Site Near Searchlight, Nevada

RECOMMENDATION(S)

1. Approve the Real Estate Services Department's use of an alternative procedure in lieu of a Formal Request for Proposals as allowed per County Policy 12-02 – Leasing Privately Owned Real Property for County Use, to modify installed equipment by adding one antenna with additional license fees to commence on the earlier of equipment installation or January 1, 2020, extend the term of License Agreement No. 05-19 for five years for the period of January 1, 2020 to December 31, 2024, following a permitted holdover from December 1, 2019 to December 31, 2019, adjust the license fees for the extended term, and add three five-year automatic options to extend the term of the License with American Tower Management, LLC (an aggregate term of 35 years if all extension options are exercised).
2. Approve **Amendment No. 2 to License Agreement No. 05-19** with American Tower Management, LLC to modify installed equipment by adding an antenna with additional license fees to commence on the earlier of equipment installation or on January 1, 2020, extend the term of the license agreement for the period of January 1, 2020 through December 31, 2024, following a permitted one-month holdover for the period of December 1, 2019 through December 31, 2019, adjust the license fees for the extended term, and add three five-year automatic options to extend the term of the license at Searchlight Communication Site near Searchlight, Nevada for the Information Services Department in the total amount of \$379,297 for the period December 1, 2019 through December 31, 2024.
(Presenter: Terry W. Thompson, Director, 387-5252)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

Pursue County Goals and Objectives by Working with Other Agencies.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The total cost of this five-year amendment is \$379,297, reflecting an increase of \$360 per month in license fees, commencing on the earlier of equipment installation or January 1, 2020, for one new antenna, along with a one-time structural and site inspection fee charged by American Tower Management, LLC in the amount of \$3,500, and a 3% annual adjustment in the rental rate for the extended term. License fees will be paid from the Information Services

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Department (ISD) Telecommunication Services fund (1200304020). Sufficient appropriation is included in the 2019-20 adopted budget and will be included in future recommended budgets. Annual license costs are as follows:

<u>Period</u>	<u>Annual License Cost</u>
December 1, 2019 – December 31, 2019	\$ 8,953*
January 1, 2020 – December 31, 2020	\$ 69,756
January 1, 2021 – December 31, 2021	\$ 71,849
January 1, 2022 – December 31, 2022	\$ 74,004
January 1, 2023 – December 31, 2023	\$ 76,224
January 1, 2024 – December 31, 2024	\$ 78,511
Total Cost	\$ 379,297

*Cost includes a one-time Structural and Site Inspection fee of \$3,500.

BACKGROUND INFORMATION

The recommended action will amend an existing license agreement with American Tower Management, LLC (AT) to modify installed equipment by adding an additional antenna on the AT-owned antenna tower located near Searchlight, Nevada with additional license fees to commence on the earlier of equipment installation or on January 1, 2020, extend the term of license for five years for the period of January 1, 2020 through December 31, 2024, following a permitted one-month holdover for the period of December 1, 2019 through December 31, 2019, adjust the license fees for the extended term, and add three five-year options to extend the term of the license.

On January 11, 2005 (Item No. 38), the Board of Supervisors (Board) approved a five-year License Agreement, No. 05-19, with two five-year automatic options to extend the term of the license, with AT for antenna and rack space at Searchlight Communication Site (SCS) near Searchlight, Nevada. The original term of the license was for the period of December 1, 2004 through November 30, 2009. The license provides that the two five-year options to extend the term of the license are automatically exercised unless the County provides notice to AT to terminate the license at least 180 days prior to the expiration of the then current term.

The agreement was automatically extended under the provisions of the license for the first of two five-year options to extend the term on December 1, 2009. The license was again automatically extended for the second of two five-year options on December 1, 2014. In the 15 years since the license was originally approved, the Board has approved one Amendment providing for the placement of three additional antennas.

<u>Amendment No.</u>	<u>Approval Date</u>	<u>Item No.</u>
1	March 28, 2017	44

ISD requested the Real Estate Services Department (RESA) negotiate an amendment to the license to provide for the placement of one omnidirectional antenna. As part of the County initiative to identify the potential to control existing cell tower sites and attract co-locators for income streams, RESA took the opportunity to investigate this site. It was determined that because the site is located outside of County boundaries and in another state, it is not

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recommended to pursue control of this location. Doing so would present logistical disadvantages and subject the County to a different legal jurisdiction. This site is the only available location that can provide reliable coverage for the mountains between the California/Nevada border and Nipton, as well as beyond into the eastern desert region.

Amendment No. 2 to License Agreement No. 05-19 will provide for the modification of installed equipment with the addition of one omnidirectional antenna on the Licensor-owned antenna tower located near Searchlight, Nevada with additional license fees of \$360 per month to commence on the earlier of equipment installation or January 1, 2020, the extension of the term of the license five years for the period of January 1, 2020 through December 31, 2024, following a permitted one-month holdover for the period of December 1, 2019 through December 31, 2019, the adjustment of the license fees for the extended term, and the addition of three five-year automatic options to extend the term of the license.

Summary of License Terms

Licensor:	American Tower Management, LLC
Location:	Searchlight Communication Site, near Searchlight, Nevada
Size:	Antenna and rack space
Term:	Five years, commencing on the earlier of equipment installation or January 1, 2020, following a permitted month-to-month holdover for the period of December 1, 2019 through December 31, 2019.
Options	Three five-year options to extend the term
Rent:	\$69,756 for the first year, plus a one-time \$3,500 Structural and Site Inspection fee
Annual Increases:	3%
Improvement Costs:	Provided by County
Maintenance:	Provided by Licensor for the tower and equipment shelter plus fencing; Provided by County for antennas
Utilities:	Provided by County
Insurance:	The Certificate of Liability Insurance, as required by the license, is on file with RESD
Right to Terminate:	The County has no right to terminate except with 180 days' notice prior to the expiration of an extended term.

PROCUREMENT

**Amendment No. 2 to License Agreement with American Tower Management, LLC for Antenna Space for the Information Services Department at Searchlight Communication Site Near Searchlight, Nevada
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On January 11, 2005 (Item No. 38), the Board approved a five-year License Agreement, No. 05-19, with two five-year automatic options to extend the term, procured using an alternative procedure process as provided in County Policy 12-02 – Leasing Privately Owned Real Property

for County Use (Policy) as this was the only viable site for communication equipment in the Searchlight, Nevada area. Extending the term of the license for five years and adding three five-year options to extend the term of the license would normally require a formal Request for Proposal. However, the Policy also provides that the Board may approve the use of an alternative procedure to the formal RFP process whenever 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. The Policy also requires a thorough and detailed review by the County Administrative Office or designee to validate the need for and provide a competitive analysis of a license with a term of more than 20 years. Extending the term by five years will result in an aggregate term of 20 years and one month. If the three five-year options to extend the term of the license are exercised, the aggregate term of license will be 35 years.

RESO completed a competitive analysis of the market and found the current license fees to be competitive. In addition, this is the only viable site for communication equipment in the Searchlight, Nevada area. Therefore, RESO requests the Board's approval to extend the term of the license for five years for the period of January 1, 2020 through December 31, 2024, following a permitted one-month holdover for the period of December 1, 2019 through December 31, 2019 and add three five-year options to extend the term of the license without the use of a formal RFP process.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Agnes Cheng, Deputy County Counsel, 387-5436 and Bonnie Uphold, Deputy County Counsel, 387-5487) on November 21, 2019; ISD (Tim Trager, Chief Public Safety Communications Division, 388-5563) on November 20, 2019; Purchasing (Michelle Churchill, Buyer III, 387-2070) on November 21, 2019; Finance (Monique Amis, Administrative Analyst, 387-4883 and Joon Cho, Administrative Analyst, 387-5402) on December 2, 2019; and County Finance and Administration (Katrina Turturro, Deputy Executive Officer, 387-3076) on December 2, 2019.

(JAG: 677-8210)

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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales

Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: December 17, 2019



cc: RESD- Thompson w/agree for sign
Contractor- C/O RESD w/agree
File- w/agree
la 12/23/2019