



Agenda Report

Fullerton City Council

MEETING DATE: NOVEMBER 19, 2024

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: SUNAYANA THOMAS, DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT

PREPARED BY: TAYLOR SAMUELSON, SENIOR ADMINISTRATIVE ANALYST

SUBJECT: LEASE AGREEMENT WITH T-MOBILE WEST LLC FOR CELLULAR TOWER OPERATION AND MAINTENANCE AT 312 EAST COMMONWEALTH AVENUE

SUMMARY

T-Mobile West LLC (T-Mobile) seeks a 253 square-foot cellular tower land lease on an existing monopole system at the Fire Department Headquarters Facility at 312 East Commonwealth Avenue.

PROPOSED MOTION

1. Approve lease agreement with T-Mobile West LLC for operation and maintenance of a cellular monopine tower site located at 312 East Commonwealth Avenue, Parcel No. 033-091-21.
2. Authorize City Manager to execute and administer the lease agreement on behalf of the City of Fullerton, in a form approved by the City Attorney.

ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Do not approve lease agreements and provide further direction to staff
- Other options brought by City Council.

STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

CITY MANAGER REMARKS

The City Manager recommends approval of the Cellular tower lease.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Infrastructure and City Assets.

FISCAL IMPACT

Staff anticipates the T-Mobile lease agreement would generate \$57,963.33 General Fund revenue in year one, an increase of about \$6,610 over the prior lease. The lease agreement has an initial five-year term commencing on December 11, 2023 and three five-year automatic renewals. Termination requires six month written notice. The lease rate increases three percent annually. Rates align with California Department of General Services (CADGS) standard lease rates for government owned facilities.

The prior lease expired December 2021 and T-Mobile continued to operate on a month-to-month basis. The new lease would generate approximately \$6,610 more annually.

BACKGROUND AND DISCUSSION

The City of Fullerton engages with cell service providers on City owned property leases relating to network infrastructure. This City first generated this lease based on discussions with T-Mobile following the previous lease expiration.

The lease does not significantly modify or expand the existing cell tower system. Community and Economic Development and Fire Department staff approached T-Mobile to consider a more decorative shell for the system. The costs to generate this would prove prohibitive for the tenant so the existing format will remain.

The City calculates lease rates based on CADGS standardized lease telecom rate guidelines. The proposed structure falls under a prime urban minicell category for facilities with four to eight antennas in a US Census designated urban area. The agreement proposes a five-year term and three five-year optional renewals thereafter. Staff continues to pursue lease agreements that align with market rate standards that scale to other potential telecom operators.

Attachments:

- Attachment 1 – Telecom Agreement and Plans

cc: City Manager Eric J. Levitt