



Agenda Report

Fullerton City Council

MEETING DATE: AUGUST 2, 2022

TO: CITY COUNCIL / SUCCESSOR AGENCY

REVIEWED BY: ERIC LEVITT, CITY MANAGER

SUBMITTED BY: KELLEEE FRITZAL, CONSULTANT / SPECIALIST
TAYLOR SAMUELSON, ADMINISTRATIVE ANALYST II

SUBJECT: APPROVAL OF CELL TOWER LEASE AGREEMENTS
FOR 2011 NORTH ACACIA AVENUE AND 3151 NORTH
EUCLID STREET FOR DISH WIRELESS

SUMMARY

Dish Wireless LLC (Dish) seeks a lease agreement for their cellular tower site at the Hubert C. Ferry Reservoir site located at 2011 North Acacia Avenue and a monopole cell tower at 3151 North Euclid Street, A. The Agreement is for an initial ten-year period with two automatic five-year renewal terms. Dish utilizes existing cellular equipment that other carriers abandoned. Dish cannot modify the site without prior City approval.

STAFF RECOMMENDATION

1. Approve lease agreements with Dish Wireless LLC for their operation and maintenance of cellular tower sites located at 2011 North Acacia Avenue and 3151 North Euclid Street, A.
2. Authorize City Manager to execute lease agreements on behalf of the City of Fullerton, in a form approved by the City Attorney.

ALTERNATIVE RECOMMENDATION

Do not approve the two Lease Agreements and provide direction to staff.

PRIORITY POLICY STATEMENTS

This item matches the following Priority Policy Statement:

- Fiscal and Organizational Stability.

FISCAL IMPACT

The City will receive approximately \$72,000 annually with a total revenue projection of \$864,440 over the initial ten-year term of the lease, assuming an annual four-percent Consumer Price Index (CPI) adjustment. True CPI escalators will determine the actual revenue for each year of the contract. The agreement assigns a minimum two percent and maximum four percent annual CPI adjustment, which varies based on market trends. Both leases will provide consistent revenue over the lifetime of the agreements.

DISCUSSION

Background

The City of Fullerton regularly engages with cell service providers on City owned property leases relating to network infrastructure. This item establishes leases for two cell sites which provide service for the community from Dish Wireless LLC. Modifications to any of the sites would undergo a relevant permitting process and ensuring modifications remain in-line with approved usage for the locations.

2011 North Acacia Avenue – This site is also known as the Hubert C. Ferry Reservoir and hosts an antenna system northeast of a large water reservoir tank. An existing Community Antenna Television (CATV) site sits on this property which holds a lease agreement with the City.

3151 North Euclid Street, A – This site is located adjacent of Euclid Street, just south of the intersection of West Country Hills Road. Cellular infrastructure sits northeast of several water tanks. The existing infrastructure consists of cellular monopole systems.

Staff has verified all equipment will not interfere with any water departments operations on both sites for the leases.

The agreements include provisions for two automatic additional five-year renewal terms following the completion of the initial ten-year term, unless Dish Wireless delivers written notice of termination at least six months prior to the end of the initial ten-year term or the then existing first five-year renewal term. The terms of any renewal would not change the CPI factors for annual rent escalations.

Attachments:

- Attachment 1 – Lease Agreement for 2011 North Acacia Avenue
- Attachment 2 – Lease Agreement for 3151 North Euclid Street, A