



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Oat Mountain Lease Agreement

- 1) Motion authorizing the City Manager, or his designee, to execute a ten-year lease agreement between the City of Glendale and the State of California in the amount of \$306,773 for the City's use of the State's radio site on Oat Mountain, with two five-year renewal options.

COUNCIL ACTION

Item Type: Consent Calendar

Approved for August 10, 2021 **calendar**

ADMINISTRATIVE ACTION

Submitted by:

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Prepared by:

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Reviewed by:

John Takhtalian, Deputy City Manager
Michele Flynn, Director of Finance
Michael J. Garcia, City Attorney

Approved by:

Roubik R. Golanian, P.E., City Manager

RECOMMENDATION

It is recommended that the City Council approve the Motion authorizing the City Manager, or his designee, to execute a ten-year lease agreement between the City of Glendale and the State of California in the amount of \$306,773 for the City's use of the State's radio site on Oat Mountain, with two five-year renewal options.

BACKGROUND/ANALYSIS

In 2001, during the needs assessment for the new City radio system, staff identified a requirement for communications in the Santa Clarita and Simi Valleys for units travelling in those areas, and to contact Police and Fire employees at their residences during a wide-scale incident (i.e. natural disaster, civil unrest, homeland security alert, etc.). To address this need for radio coverage, in 2002, the Council authorized the City to lease space from the State of California for use of the State's radio site on Oat Mountain. This site provides radio coverage in the area for Glendale employees, including first responders, and is also leveraged by Interagency Communications Interoperability (ICI) system users. The current lease is set to expire at the end of August 2021.

The City's lease of the State's radio site at Oat Mountain, if approved, will cost \$26,760 in year one with 3% annual increase for a total not to exceed \$306,773 over the ten-year term. The lease rates were developed by California Office of Emergency Services (Cal OES) and was based on the fair market value for radio sites, then discounted 50% as the City qualifies as a first responder.

To offset this cost, the City will be leasing space at Mount Thom under a separate agreement to the State that allows the State to occupy a portion of the City's radio site on Mount Thom. This provides vital radio coverage for the California Highway Patrol in the service area of the Altadena Area Office. The State's lease of space at the City's radio site at Mount Thom will provide \$40,308 in revenue to the City in year one with 3% annual increase for a total revenue of \$214,001 over the five-year lease term. After five years, it is highly likely that the State will continue to lease space at Mount Thom as it is very expensive to relocate a radio site and risk an interruption in radio coverage. An additional five years would bring in an additional revenue of \$248,085, for a total revenue of \$462,086 (\$214,001 + \$248,085). If that is the case, then the net revenue to the City over a 10-year period would be \$155,313 (\$462,086 – \$306,773).

FISCAL IMPACT

The City's cost for the Oat Mountain Lease Agreement is \$2,230 per month with an annual 3% escalation rate. The cost for the remaining 10 months for the current fiscal year FY 21-22 for year one of the lease equates to \$22,300, and can be absorbed in the FY 21-22 ISD Wireless Fund Budget, Account 47180-6600-ISD-5500-P0000-T0000-F0000-0000-0000. Funds for the remainder of the lease, including the two five-year renewal options, will be budgeted and approved by the City Council as part of the annual citywide budget process.

ALTERNATIVES

Alternative 1: City Council may choose to approve the attached motion authorizing the City Manager, or his designee, to execute a lease agreement between the City of Glendale and the State of California for the City's use of the State's radio site on Oat Mountain.

Alternative 2: City Council may choose not to approve the attached motion authorizing the City Manager, or his designee, to execute a lease agreement between the City of Glendale and the State of California for the City's use of the State's radio site on Oat Mountain. The City of Glendale and other Interagency Communications Interoperability (ICI) System users would lose radio coverage in the Santa Clarita and San Fernando Valleys until another suitable location could be found, likely at an increased cost to the City in addition to the cost incurred in moving the radio site.

Alternative 3: Council may consider any other alternative not currently proposed by staff.

CAMPAIGN DISCLOSURE

Not applicable.

EXHIBITS

None.