



Midpeninsula Regional
Open Space District

R-18-78
Meeting 18-28
July 11, 2018

AGENDA ITEM 3

AGENDA ITEM

Extension to the American Tower L.P. License Agreement for Continued Use of Coyote Peak Radio Tower

GENERAL MANAGER'S RECOMMENDATION *den*

Authorize the General Manager to approve a five-year extension of an existing license agreement with American Tower, L.P., with three additional renewal periods of five years each, totaling twenty years, for continued use of the Coyote Peak Radio Tower. The cost for the first year of the license agreement will be \$23,187.36 (August 1, 2018 to July 31, 2019), with an annual escalator of 3% effective each August 1 during the extension term and all renewal terms.

SUMMARY

In September 2007, the Midpeninsula Regional Open Space District (District) entered into a license agreement with American Tower, L.P. for use of the Coyote Peak Radio Tower to provide critical radio coverage for the District's radio system. The license was for one year, with ten additional periods of one year each. The ten extensions have been exercised, and the final extension expires July 31, 2018. An initial amendment to the license agreement was executed in October 2011 to modify the type of equipment housed in the tower that accommodated the District's Radio Improvement Project. A second amendment would provide a five-year extension of the license agreement, with three additional renewal periods of five years each, totaling twenty years, to ensure ongoing stability of the District's radio system. The current budget includes sufficient funds for costs incurred in Fiscal Year (FY) 2018-19 (calculated at \$23,131.08). Future budgets would include fund allocations that increase 3% per year.

DISCUSSION

The District's radio system is an essential tool to ensure public safety and effective internal communications. It must be functional and reliable at all times. The District's radio system covers a broad and diverse geographic area utilizing a set of five repeaters that are located based upon requirements for coverage area and proximity to other repeaters (Attachment 1).

The extensive design, planning, engineering, and implementation of the District's radio communication system determined the location and coverage area for each repeater. Every repeater tower is critical and cannot be replaced, or the equipment relocated, without redesigning the entire system and reprogramming all of the radios in the District. The tower on Coyote Peak provides radio coverage in and around the southeast area of the District. While there sometimes may be overlap in radio coverage areas, the Coyote Peak repeater site is essential to the District's system and provides coverage in areas not reachable by any other repeater. Since there are no

other repeater towers available with the same coverage capabilities, this licensor and the recommended agreement is considered a sole-source.

In September 2007, the District entered into a license agreement with American Tower, L.P., for the District's use of a certain portion of the Coyote Peak Radio Tower, described as a critical tower within the District's radio communications system. The license was for one year, with ten additional periods of one year each. The ten extensions have been exercised, and the final extension expires July 31, 2018.

A first amendment to the license agreement was executed in October 2011 to modify the type of equipment housed in the tower and accommodate the District's Radio Improvement Project.

This second recommended amendment provides a five-year extension of the license agreement with three additional renewal periods of five years each, totaling twenty years. Entering into a second amendment with long-term renewal options ensures the longevity and stability of the District's radio system.

Below is a table that shows the monthly costs and annual increases over the last three years of the current license agreement.

Year	Monthly Cost	Annual Increase
Aug 1, 2015 to July 31, 2016	\$1735.00	N/A
Aug 1, 2016 to July 31, 2017	\$1804.00	4%
Aug 1, 2017 to July 31, 2018	\$1876.00	4%

While the cost for licenses at radio repeater sites will vary based on location and demand, to provide comparison, the licensors and the monthly costs for the two repeaters that the District leases from commercial vendors are listed below. The District owns the other two radio repeater towers in the system.

Tower	Vendor	Monthly Cost
Mt. Umunhum	Communication and Control	\$1172
Pise Peak	Pinnacle	\$1852

FISCAL IMPACT

There are sufficient funds in the Land and Facilities Services Department Support Services budget to cover the costs of the repeater site lease in Fiscal Year (FY) 2018-19. The current monthly cost is \$1,876.00 through July 31, 2018. Starting on August 1, 2018, the monthly cost would not to exceed \$1,932.28 for the first year of the agreement. Annual costs thereafter would increase 3% effective each August 1 for the duration of the initial extension term and all renewal terms. The District was able to negotiate the annual escalator with American Tower, L.P., down from 4% to 3%, resulting in a total savings of \$2,485.38 for the first five years of the agreement. The total savings will be \$67421.98 if the District chooses to exercise all of the renewal terms.

Future annual funding will not exceed the amounts below.

Fiscal Year	Month(s)	Monthly Cost	Number of Months	Annual Cost
FY2018-19	July 2018	\$1,876.00	1	\$23,131.08
	August 2018 to June 2019	\$1,932.28	11	
FY2019-20	July 2019	\$1,932.28	1	\$23,825.01
	August 2019 to June 2020	\$1,990.25	11	
FY2020-21	July 2020	\$1,990.25	1	\$24,539.76
	August 2020 to June 2021	\$2,049.96	11	
FY2021-22	July 2021	\$2,049.96	1	\$25,275.96
	August 2021 to June 2022	\$2,111.45	11	
FY2022-23	July 2022	\$2,111.45	1	\$26,034.23
	August 2022 to June 2023	\$2,174.80	11	
Five-year Total				\$122,806.05

BOARD COMMITTEE REVIEW

This item was not previously reviewed by a Board Committee.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

This item is not a project subject to the California Environmental Quality Act.

NEXT STEPS

If approved by the Board, the General Manager will enter into a second amendment with American Tower, L.P. to provide a five-year extension of the license agreement, with three additional renewal periods of five years each totaling 20 years.

Attachment

1. Map of District Radio Towers

Responsible Department Head:

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Map of District Repeater Locations

Below is a map that shows the locations of the District radio repeaters. Coyote Peak Tower is located in the lower right side of the map.

