

**TRANSMITTAL**

TO Council	DATE 7/5/18	COUNCIL FILE NO.
FROM Municipal Facilities Committee		COUNCIL DISTRICT 4

At its meeting held on June 28, 2018, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize GSD to negotiate and execute a new lease agreement between the City and the California Highway Patrol (CHP) for the continued use of the Mount Lee Communication Center facilities located at 3800 Mount Lee Drive, for a term of 10 years with three 5-year extension options. The lease rate is approximately \$3,747 per month with 3.5 percent annual escalations. The base revenue generated to the General Fund will be \$44,965 annually which will result in an increase of \$6,210 over the current annual revenue.



Richard H. Lewellyn, Jr.  
City Administrative Officer  
Chair, Municipal Facilities Committee

RHL:MGR:05180156c

# CITY OF LOS ANGELES

CALIFORNIA

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June 28, 2018

Honorable City Council  
City of Los Angeles  
c/o City Clerk  
Room 395, City Hall  
Los Angeles, CA 90012

Attention: John White, Legislative Assistant

## **REQUEST AUTHORIZATION TO NEGOTIATE AND EXECUTE A NEW LEASE AGREEMENT WITH THE STATE OF CALIFORNIA DEPARTMENT OF STATE POLICE – CALIFORNIA HIGHWAY PATROL**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with the State of California (State), Department of State Police – California Highway Patrol (CHP). This new lease will allow for the continued use of the Mount Lee Communication Center (Mt. Lee) facilities located at 3800 Mount Lee Drive, Los Angeles, California for vital telecommunication equipment.

### **BACKGROUND**

The CHP is currently operating their equipment under an existing lease entered into on July 1, 1974 through June 30, 1975. It automatically renews on a year-to-year basis, commencing each February 1 and terminating January 31 of each succeeding year, until such time as either party gives two months written notice to terminate the agreement. Within a shipping container on site, the CHP installed, and currently maintains and operates four full communication racks, two Exposed Dipole Sinclair Antennas, and one Whip antenna. This container also houses equipment for the Los Angeles Unified School District (LAUSD) and the Governor's Office of Emergency Services (Cal OES). They currently pay \$38,755 annually.

The CHP is the largest state police agency in the United States, with more than 10,500 employees, including 7,608 sworn officers. They are a valuable resource to State, regional and local agencies providing supportive law enforcement and other services. The primary mission of the CHP is to ensure safety and enforce traffic laws on all California highways and county roads in unincorporated areas. They work with municipal law enforcement agencies by assisting in investigations, patrol, and other aspects of law enforcement. Continued use of this equipment on Mt. Lee is vital to their ability to function within the Los Angeles region.



Under the current lease, the State sub-leases vault facility space to Cal OES. The sub-lease provision will not carry over to the new State CHP lease as Cal OES will be required to execute a new independent lease with the City for their own equipment.

The proposed lease agreement will contain the following:

**TERMS AND CONDITIONS**

<b>LOCATION:</b>	<b>3800 Mount Lee Dr., Los Angeles, CA 90068</b>
<b>LANDLORD:</b>	<b>City of Los Angeles</b>
<b>USE:</b>	<b>Telecommunication Facilities and Equipment</b>
<b>SQUARE FEET:</b>	<b>N/A</b>
<b>TERM:</b>	<b>10 years</b>
<b>OPTION TERM:</b>	<b>Three five-year options</b>
<b>HOLDOVER OPTION:</b>	<b>Lease option to allow for month-to-month holdover including 3.5% annual increase on lease anniversary date</b>
<b>BASE RENTAL RATE:</b>	<b>\$44,965 Annually (\$3,747/mo.)</b>
<b>ANNUAL INCREASES:</b>	<b>+3.5%</b>
<b>SECURITY DEPOSIT:</b>	<b>N/A</b>
<b>UTILITIES:</b>	<b>N/A</b>
<b>PARKING:</b>	<b>N/A</b>
<b>TENANT IMPROVEMENTS:</b>	<b>N/A</b>
<b>CUSTODIAL SERVICE:</b>	<b>N/A</b>
<b>MAINTENANCE:</b>	<b>Repair and replacement cost of the HVAC unit will be passed through proportionately to all tenants within the container</b>

**LEASE RATE GUIDELINES**

The rates are based on the Telecommunications Lease Rate Guidelines (Matrix) established by the State's Department of Transportation. The Matrix outlines the type of user, lease type, and utilizes U.S. Census Bureau California County Total Population data to establish a rate based on geographical location and type of equipment (number of antennas and square footage of enclosed area). Per the Matrix, the Mt. Lee facility is defined as a Public/Non-Commercial facility, serving emergency and non-emergency users, and utilizes a Telecommunications Vault type lease for Rack and Antenna space(s). The resulting rate based on the Matrix guidelines resulted in annual revenue of \$44,965 (See chart below).


<b>EQUIPMENT</b>	<b>Annual Rate</b>
<b>Radio equipment in the Racks consist of: 4 full racks (@\$10,358.04/rack/yr.)</b>	
One Midland UHF 91-4100B, TX 460.375 / RX465.375 MHz (rack 5)	\$10,358.04
One Midland lowband 71-0110CWB, TX 45.52 / RX 42.78 MHz ( Blue, rack 11)	\$10,358.04
One Midland lowband 71-0110CWB, TX 44.94 /RX 42.54 MHz (Black, rack 10)	\$10,358.04
Undefined Equipment (Rack 9)	\$10,358.04
<b>Antennas:</b>	
2 Exposed Dipole Sinclair Antennas @ \$1,023/yr.	\$2,046.00
WHIP Antenna (Wooden Pole) @ \$1,487/yr.	\$1,487.00
<b>TOTAL:</b>	<b>\$44,965.16</b>

**FISCAL IMPACT**

The annual base revenue generated to the General Fund from this retail location will be \$44,965 (\$3,747/month). This results in an annual increase of \$6,210 (+16%) over the current annual revenue of \$38,755. A rental rate increase will occur annually at the rate of 3.5%.

**RECOMMENDATION**

That the Los Angeles City Council authorizes the Department of General Services to negotiate and execute a new lease with The State of California, Department of State Police – California Highway Patrol at Mount Lee Communications Center under the terms and conditions substantially as outlined in this report.

  
 Tony M. Royster  
 General Manager