



THE PORT
OF LOS ANGELES
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JUNE 11, 2020

FROM: CARGO & INDUSTRIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVE REVOCABLE PERMIT NO. 20-11 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AND NEW CINGULAR WIRELESS PCS, LLC

SUMMARY:

Staff requests approval of Revocable Permit No. 20-11 (RP20-11) with the Los Angeles Regional Interoperable Communications System (LA-RICS) for use of City of Los Angeles Harbor Department (Harbor Department) land for the installation of two fourth-generation (4G) cell towers located at Piers 300 and 400. The primary purpose of the cell towers are to provide first and secondary responders priority cellular communications during emergencies. The premises consist of (1) 1,444 square feet of land and 348 square feet of utility right-of-way, located east of 2500 Navy Way, and (2) 1,470 square feet of land and 1,165 square feet of utility right-of-way located north of 614 Terminal Way, both on Terminal Island.

RP20-11 will initially yield no rent during installation and its dedicated use for first responder communications only. However, upon transfer and assignment to New Cingular Wireless PCS, LLC (New Cingular), it will yield \$129,744 in revenue for the first year, subject to annual increases based on Consumer Price Index (CPI).

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 3(4), 3(6), 4(7), and 4(12) of the Los Angeles City CEQA Guidelines;
2. Find that the proposed action is in the best interest of the City of Los Angeles to deviate from the Leasing Policy and accept no rent during construction and operations dedicated to first responder communications only;
3. Authorize the Executive Director to consent to a one-time assignment from LA-RICS to New Cingular Wireless PCS, LLC pursuant Section 17 of Revocable Permit No. 20-11;

SUBJECT: REVOCABLE PERMIT NO. 20-11 – LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM

4. Approve Revocable Permit No. 20-11 with the Los Angeles Regional Interoperable Communications System;
5. Authorize the Executive Director to execute and the Board Secretary to attest to Revocable Permit No. 20-11; and
6. Adopt Resolution No. _____.

DISCUSSION:

Background - In 2009, governmental agencies in Los Angeles County entered into a Joint Powers Authority (JPA) to improve communication between fire, police, and paramedics during major emergencies. The members of the JPA formed LA-RICS to administer the JPA agreement and acquire grant funding from the United States Department of Commerce. One specific task of LA-RICS is to replace different communications systems currently being used by Los Angeles County safety agencies with a single system called Long Term Evolution (LTE) broadband using federal grant funds. These towers will be part of a nationwide interoperability system integrating first and secondary responders' voice and data communications, improving emergency communications around the country. The project has the full support of the Mayor's Office, Port Police, Los Angeles County Sheriff, and Los Angeles Fire Department.

Once the 4G LTE system is complete and operational in Los Angeles County, primary and secondary emergency responders will have access to the LA-RICS network separate from users of commercial broadband frequencies, such as Sprint or Verizon. The LTE system will enable all emergency public safety users to use one coordinated network to send voice, data, and video transmissions.

As part of its implementation, LA-RICS identified the proposed two locations in addition to the existing tower at Port Police's 300 Water Street facility in Wilmington (Transmittal 1). Since this last installation, the United States Department of Commerce decided to allow a commercial third party entity to operate all the nationwide cell towers and published a request for proposal. New Cingular, a subsidiary of AT&T, Inc., was the successful proposer. An arrangement was made between the Department of Commerce, New Cingular and LA-RICS where LA-RICS would construct and install the two towers and once operational, LA-RICS would transfer the towers to New Cingular for its first responder and commercial operations. As such, the proposed RP 20-11 (Transmittal 2) would allow one transfer/assignment to New Cingular, upon completion of installation, subject to 1) Executive Director's approval and 2) a rate increase pursuant to the terms of the proposed RP.

The proposed construction of the cell towers consist of erecting the towers on concrete pads and trenching for utility conduits. LA-RICS will coordinate all construction activities with tenants in the vicinity, such as Eagle Marine Services and APM terminals.

SUBJECT: REVOCABLE PERMIT NO. 20-11 – LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM

Material terms of the proposed RP 20-11 are as follows:

Provisions	Description
Real Estate Entitlement	Revocable Permit
Permitted Use	Installation, construction, maintenance, operation, repair, replacement and upgrade of two telecommunication towers
Tenant	Los Angeles Regional Interoperable Communications System
Term Termination	Month to month Either party may terminate with 180 days prior notice
Premises	Parcel A1: 1,444 square feet Parcel A2: Non-exclusive 348 square feet for underground conduits Parcel B1: 1,470 square feet Parcel B1: Non-exclusive 1,165 square feet for underground conduits
Compensation ¹	Initially no rent during construction and installation; however, will increase to market rents (currently at \$10,812 per month or \$129,744 per year) upon any transfer or assignment to New Cingular of this RP or equipment on the Premises
Compensation Adjustments	1. Annual CPI adjustment 2. The Executive Director may change the rent upon 30 days' written notice to the tenant
One-Time Transfer/Assignment	One-time transfer or assignment to New Cingular and only upon Executive Director's written consent
Tenant's Environmental Obligations	Contamination caused by a third party is excluded from the tenant's obligations under the proposed RP. Staff deemed the Harbor Department's potential risk exposure as very low due to the small size of the premises (each cell tower has less than 1,500 square feet of exclusive space).
Insurance	Includes all standard insurance provisions and requirements. Upon Effective Date of Assignment, Exhibit F will replace the insurance section and includes higher limits of liability, self-insurance and self-insured retention, plus, additional coverage for Environmental Impairment Liability (increased from \$1 million to \$3 million in coverage)
Maintenance	All maintenance is at tenant's sole cost and expense
Notes:	
¹ Market rates are based on Caltrans' published cell communication rates (Transmittal 3) for macro cell towers, which are consistent or higher than fees for other cell towers in the region.	

SUBJECT: REVOCABLE PERMIT NO. 20-11 – LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of RP 20-11 with LA-RICS for use of Harbor Department land for the installation of two cell towers located at Piers 300 and 400, which is an activity involving Installation of new equipment involving negligible or no expansion of use if required for safety or environmental control, accessory structures including fences, the issuance of any permit to use land involving minor alterations to the condition of the land, and minor trenching and backfilling where the surface is restored. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance Article III Class 3(4), 3(6), 4(7), and 4(12) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Under the proposed RP20-11, LA-RICS will pay no rent during tower construction and during its operations dedicated to first responder communications only. All construction costs will be incurred by LA-RICS. Upon the assignment of RP20-11 to New Cingular, rent will adjust to approximately \$129,744 per year with annual adjustments based on CPI, starting July 1, 2021 and every July 1 until its termination.

CITY ATTORNEY:

Revocable Permit No. 20-11 has been reviewed and approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. Site Map
2. Revocable Permit
3. CalTrans Published Rates

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FIS Approval: MB
CA Approval: SD

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