

DATE: AUGUST 19, 2021

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVE FIRST AMENDMENT TO LEASE AGREEMENT NO. 18-3599 BETWEEN SANTA CATALINA ISLAND CONSERVANCY AND THE CITY OF LOS ANGELES HARBOR DEPARTMENT

SUMMARY:

Staff requests approval of the First Amendment (Amendment) to the Communications Site Lease Agreement No. 18-3599 (Lease) between the City of Los Angeles Harbor Department (Harbor Department) and the Santa Catalina Island Conservancy (Catalina). The current Lease grants the Harbor Department access to space on a communications tower located on Santa Catalina Island. The tower space is utilized for the housing of a radio transmitter for the Los Angeles Port Police (Port Police) radio communications system. Space in an adjacent building is also leased to place additional radio system components. This transmitter location assists in providing significant radio coverage to Port Police in areas outside the breakwater.

The proposed Amendment is to extend the original term an additional three years, with payment of \$4,630.50 per month in the first year and annual five percent increases thereafter. The amendment also requires a \$2,000.00 security deposit. This tower space rental amount and the annual increases are standard terms offered for this use by Catalina to all radio transmitter tenants. A total of \$175,171.82 would be spent by the Harbor Department on this proposed Amendment over its three-year term.

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 1(14) of the Los Angeles City CEQA Guidelines;
2. Approve the proposed First Amendment to the Communications Site Lease;

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3. Authorize the Executive Director to execute and the Board Secretary to attest to the Lease Agreement; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background – Port Police operate outside of the breakwater in order to conduct law enforcement and port security missions, as well as to assist other agencies with maritime search and rescue operations. Radio communications are critical in order for Port Police units to maintain communications with Port Police dispatch, other Port Police units, and responding units from other agencies. The current Lease with Catalina is set to expire on October 1, 2021. It is important for Port Police operations that this Agreement be extended so that Port Police can continue to transmit from this site and retain a valid FCC license.

Currently, additional voice and data radio coverage is required using the Catalina Island tower site, as the landside Land Mobile Radio system sites have coverage gaps along the shoreline, requiring opposite-side coverage from Catalina island towards the Port of Los Angeles. The Catalina Island site is used by public safety agencies throughout the southland to supplement shoreline coverage. Since adding the Catalina Island site, our Port Police Marine vessels have reported vastly improved coverage in and around the breakwater and shoreline where they had little or no coverage existed before.

First Amendment – The proposed Amendment (Transmittal 1) will continue to grant the Harbor Department space on communications towers located on Catalina Island (Transmittal 2). It should be noted that Catalina recently entered into a sublease with Los Angeles County for the construction of a new communications tower and that the Amendment allows, if necessary, the relocation of Port Police's transmitter to the new tower. This Amendment will (1) add three years to the Term of the Lease, (2) increase the rental rate by 5% commencing October 1, 2021 and 5% annually thereafter, (3) require a new deposit in the amount of \$2000, (4) decrease the amount of time to remove equipment upon expiration or termination of lease from 120 days to 30 days, (5) shift the expense to relocate equipment upon Landlord's request from the Landlord to the Harbor Department and, (6) decrease the amount of notice from 12 months to 3 months if and when the Landlord requires relocation of equipment.

Once the new tower is complete, Port Police will have 24 months to relocate and install new equipment onto the new tower as well as enter into a new agreement. The tower space will continue to be utilized for the installation and storage of a radio transmitter for the Port Police radio communications system. Space in an adjacent building will continue to be leased to place other necessary system components. The addition of this transmitter location to the Port Police radio communications system provides for significant improved radio coverage in areas outside of the breakwater. This location provides direct system coverage of coastal areas.

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The tower is the property of the County of Los Angeles (County) and is located on land controlled by Catalina. The existing lease agreement for this tower between the Catalina and the County specifies that Catalina has the right to lease certain space on the tower and in the adjacent building to private parties, public agencies, and public utilities for the purpose of communications operations.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a First Amendment to the Lease between the Harbor Department and Catalina for extension of their Lease by three years and potential relocation of a Port Police transmitter to a new communications tower located on Catalina Island, which is an activity involving the issuance, renewal or amendment of lease to use an existing structure or facility involving negligible or no expansion of use. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III Class 1(14) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The cost of the proposed three-year Amendment term is \$4,630.50 per month for the first year. The rental amount represents the standard flat rate that Catalina charges all tenants for radio sites. Beginning on the first anniversary of the commencement date of the Amendment and on each anniversary thereafter during the three-year term of the proposed Amendment, monthly rent would be subject to a five percent increase. The five percent annual lease rate escalation amount is standard for Catalina radio site leases and appears in site leases for existing clients. Based upon payments of \$4,630.50 per month in the first year, which would then be subject to annual five percent increases, a total of \$175,171.82 would be spent by the Harbor Department over a three-year term.

Assuming a commencement date of October 1, 2021, it is anticipated that funds for the proposed Agreement will be expended as follows:

| | |
|--------------|---------------------|
| FY 2021/2022 | \$41,674.50 |
| FY 22/23 | \$57,649.73 |
| FY 23/24 | \$60,532.21 |
| FY 24/25 | \$15,315.38 |
| Total | \$175,171.82 |

Funding for Fiscal Year 2021/2021 in the amount of \$41,675 is available within the Port Police Division budget, Account 59955 (Property Rental/License User Fees), Center 0412, Program 000. Funding for future fiscal years will be requested as part of the annual budget adoption process through the Port Police Division (Center 0412).

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CITY ATTORNEY:

The proposed First Amendment has been reviewed and approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. First Amendment
2. Site Map

FIS Approval: *MB*
CA Approval: *JS*

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