



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: DECEMBER 15, 2020

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVE LEASE AGREEMENT BETWEEN ESTRELLA MEDIA, INC. AND THE CITY OF LOS ANGELES HARBOR DEPARTMENT

SUMMARY:

Staff requests approval of a Lease Agreement (Agreement) whereby the City of Los Angeles Harbor Department (Harbor Department) will be leasing space at a communications tower and building located in Dominguez Hills, California. The space will be utilized for the installation, maintenance, and operation of radio communications equipment for the Los Angeles Port Police (Port Police). Port Police will hold a Federal Communications Commission (FCC) license for the use and operation of the communications equipment and will comply with all FCC rules and regulations. The addition of this location to the Port Police radio communications system will provide for significant radio coverage for Port Police operations.

The proposed Lease Agreement is for a term of four years. Based upon payments of \$5,000 per month in the first year, which would then be subject to annual three percent increases, a total of \$251,017.56 would be spent by the Harbor Department on this proposed Agreement over its four-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 Lease Agreement with Estrella Media, Inc.;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the Lease Agreement; and
4. Adopt Resolution No. _____.

SUBJECT: LEASE AGREEMENT WITH ESTRELLA MEDIA INC.

DISCUSSION:

Background – Port Police operate outside of their standard boundaries in order to conduct law enforcement and port security missions, as well as to assist other agencies with 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. Currently, radio communications for this area are poor due the lack of a transmitter site dedicated to this operating area. It is important for Port Police to transmit from this site by January 1, 2021 in order to retain an FCC license.

The lease for the tower and equipment room space at KBUE is required to support the Board approved Port Police Division 700 MHz radio system. After extensive and collaborative coverage research between Motorola (our contractor), Port Police and Harbor Department Information Technology Division, it was determined through detailed design reviews that the site at KBUE was essential for overall system performance. That required performance is inclusive of microwave dishes, antennas and land mobile radio equipment supportive of the network infrastructure connectivity for the entire radio system of 10 separate sites.

The 700 MHz Port Police radio upgrade system requires physical radio sites strategically placed throughout the region to optimize necessary land mobile radio coverage and performance for all Departments that will use the system including the Port Police, Construction and Maintenance Division and Port Pilots.

The KBUE site is an existing commercial radio site complete with a radio tower and separate secure equipment room (with two air conditioners maintained by the landlord), that fully accommodates radio infrastructure hardware. This lease will leverage the existing commercial infrastructure for needed coverage and performance without having to build a new radio site tower and equipment facility).

The site is secure with limited access by authorized personnel only. The tower will have a designated area for Port Police microwave dishes and antennas only. The equipment room is physically separated for Port Police equipment only, has its own entrance for enhanced security and is maintained by the landlord. Harbor Department Real Estate negotiated a favorable lease cost inclusive of tower space, private equipment room and building maintenance costs.

Lease Agreement – The proposed Agreement (Transmittal 1) grants the Harbor Department space in a communications tower and building in Dominguez Hills, California. The term of the proposed Lease Agreement is four years. The space will be utilized for the installation, maintenance, and operation of radio communications equipment for the Port Police radio communications system. The addition of this location to the Port Police radio communications system will provide for significant improved radio coverage of areas that are not covered by the current Port Police radio system.

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The tower and building are the property of Estrella Media, Inc. The structural hardware that is located on the tower is leased by Estrella Media Inc. from Long Beach Water Department. The existing lease agreement for this tower and building specifies that Estrella Media Inc. has the right to lease certain space on the tower and building to public agencies for the purpose of communications operations.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of an Agreement between the Harbor Department and Estrella Media, Inc. involving the lease of a space at a communications tower and building located in Dominguez Hills, CA, which is an activity involving the issuance of any lease, license or permit 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 four-year Agreement is \$5,000 per month for the first year. The rental amount represents the standard flat rate that Estrella Media Inc. charges all tenants for radio sites. Beginning on the first anniversary of the commencement date and on each anniversary thereafter during the four-year term of the proposed Agreement, monthly rent would be subject to a three percent increase. The three percent annual lease rate escalation amount is standard for Estrella Media Inc. radio site leases and appears in site leases for existing clients. Based upon payments of \$5,000 per month in the first year, which would then be subject to annual three percent increases, a total of \$251,017.56 would be spent by the Harbor Department on this proposed Agreement over its four-year term.

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

| | |
|--------------|------------------|
| FY 2020/2021 | \$30,000 |
| FY 2021/2022 | \$60,900 |
| FY 2022/2023 | \$62,727 |
| FY 2023/2024 | \$64,609 |
| FY 2024/2025 | \$32,782 |
| Total | \$251,018 |

Funding for Fiscal Year 2020/21, the amount of \$30,000 is available within the Port Police Division budget, Account 59190 (Equipment Rental – Misc.), 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.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Agreement as to form and legality.

TRANSMITTAL:

1. Lease Agreement

FIS Approval: 
CA Approval: 

Michael J. Galvin
MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate

Michael DiBernardo
MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

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