



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 14, 2024

FROM: GENERAL SERVICES DEPARTMENT WARDS: ALL

SUBJECT: AMENDMENT TO THE SCHEDULE OF LICENSED PROPERTY FOR CELL TOWER LICENSE AT ONE LOCATION TO PROVIDE CONSENT TO SUBLICENSE TO DISH WIRELESS

ISSUE:

Approve amendment to the Schedule of Licensed Property for cell tower license at one location to provide consent to sublicense to Dish Wireless.

RECOMMENDATIONS:

That the City Council:

1. Approve the First Amendment to Schedule of Licensed Property with SBA 2012 TC Assets, LLC for Site number CA-6062G - Canyon Crest (RV73Xc17) to consent to sublicensee; and
2. Authorize the City Manager, or designee, to execute the First Amendments to Schedule of Licensed Property, including making minor and non-substantive changes.

BACKGROUND:

The City of Riverside (City) and SBA Communications Corporation and its subsidiaries, through its predecessor, Nextel of California, Inc., entered the Master Communications Site License (Master Agreement) dated December 30, 1998, to license property within the City for the purposes of constructing and operating telecommunications equipment, commonly referred to as cell towers. When the Master Agreement was initially executed, the City Manager was authorized to administratively manage individual Schedules of Licensed Property within the terms and conditions of the Master Agreement. Per the Master Agreement, the City was entitled to a 90% revenue share for any sublicenses and/or co-locations that occur on a licensed site.

Sublicensing was discovered at three locations without the City's prior consent, CA7247C Castlevue/Ross Reservoir, CA6758 Nichols Park, and RV03XCO20 Villegas Park. Castlevue was sublicensed to Verizon, and Nichols Park and Villegas Park were sublicensed to Sprint.

Settlement was ultimately reached by the parties to provide the City's consent to the sublicenses to Verizon and Sprint, revise the sublicensing revenue sharing percentage to align with current market practices, and provide compensation for past revenue not paid to the City. To effectuate the settlement, the parties executed the First Amendments to the Schedules of Licensed Property for each location on January 12, 2024.

Staff negotiated with SBA Communications Corporation and agreed that the revenue sharing requirement in section 13(d) of the Master Agreement shall be reduced from 90% to 55% for initial sublicenses and 60% for all additional sublicenses at the Site Licenses locations subject to this Settlement Agreement. All other terms and conditions of the Master Agreement shall remain in full force and effect. The City received a one-time fee of \$65,000 through a Settlement Agreement with SBA Communications Corporation. The agreements were approved by City Council on August 16, 2022

DISCUSSION:

SBA Communications Corporation desires to sublicense space at the Premises, Site CA-6062G – Canyon Crest (RV73XC17) to Dish Wireless, L.L.C., a Colorado limited liability company (Dish Wireless) and the City agrees to grant SBA Communications Corporation consent to such sublicense, all in accordance with the terms and conditions set forth below.

Staff previously negotiated with SBA Communications Corporation and agreed upon 55% of any consideration the Licensee receives from the initial sublicensee and 60% for any additional sublicenses. It is the desire of the staff to extend the agreement to this additional location.

Subject to City Council approval, the City Manager, or designee, will continue negotiating terms, conditions, and minor and non-substantive changes to current Communication Site Licenses. Anything outside the previously approved terms will be subject to City Council review and approval.

STRATEGIC PLAN ALIGNMENT:

The Communication Site License update contributes to Strategic Priority 5 – *High Performing Government* and Goal 5. 4 – Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

This also aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Review of this Lease Amendment by the City Council ensures transparency and demonstrates the City's commitment to the community by making sound business decisions.
2. **Equity** – The City Cell Tower Program benefits the entire community of the City of Riverside. This update will continue to ensure reliable cellular service for residents and fair and equitable rate setting for all our cell tower tenants.
3. **Fiscal Responsibility** – Approval of this Lease Amendment demonstrates the importance placed on the Cell Tower Leasing Program's fiscal responsibility and helps to ensure that all cell tower tenants are abiding by the terms of their Agreements.

4. **Innovation** – Approval of this Lease Amendment will ensure all cell tower tenants are governed by the same financial responsibilities.
5. **Sustainability and Resiliency** – Approval of this request will allow the City to align our co-location fees consistent with current market value.

FISCAL IMPACT:

The total fiscal impact related to this report is \$15,479.52 annually (\$1,289.96 monthly), for the monthly sublicense fee plus one-time payment of a \$10,000 administrative fee. The monthly fee will continue with built in CPI escalators, per the agreement. The revenue will be deposited in the accounts listed below in the table.

Fund	Site	Account	Amount
General Fund	Cell Tower Revenue – Admin Fee	0000101-373102	**\$10,000.00
	Cell Tower Revenue – Monthly Sublicense Fee	0000101-373102	\$1,289.96

****Denotes a one-time payment**

Prepared by:	David Geiger, Real Property Agent
Approved by:	Carl Carey, General Services Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager/Chief Financial Officer/ Treasurer
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:	First Amendment to Schedule of Licensed Property – Canyon Crest
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