

# CITY OF OAKLAND

## AGENDA REPORT

2010 MAY 13 PM 1:38

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Community and Economic Development Agency  
DATE: May 25, 2010  
RE: **An Informational Report On The City Of Oakland Telecommunication Land Use Program which allows the Telecommunication Industry to Lease City and Redevelopment Agency-Owned Real Estate to Enhance Telecommunication Services to Their Customers**

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### SUMMARY

This report provides an update on the status of the City of Oakland Telecommunication Land Use Program and the current revenue level generated by the program. As of April 30, 2010, the City of Oakland's Real Estate Division has under lease agreement a total of 20 telecommunication sites, with total annual revenue of \$484,322.00.

### FISCAL IMPACT

All funds generated by the Telecommunication Land Use Program are deposited into Telecommunication Fund 1770, Organization 88639, Account 44219, Project 0000000, Program PS32, in accordance with City Resolution No. 74084 C.M.S., dated February 24, 1998. These funds are to be used to cover the costs related to the implementation and operation of the Telecommunication Land Use Program.

### BACKGROUND

In 1996, the City Council passed Resolution No. 72532 C.M.S. which authorized the framework for the City to promote the development and use of telecommunications infrastructure for the City of Oakland; provide nondiscriminatory access for all telecommunications companies to public streets and rights of way; promote the installation of telecommunications technology in public facilities, and encourage the aggressive deployment of advanced telecommunication services and technology to the City and its citizens. Ordinance No. 11904 C.M.S. established guidelines for the creation of the Program and detailed the framework for the development of a citywide policy regulation for the installation of transmission towers and wireless data communication equipment for the potential growth of the telecommunication industry in Oakland. Ordinance No. 11945 C.M.S. authorized the lease, license or conveyance by easement of City owned real property for use by telecommunications facilities without returning to the Council for authority to enter into leasing agreements. Resolution No. 74084 C.M.S. authorized the Real Estate Service's Division to administrator the lease program and establish the Telecommunication Fund to cover the costs of implementation and operation of the Program and to generate revenue to the City.

Item: \_\_\_\_\_

Finance and Management Committee  
May 25, 2010

Since 1996, the Real Estate Services Division has been charged with managing the program and has been working with service providers establishing the fees/rates for the lease and licensing of telecommunication sites on City and Redevelopment Agency properties. Staff have constructed a market-based program that monitors market rates to stay competitive. Best practices employed by the Real Estate Division include maximizing the efficient use of properties by consolidating as many program users as possible into the City/Agency sites that are being used for Telecom purposes. Staff work with all the telecom providers to attract their business onto City facilities via an expedited, non-bureaucratic leasing process. Staff survey the facilities market in other cities, comparing lease rates to ensure that the City is maximizing its revenues. In addition, staff have shared the City's standard lease format with other cities to assist them with their Telecom Programs. It should be noted that not every City/Agency property meets the location and technical requirements for the telecom service provider. In some agreements with providers, staff have extracted not only lease revenue but also upgraded signal strength and equipment for City purposes. The Real Estate Division has on-going agreements with Cingular, T-Mobile, Sprint, Nextel, AT&T, and the various combinations of companies that have merged over the past 14 years of the Program's existence.

#### **KEY ISSUES AND IMPACTS**

The City Council has asked for ways in which revenue from the Telecom Program could be increased. The Real Estate Division's current best asset management practices for this program include:

- 1) Consumer Price Index (CPI) increases which are incorporated in existing contracts.
- 2) Increasing rents at lease renewal times, based on supply and demand variables in the marketplace as described above.
- 3) Growing revenues by increasing market share and obtaining new clients.
- 4) Constantly communicating with other agencies that have similar telecom programs to share critical information.
- 5) Monitoring the trends in the Telecom market to stay updated with current market rents and other fee charges, by doing market surveys with other cities and comparing lease rates to make sure that City revenue opportunities are maximized.
- 6) Keeping operating and management costs to a minimum with professional in-house staff, and charging providers fees via the Master Fee Schedule for City staff time.

Real Estate staff are not recommending additional revenue-based changes in this report. A more comprehensive discussion of possible measures would extend beyond the purview of Real Estate staff alone, and would need to include input on revenue implications from the City's Treasury and Budget offices, in addition to analysis of supply and demand implications of changes on the Telecom market. In any such future discussion, alternative approaches which the City might consider could include:

Item: \_\_\_\_\_

Finance and Management Committee

May 25, 2010

- 1) Increased taxation. Presently there are no City fees charged for telecom sites on private properties.
- 2) Placing Telecom antennas in City/Agency owned sites that have not been used historically, such as in parks and open space.
- 3) Competing directly with the private sector by offering more attractive opportunities to Telecom operators at City/Agency sites, via express permit processing, timely response, and competitive cost structure.

In the last few years the staff has negotiated a minimum 4% CPI increase, which in many cases increases the rent by \$1,000 a year. In the last year, the staff has established a policy to collect rent payments on an annual basis. This policy increased the City's revenue in the current fiscal year. The Real Estate Division has incorporated into the Master Fee Schedule an Administration Fee for lease negotiations, and a Lease Review Fee that helps reduce staff program administration costs, which draw from lease revenues.

Staff has established relationships with most of the telecom companies over the last 14 years and works with them to establish new cell sites on City and Agency owned properties. The number of opportunities can be increased by making additional City and Agency properties available for cell sites, including City owned parks, and open space as well as providing opportunities at the Oakland Army Base, and other redevelopment opportunity sites.

Based on staff's negotiations and efforts, a total of \$478,620 is generated annually into the Telecommunications Land Use Program Fund. *Attachment A* lists the current telecommunication carrier leases and site locations in the City.

### **SUSTAINABLE OPPORTUNITIES**

There are no impacts to economic, environmental or social equity opportunities from this informational report.

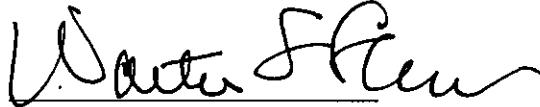
### **DISABILITY AND SENIOR CITIZEN ACCESS**

There is no impact to disability or senior citizen access from this informational report.


**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that the City Council accept this informational report.

Respectfully submitted,



Walter S. Cohen, Director  
Community and Economic Development Agency

Reviewed by: 

Gregory Hunter, Deputy Director  
Economic Development and Redevelopment

Reviewed by:

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Real Estate Services Division

Prepared by:

Barbara James  
Real Estate Services Division

APPROVED AND FORWARDED TO THE  
FINANCE AND MANAGEMENT COMMITTEE:



Office of the City Administrator

Item: \_\_\_\_\_  
Finance and Management Committee  
May 25, 2010

## Attachment "A"

	Tenant	Term	Cell Site Type	Location
1	Metro PCS	5 years plus (4) 5 year options	Monopole	Fire Sta. 24 ~ 6226 Moraga Ave
2	T-Mobile	5 years plus (3) 5-year options	Light standard	Broadway Terrace at Hermosa Ave.
3	T-Mobile	3 years plus( 5) 3 year options	Light standard	Broadway Terrace at Clarewood Drive
4	T-Mobile	5 years plus(4) 5 year options	Roof antennas	Clay St. Garage ~ 1414 Clay Street
5	T-Mobile	5 years plus month to month thereafter	Monopole on vacant parcel	Old Chabot Observatory 4917 Mountain Boulevard
6	T-Mobile	3 years plus (5) 5 year options	City light standard	Moraga Ave. at Estates Drive
7	T-Mobile	5 years plus (3) 5 year options	Monopole	5921 Shepherd Canyon ~ Fire Station
8	T-Mobile	5 years plus(3) 5 year options	Roof antenna	7080 Colton Fire Station # 6
9	T-Mobile	10 years plus (4) 5 year options	Light Standard	10899 Golf Links Rd.
10	Cingular ATT	5 years plus(4) 5 year options	Light Standard	10833 Golf Links Road at Caloden St.
11	Cingular ATT	10 years plus (4) 5 year options	Light standard	Arrowhead Drive at Colton Boulevard
12	Cingular ATT	10 years plus (4) 5 year options	Monopole	Highway 13 ~ Park Boulevard at Ascot Drive
13	Cingular ATT	5 years plus mo. to mo. thereafter	Antenna on electrical transmission tower	Oakland Coliseum at Coliseum Way ~ City and County vacant land
14	ATT Mobility	5 years plus (4) 5 year options	Roof mounted antennas	1414 Clay Street Clay St. Garage
15	Comcast	5 years plus (4) 5 year options	Monopole	3461 Champion Street
16	Sprint/ Nextel	5 years plus (4) 5 year options	Corp. yard monopole	Shepherd Canyon at PWA corporate yard
17	Sprint Nextel	1 plus (6) 5 year options	Roof antennas	Montclair Garage 6301/6235 LaSalle Ave
18	Sprint Nextel	10 years plus (1) 10 year option	Roof antennas	MLK Garage ~ 1250 Martin Luther King Jr. Way
19	Sprint Nextel	5 years plus (4) 5 year options	Light Standard	Redwood Road at Mountain Boulevard.
20	TowerCo	5 years plus(4) 5 year options	Light Standard	Golf Links Road at Skyline Boulevard
			<b>Total Annual Revenue:</b>	<b>\$484,322</b>