



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Alexa Jeffress  
Director, Economic &  
Workforce Development

**SUBJECT:** Mater Fee Schedule Amendment –  
Administrative Processing Fee For  
New Small Cell Telecommunication  
Lease or License

**DATE:** February 4, 2021

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City Administrator Approval 

Date: February 18, 2021

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## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt An Ordinance Amending Ordinance No.13599 C.M.S., Which Adopted The Fiscal Year 2020-2021 Master Fee Schedule To Modify The City Of Oakland Administrative Processing Fee For New Small Cell Telecommunication Lease Or License.**

## **EXECUTIVE SUMMARY**

On June 16, 2020 the City Council adopted Ordinance No. 13599 C.M.S. establishing the Fiscal Year 2020-2021 Master Fee Schedule, which included Real Estate Administrative Processing Fees for review of applications for leases or licenses to place small cell telecommunications equipment on City property in the public right-of-way (hereinafter “small cell license applications”). These fees were initially set based on City staff’s estimate of costs based on the limited data available at that time.

Staff has since processed additional small cell license applications and undertaken analysis of the revenue required to fund administrative review of these applications, including the revenue required to fund review of multiple small cell license applications submitted simultaneously as a batch. As a result of this analysis and evaluation, and as set forth in **Attachment A** attached hereto, the proposed fee amendments have been reduced from \$750 to \$184 for each new single application and from \$500 for each new application when submitted in a batch of ten or more in like kind and location to \$48 for each second and subsequent new application when submitted in a batch of multiple applications of like kind and location.

## **BACKGROUND/LEGISLATIVE HISTORY**

Traditional wireless telecommunications networks utilize dispersed equipment typically installed on large towers. Next generation, or 5G, wireless networks require installation of a

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greater number of smaller facilities placed in closer proximity. To enable the deployment of 5G networks in Oakland, the City has entered into agreements allowing telecommunication companies the ability to lease or license City light poles in the public right of way for small cell installation.

The City's small cell telecommunications program started with the signing of the first Master License Agreement with ExteNet Systems in 2018. Prior to this, the City Master Fee Schedule only included the Administrative Processing Fees for reviewing cellular towers on City property, not in the public right of way. With the adoption of Ordinance No. 13599 C.M.S., the Administrative Processing Fees for review of small cell license applications were introduced in the Fiscal Year 2020-2021 Master Fee Schedule. These fees were based on City staff's estimate of costs from a limited amount of small cell license application data available at the time.

The City has since signed additional Master License Agreements with AT&T and Verizon and staff have processed dozens of small cell license applications, with hundreds more expected in the coming years. Staff have conducted a cost study based on this additional experience which concluded that the existing fees overestimate the actual time and expense of providing these services. The proposed revision to these Administrative Processing Fees will align the fees with the City's reasonable costs, as required by Proposition 26.

### **ANALYSIS AND POLICY ALTERNATIVES**

The existing fees were introduced before these activities had substantially begun and were, therefore, based on limited data and best-estimates at the time. The proposed fees are based on a cost study of actual time spent on these services by a Real Estate Agent and the Real Property Asset Manager. The cost study found that less time is needed to process a single lease or license application than was originally estimated and that lease or license applications took less time to process when submitted as part of a batch with others of like-kind and -location for concurrent processing. This cost study formed the basis for the proposed fees. As a result of this analysis and evaluation, and as set forth in **Attachment A**, the proposed fee amendments have been reduced from \$750 to \$184 for each new single application and from \$500 for each new application when submitted in a batch of ten or more in like kind and location to \$48 for each second and subsequent new application when submitted in a batch of multiple applications of like kind and location.

As required by Proposition 26 (codified in the California Constitution, Art. XIII C, §1, subd. (e)), the proposed fees reflect the reasonable regulatory costs for issuing licenses and permits and therefore are not a tax subject to additional approval requirements.

### **FISCAL IMPACT**

It is anticipated that staff costs for processing small cell license applications will continue to be recovered by the proposed fees. The City will not incur additional, unrecovered costs from licensing City property in public right of way for small cell facilities. Revising the existing fees will not impact the annual rental revenue paid to the City for each lease or

license. The proposed fees will continue to be collected in Telecommunications Land Use Fund (1770), Real Estate Organization (85231), Other Revenue: Administrative Fees Account (48726), DP850 Administrative Project (1000019), Real Estate Program (PS32).

### **PUBLIC OUTREACH / INTEREST**

This item requires a Public Hearing, allowing for public comment at that time.

### **COORDINATION**

This report was prepared with the cooperation of Economic and Workforce Development Department's Real Estate Services Division, Budget Bureau and City Attorney's Office.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** The proposed fees will provide ongoing funding for City services that enable the deployment of next generation wireless networks as a critical component of Oakland's economic infrastructure.

***Environmental:*** There are no direct environmental impacts associated with the proposed fees.

***Race & Equity:*** The proposed fees will enable the deployment of next generation wireless networks in accordance with the Master License Agreements, which include provisions to incentivize deployment in areas that the City has deemed priority equity areas based on racial, economic and other demographic characteristics.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

The action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) (general rule for projects that have no direct or reasonably foreseeably indirect physical change to the environment).

**ACTION REQUESTED OF CITY COUNCIL**

Staff Recommends That The City Council Adopt An Ordinance Amending Ordinance No. 13599 C.M.S., Which Adopted The Fiscal Year 2020-2021 Master Fee Schedule To Modify The City OfOakland Administrative Processing Fee For New Small Cell Telecommunication Lease Or License.

For questions regarding this report, please contact Brendan Moriarty, Real Property Asset Manager, Real Estate Asset Management Division, (510) 238-6354, [bmoriarty@oaklandca.gov](mailto:bmoriarty@oaklandca.gov).

Respectfully submitted,



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Attachment (1):  
A: Proposed Master Fee Amendment