



## CITY COUNCIL AGENDA REPORT

DATE: 3/11/2013

AGENDA OF: 3/26/2013

DEPARTMENT: Economic Development

SUBJECT: 715 Graham Hill Road (APN 060-141-05) – Lease Agreement with Verizon Wireless (ED)

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RECOMMENDATION: Motion directing staff to finalize cell tower lease negotiations with Verizon Wireless.

Resolution authorizing and directing the City Manager to execute a lease agreement and any amendments thereto of a non-substantive nature, in a form approved by the City Attorney, with Verizon Wireless for a portion of property located at 715 Graham Hill Road (APN 060-141-05).

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BACKGROUND: The City owns the property located at 715 Graham Hill Road, which is the site of the Water Department's treatment plant. Verizon Wireless has studied the property for potential siting of a telecommunications facility and has determined that it is a suitable location for broadcasting due to its proximity to the University of California at Santa Cruz (UCSC) and Highway 9. A radio frequency electromagnetic (RF-EME) modeling study was conducted to determine RF-EME exposure levels from the proposed Verizon Wireless communications equipment and the results show that there are no modeled areas on any accessible ground-level walking or working surface related to the proposed antennas that exceed the Federal Communication Commission's occupational or general public exposure limits at this site.

DISCUSSION: Verizon Wireless desires to enter into a cell tower lease agreement (agreement) with the City for approximately 800 square feet of vacant property located behind the water treatment plant at 715 Graham Hill Road in order to install a telecommunications facility. The proposed facility will include a 50-foot monopole with three antennas and an equipment shelter. The monopole will be designed to resemble a pine tree and will be approximately the same height as other trees in the vicinity.

While the lease negotiations with Verizon Wireless have not been finalized, the key proposed terms as follows:

- Rent: \$1,752 Monthly rent, adjusted annually with a 4% increase.
- Term: Five years and automatically extended for four five-year terms (25-year potential lease term).
- Subletting: Not permitted without the City's consent and additional rent.

- Assignment: Only with City's consent unless assigning all interest to a true affiliate, subsidiary, or acquiring company.
- Early Termination: The Lease will contain a provision allowing Verizon Wireless to terminate the lease agreement in the event that an administrative use permit is denied.

If the proposed lease terms are approved by the City Council, Verizon Wireless must still submit an application to Planning to obtain an administrative use permit for the installation of the telecommunications facility. The permit process for the proposed facility includes a public hearing before the zoning administrator. As part of the administrative review process, staff will determine if additional environmental review is required and, if so, an environmental assessment must be conducted to determine if there are any adverse environmental impacts from the proposed telecommunications facility. It is important to note that approval of the lease is not approval of the entitlement process for the proposed telecommunications facility. As noted above, if the administrative use permit is ultimately denied, the lease will contain a provision allowing Verizon Wireless to terminate the lease agreement.

**FISCAL IMPACT:** Approval of the proposed agreement will result in annual revenues to the general fund in the minimum amount of \$21,024.

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#### ATTACHMENTS:

Resolution

Attachment 1: Radio Frequency – Electromagnetic Energy Compliance Report

Attachment 2: Parcels within 1,000 feet of proposed telecommunications facility