



STAFF REPORT

Meeting Type: Board of Directors Meeting
Title: Lease Termination Agreement with American Tower Corporation
From: Molly MacLean, General Counsel
Through: Ben Horenstein, General Manager
Meeting Date: December 5, 2023

TYPE OF ACTION: X Action Information Review and Refer

RECOMMENDATION: Approve Lease Termination Agreement with American Tower Corporation for the Mt. Tamalpais Telecommunications Facility

SUMMARY: As part of re-licensing the Mt. Tamalpais Telecommunications Facility to a new operator in August 2022, the District needs formally to terminate the prior lease with American Tower Corporation (ATC), which calls for the buy-out of equipment and facilities by the District. Staff has negotiated a Lease Termination Agreement with the prior Tenant, ATC, which includes full acquisition of all of ATC's equipment and facilities on the site for \$97,000, as well as full release from ATC in favor of the District.

DISCUSSION: In 1979, the District entered into a lease agreement for the Mount Tamalpais Communications Site ("Lease") with Watson Communication Systems, Inc. and Television Communications, Inc., which was subsequently assigned to ATC, for the purpose of allowing construction of a communications facility on the middle peak of Mt Tamalpais ("Site") that would then be subleased to multiple users. In March 2022, prior to expiration of the lease with ATC, the District released a Request for Proposals for a new site operator, which led to award of a new license agreement to EIP Holdings, II, LLC on August 17, 2022 for operation of the Mt. Tamalpais Telecommunications Facility. The prior ATC lease contained a provision for the District to purchase the telecommunications facility and equipment at the end of the lease term. Staff has negotiated a Lease Termination Agreement with ATC, which includes a full release for the District with a payout or purchase price of \$97,000. The proposed Lease Termination Agreement includes the following provisions:

- The District will pay a total of \$97,000 for all of ATC's equipment and facilities at the Mt. Tamalpais Telecommunications Facility, including the main tower and building, a combiner tower system still in use, and a 150 KW Generac Model SD150 generator installed at the site in 2018.

- Representations from ATC as to payment of all past due amounts and an assignment of all amounts paid following the Lease termination date.
- A free and clear transfer of all the above equipment and any other equipment remaining on the site.
- A full release of any future claims against the District.


Staff recommends the Board approve the proposed Lease Termination Agreement with ATC and authorize the General Manager to execute the agreement and make the required acquisition payment.

ENVIRONMENTAL REVIEW: Staff finds that this proposed Lease Termination Agreement will have no impact on the environment given that the facilities are already existing and in place and therefor the approval is not subject to further review under the California Environmental Quality Act.

FISCAL IMPACT: The total acquisition cost for the existing facilities is \$97,000, which will be more than offset by the ongoing revenue stream under the new license agreement for operation of the site.

ATTACHMENT(S):

1. Proposed Lease Termination Agreement with ATC

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
General Counsel's Office		
	<p style="text-align: center;">Molly MacLean General Counsel</p>	<p style="text-align: center;">Ben Horenstein General Manager</p>