

BOARD MEMORANDUM

Date: August 8, 2007
Committee Meeting Date: August 16, 2007
Board Meeting Date August 30, 2007
ACTION X DISCUSSION _____ INFO _____

TO: Administration and Finance Committee
Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael T. Burns
General Manager

FROM: John H. Ristow
Acting Chief CMA Officer

SUBJECT: Lease with T-Mobile for Cellular Tower Site at Chaboya Bus Division

Policy-Related Action: No

Government Code Section 84308 Applies: Yes

RECOMMENDATION:

Authorize the General Manager to execute a five-year lease agreement, with an option for year-to-year extensions after the original lease term, with T-Mobile USA, Inc. (dba Omnipoint Communications, Inc.) for placement of wireless telecommunications equipment and co-location antenna on VTA property, at a rate of \$2,500 a month with 3% annual increases thereafter.

BACKGROUND:

In April 2006, T-Mobile USA, Inc. (dba Omnipoint) approached VTA regarding leasing VTA property at the Chaboya Bus Division to install wireless communications equipment. VTA currently owns a communications tower at this location, which was originally built by Nextel for VTA's Advanced Communication System. T-Mobile proposes to place cellular telecommunications equipment on a concrete pad just to the south of the tower and install an additional panel antenna at the top of the existing tower. The equipment site will occupy 240 square feet within the same landscaped strip occupied by the tower and the existing communications shelter shared by Nextel and VTA. The proposed equipment site and new antenna will not impact VTA Transit Operations or the operations of the Advanced Communication System.

DISCUSSION:

This telecommunications site lease would be the VTA's first with T-Mobile and the second co-location by a telecommunications company at a VTA owned tower. The proposed term of the lease is for an initial period of five years with year-to-year extensions after the original term. The \$2,500 monthly (\$30,000 annual) rent is at the higher end of the market range for telecommunications sites in Santa Clara Valley. The terms of this lease are consistent with similar site leases negotiated with other wireless telecommunication companies for VTA sites. The agreement will also require T-Mobile to remove the facilities upon 180 days notice if VTA needs the premises for its own use. The lease arrangement allows T-Mobile to access the site, subject to security authorization at the Chaboya Division. T-Mobile will draw electric power from an existing junction box inside the Chaboya Division property and will pay VTA an additional monthly charge to compensate for the power used by their equipment.

In accordance with previous Board direction, VTA staff has confirmed that T-Mobile has obtained all required land use approvals from the City of San Jose for this installation. On January 25, 2007, the City of San Jose Department of Planning, Building and Code Enforcement approved a Conditional Use Permit for equipment and antenna design at this site.

ALTERNATIVES:

The Board of Directors could decide not to lease the site for use by the telecommunication company.

FISCAL IMPACT:

Execution of this lease arrangement will generate \$30,000 in annual revenue to VTA during the first year of operation.

Prepared by: Michael Rodenburger, Associate Real Estate Agent

ATTACHMENT

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