

REPORT

To the Honorable Mayor and City Council
From the City Manager

February 27, 2006

Subject:

Call for bids for lease of communication facilities site on Emerald Lake Hills water tank site.

Recommendation

That the City Council adopt a resolution approving lease agreement and bidding documents and authorizing a call for bids for the lease of a communications site on the City of Redwood City water tank property on California Way, Emerald Lake Hills. This 700 sq. ft. area houses a small building with radio equipment, power supply equipment, and antennas.

Background

Staff has been contacted by Nextel Communications, the current lessee who is interested in continuing the lease. Nextel Communication's lease expired on July 31, 2005, and they are now on a month-to-month leasing agreement with the City.

On January 16, 1995, the City Council adopted a resolution approving a lease agreement and bidding documents and authorizing a call for bids for a communication site in Emerald Lake Hills. One communication company, SMART SMR of California, Inc. dba Nextel Communications, whose principal business was to provide mobile radio/telephone service responded with a bid proposal.

Nextel Communications was awarded the bid and permission was given to them to install an air-conditioned equipment shelter to house its radio transmitting and receiving equipment, back up power batteries, and other improvements such as: utility lines, transmission lines, electronic equipment, radio transmitting and receiving antennas, and antenna towers and poles.

The term of that lease was five (5) years with an option to renew for another five (5) year period with the understanding that all terms, conditions, and requirements of the lease shall continue in effect during the option term. The lease agreement was executed and was commenced on August 1, 1995.

As per the lease agreement, Nextel Communications paid the City as rent during the term and the option term the sum of thirteen thousand and five hundred dollars (\$13,500) annually. Since August 1, 2005, Nextel Communications is operating on a month-to-month leasing agreement for a monthly rental fee of one thousand six hundred eighty-seven dollars and fifty cents (\$1,687.50), or \$20,250 annually.

As discussed with and approved by the City Council Finance Committee, the lease being bid will have a minimum bid of twenty thousand dollars (\$20,000) per year for the first five

years. The successful bidder will be obligated to execute a lease agreement with the City of Redwood City. The term of the lease will be ten (10) years. The minimum rental to be bid will be twenty thousand dollars (\$20,000) each year for five (5) years. The sixth year annual rental shall be twenty-four thousand dollars (\$24,000). Commencing with lease year seven (7) and continuing every lease year thereafter, the rental shall be subject to CPI adjustment each year with a cap of 4% upon each year's adjustment.

All bids shall be governed by the provisions of the Notice to Bidders, Instruction to Bidders, and the Provisions of the Lease Agreement. Bids will be opened publicly in the office of the City Clerk on March 22, 2006 and the bid will be awarded by the City Council for and on behalf of the City of Redwood City within thirty (30) calendar days from March 22, 2006.

Section 3-1/2 of Redwood City City Charter requires any lease of real property under the jurisdiction of the City Council for a term of more than one (1) calendar month shall be authorized by resolution of the Council.

In 1997, the City adopted Article 38 of the Zoning Ordinance, allowing the outright installment of wireless communications facilities on residentially-zoned properties. The purpose of this article is "to allow wireless communications facilities which provide for the personal communications needs of residents of the City and region, and of local business and government, while minimizing adverse visual and operational effects of such facilities through appropriate design, siting, and screening" (Ord. 1130.297, eff. 3-26-97).

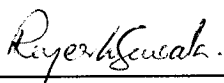
Charles Jany, Principal Planner of the Planning Division of Community Development Services, has reviewed this staff report and is comfortable with the proposed lease agreement as it relates to Article 38 of the Zoning Ordinance and other codes.

Fiscal Impact

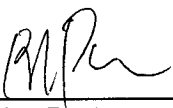
Leasing the water tank site for communications facilities has a positive financial impact on an on-going basis through land lease valued at approximately \$20,000 per year for the first five years. This has unknown benefits to Redwood City residents and non-residents who are customers of this communication company.

Alternative

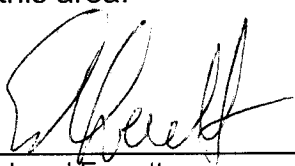
If the City Council chooses not to approve this leasing agreement, the City will forego \$20,000 potential revenue over the next five years. In addition to this lost revenue there may be adverse impacts to wireless communications users in this area.



Rajesh Sewak
Revenue Services Manager



Brian Ponty
Director of Finance and
Financial Planning



Edward Everett
City Manager

Attachments:

- Attachment 1 - Notice to Bidders
- Attachment 2 - Instruction to Bidders
- Attachment 3 - Proposal
- Attachment 4 - Location Map

NOTICE TO BIDDERS

**APPROXIMATELY 700 SQ. FT. OF LAND,
BEING A PORTION OF THE EMERALD HILLS
WATER TANK PROPERTY**

LEASE AGREEMENT

NOTICE IS HEREBY GIVEN that sealed bids will be received in the office of the City Clerk, City Hall, Redwood City, California, until 3:00 p.m., _____, 2006, for the following described real property, commonly referred to as approximately 700 square feet (the "Leased Premises") being a portion of the Emerald Lake Hills Water Tank property, for use as a communications site, located in the City of Redwood City, County of San Mateo, State of California.

A portion of that certain real property situated in the city of Redwood City, County of San Mateo, State of California, described as follows:

Lots 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and a portion of Lot 5 in Block 605, as shown on that certain map entitled "HIGHLANDS OF EMERALD LAKE SUBDIVISION SIX", filed in the office of the County Recorder of San Mateo County, State of California, on May 4, 1927 in Book 15 of Maps at page (s) 64 to 66. Portion of Lot 5 in Block 605 being further described as:

BEGINNING at the most Southerly corner of said Lot 5, said corner being common to Lots 5, 6, 13 and 14 in said Block 605; thence along the Southwesterly line of said Lot 5, North 50°03'50" West a distance of 51.00 feet; thence North 64°08'01" East a distance of 20.50 feet; thence North 26°00'00" East a distance of 27.19 feet; thence North 83°58'55" West a distance of 23.67 feet; thence South 44°48'10" West a distance of 32.00 feet to the Southwesterly line of said Lot 5; thence Northwesterly along the Southwesterly line of said Lot 5 North 50°03'50" West a distance of 38.82 feet to the Westerly line of said Lot 5; thence Northerly along said Westerly line of said Lot 5 North 33°56'30" East a distance of 125.39 feet to the Southerly line of California Way, 50.00 feet in width; thence Easterly along the common line of Lot 5 and California Way along a curve, concave left, with a radius 93.29 feet, through a central angle of 30°42'04" an arc distance of 50.00 feet; thence Southerly along the

Easterly line of said Lot 5 South 10°49'40" West a distance of 154.36 feet to the POINT OF BEGINNING.

The Leased Premises are more specifically defined as follows:

The Land referred to is situated in the State of California, County of San Mateo, City of Redwood City and is described as follows:

Portion of Lots 6 thru 16, inclusive and a portion of Lot 5 in Block 605, as shown on that certain map entitled, "Highlands of Emerald Lake Subdivision Six" filed in the office of the county Recorder of San Mateo County, State of California, on May 4, 1927 in Book 15 of Maps at pages 64 to 66, portion of Lot 5 in Block 605 being further described as follows:

Commencing at the northwestern corner of said Lot 13 (15 M 64) thence north 29°02'46" west, 37.54 feet, more or less, to a brass disk set in granite monument stamped US-ed: thence from said brass disk south 00°18'56" west, 22.75 feet to the point of beginning, said point also being the north corner of the project area, thence from said point of beginning south 46°05'00" east, 35.00 feet thence south 43°55'00" west, 25.00 feet, thence north 46°05'00" West, 35.00 feet; thence north 43°55'00" East, 25.00 feet to the point of beginning.

Together with a utility easement to serve the project area.

Together with an ingress and egress easement necessary to serve the project area from California Way along the existing driveway to the project area.

Site name & number: Emerald Hills, C-599
Site address: California Way, Redwood City

The successful bidder will be obligated to execute a lease agreement with the City of Redwood City, a copy of which is on file in the office of the City Clerk of the City of Redwood City, and is available for examination.

The term of the lease is ten (10) years. The minimum rental to be bid for the term shall be the total amount of One Hundred Thousand and No/100 Dollars (\$100,000), payable in annual installments of Twenty Thousand and No/100 Dollars (\$20,000), each year for five (5) years, in advance. The sixth year annual rental shall be Twenty Four

Thousand Dollars (\$24,000). Commencing with Lease Year 7 and continuing every Lease Year thereafter, the rental shall be subject to CPI adjustment each year with a cap of 4% upon each year's adjustment.

Bids shall be submitted on the form provided therefor, which forms are available in the office of the City Clerk, must be signed by an authorized representative of the bidder, sealed, and plainly marked "Bid – Communications Site."

No bid may be withdrawn for a period of thirty (30) days after the date set for the opening thereof.

The Council of the City of Redwood City reserves the right to reject any and all bids and to waive any irregularities or informalities in any bid.

INSTRUCTIONS TO BIDDERS

APPROXIMATELY 700 SQ. FT. OF LAND, BEING A PORTION OF THE EMERALD LAKE HILLS WATER TANK PROPERTY COMMUNICATIONS SITE (FOR LEASE AGREEMENT)

1. General. All bids shall be governed by the provisions of the Notice to Bidders, Instructions to Bidders, and the provisions of the Lease Agreement. Bids shall be made upon the bid form (Proposal) furnished by the City. If the bidder is an individual, the bid form shall be signed by the individual bidder; if a partnership, the bid form shall be signed by a partner authorized to execute bids; if a corporation or association, the bid form shall be signed by the president and secretary of the corporation or association or by an agent authorized to execute bids of that type for and on behalf of the corporation or association. Evidence of such authority shall accompany the bid.

2. Transmittal. The executed proposal form, sealed in an envelope marked "Bid – Communications Site", shall be delivered to the City of Redwood City, office of the City Clerk, City Hall, Redwood City, California, prior to the time set for the opening of bids as stated in the Notice to Bidders.

3. Opening of Bids. The bids will be opened publicly in the office of the City Clerk on the date and at, or shortly after, the time set forth in the Notice to Bidders.

4. Award of Bid. The bid will be awarded by the City Council for and on behalf of the City of Redwood City within thirty (30) calendar days from the date set for the opening of bids. No bidder may withdraw his/her bid for a period of 40 calendar days from the date set for the opening of bids. The Council of the City of Redwood City reserves the right to reject or accept any bid proposal and further reserves the right to waive any informality or patent clerical error in any bid.

5. Bid Form – Alterations. All bids shall be made on the bid form furnished by the City of Redwood City. No additions, alterations, exceptions or conditions will be permitted. The making of any such additions, alterations, exceptions or conditions shall void the bid. Letters of transmittal will not be considered a part of the bid and no conditions, revision or exception state in any letter of transmittal or any other document submitted by the bidder shall alter or affect the terms of the bid as stated on the bid form.

6. Execution of Lease. The bidder shall be required to execute the Lease Agreement within ten (10) days after the acceptance of his/her bid by the Council of the City of Redwood City.

7. Bidding, Other Expenses. The successful bidder shall pay for all costs incident to advertising and award of the Lease Agreement and for preparation of any environmental impact report, or other document required by law, in connection with the award thereof, or the use proposed to be made of the premises, within five (5) calendar days after written demand therefor by the City Manager.

* * * * *

PROPOSAL

**APPROXIMATELY 700 SQ. FT. OF CITY
OF REDWOOD CITY EMERALD LAKE HILLS
WATER TANK PROPERTY COMMUNICATION SITE
(FOR LEASE AGREEMENT)**

The undersigned, as bidder, hereby certifies that he/she has examined the lease area described in the Lease Agreement, the Lease which is to be executed, which Lease Agreement is that certain Lease Agreement entitled "Lease Agreement – Communication Site" presently on file in the office of the City Clerk and approved by the City Council in the City of Redwood City by Resolution No. _____, the Instruction to Bidders, and all lease documents on file therewith, and fully understands the terms and conditions thereof, and hereby proposes to lease the property described in the Notice to Bidders and Lease Agreement from the City of Redwood City for the term specified therein at the following rental:

Total rent for a Ten (10) year term is at least \$_____ per Lease Year (First through Fifth Lease Years); \$_____ (Sixth Lease Year); CPI adjustment each Lease Year (Seventh through Tenth Lease Years) with annual 4% CPI cap over preceding Lease Year. Rent is payable in equal annual installments.

All the terms and conditions of the Lease Agreement are incorporated herein as if fully set forth.

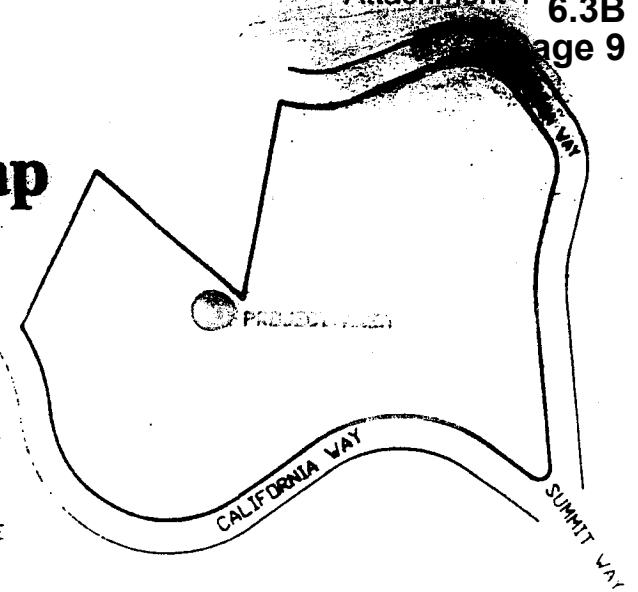
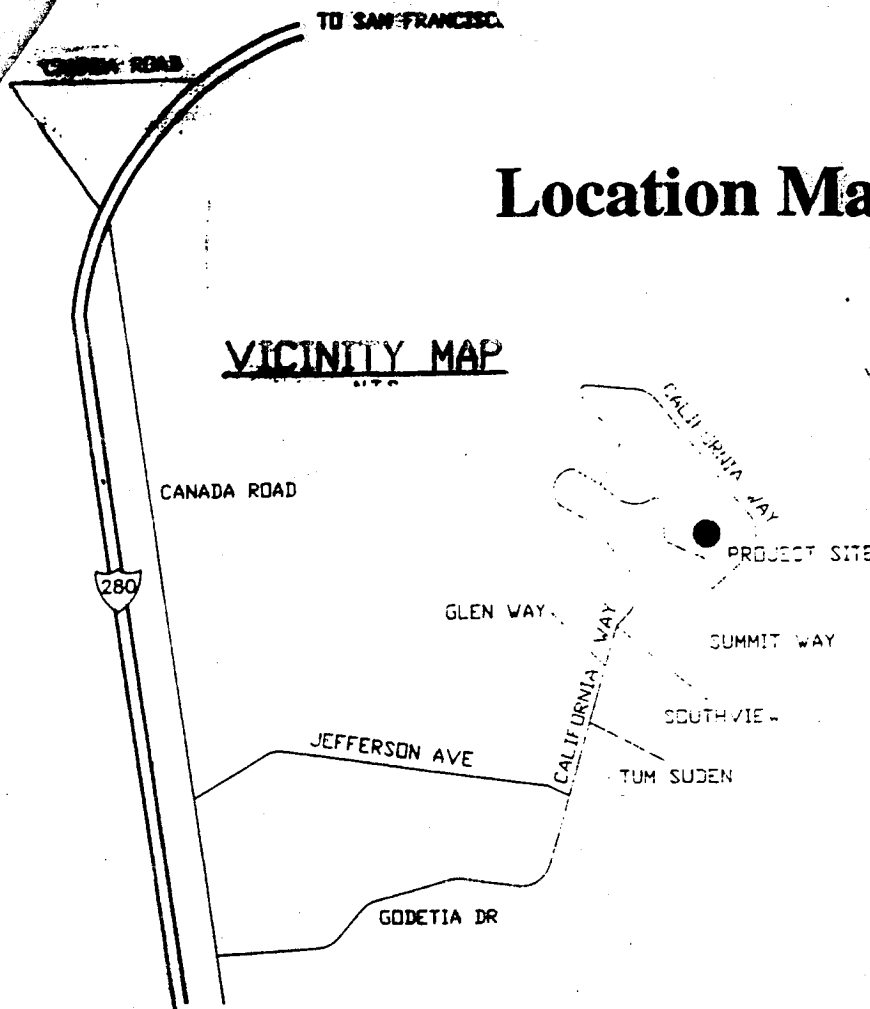
The undersigned agrees to execute the Lease Agreement within ten (10) calendar days after acceptance of the bid by the City of Redwood City City Council.

Dated: _____, 2006

Bidder

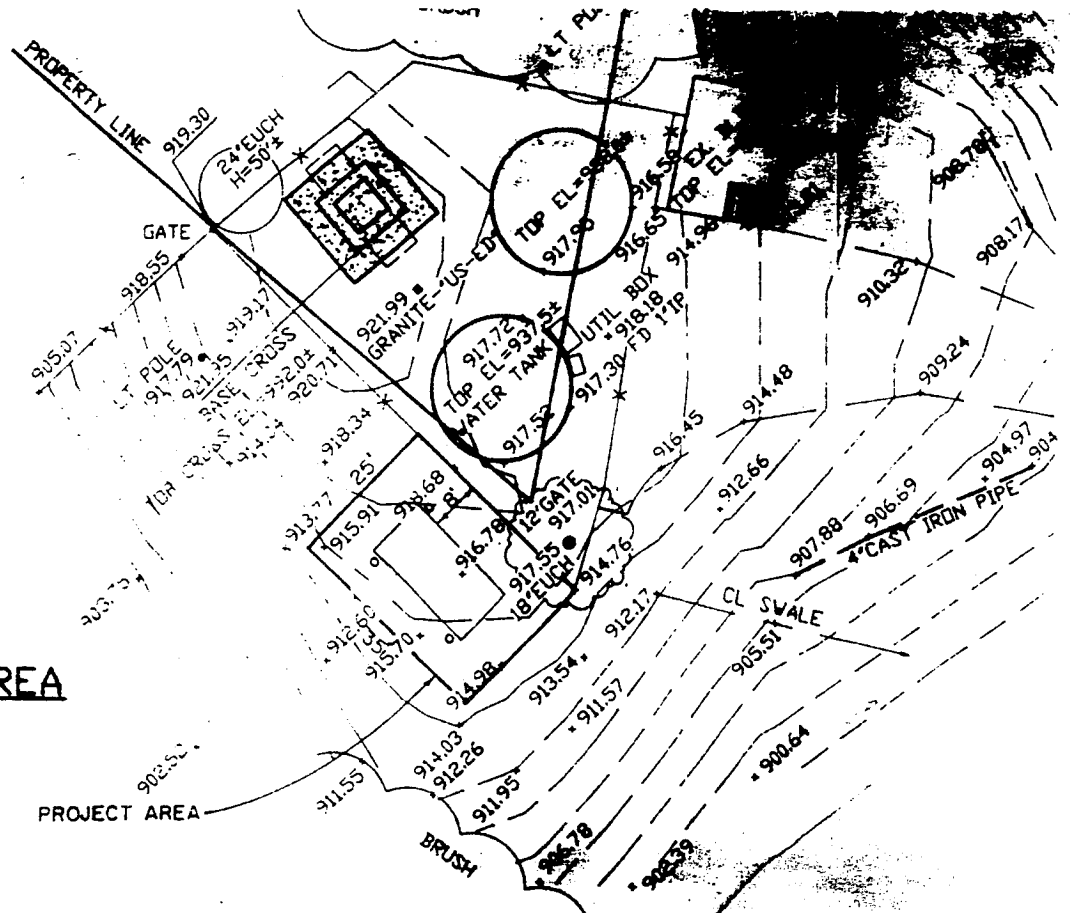
Location Map

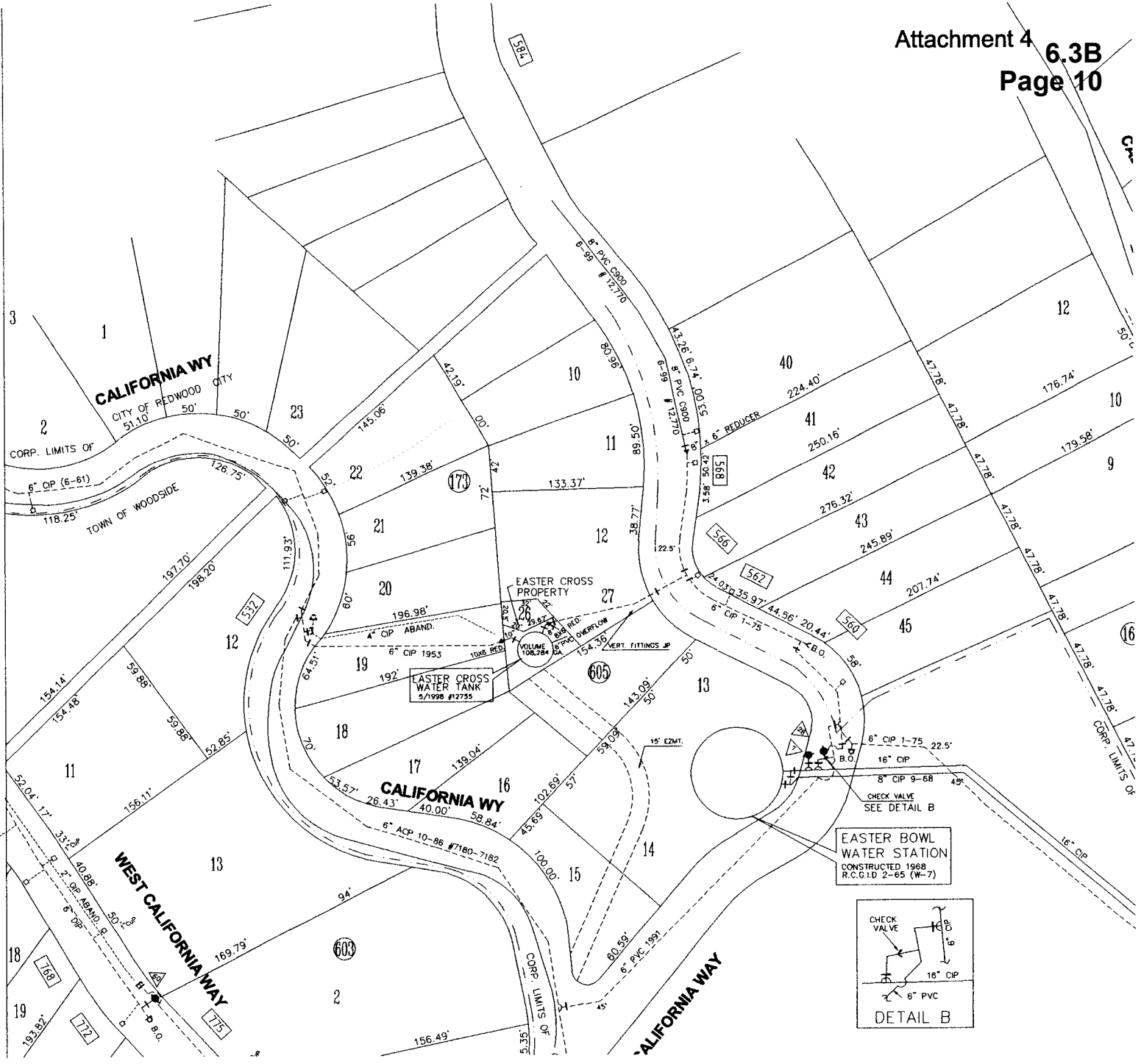
VICINITY MAP



PROPERTY BOUNDARY

PROJECT AREA





RESOLUTION NO. _____

RESOLUTION APPROVING LEASE AGREEMENT AND BIDDING DOCUMENTS FOR LAND CONSISTING OF A PORTION OF THE EMERALD LAKE HILLS WATER TANK PROPERTY FOR A COMMUNICATION SITE; AND AUTHORIZING CALL FOR BIDS THEREFORE

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF REDWOOD CITY, AS FOLLOWS:

1. That certain lease agreement entitled, "Lease Agreement – Communications Site," (the "Lease Agreement") and those certain bid documents relative thereto, consisting of Notice to Bidders, Instructions to Bidders, and Proposal, a copy of which is on file in the office of the City Clerk, to which copy reference is hereby made for the full particulars thereof, are hereby approved.

2. The City Clerk is hereby authorized and directed to advertise the lease of the premises described in the Lease Agreement in accordance with Section 3½ of the Charter of the City of Redwood City.

* * *