



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** March 27, 2012

From: Marc Puckett, Director of Finance **Item No:** 6
Finance

Subject: AGREEMENT AUTHORIZING THE PURCHASE OF AN EASEMENT FOR THE
SALE OF THE CELL SITE LOCATED AT 14955 DALE EVANS PARKWAY
(FLAG POLE)

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

- 1) Adopt attached Resolution Number 2012-15 authorizing the sale of a cell tower easement at the cellular site at 14955 Dale Evans Parkway.
- 2) Authorize the Town Manager to sign the closing documents for the sale of an easement at the cellular site at 14955 Dale Evans Parkway within the base of the existing flag pole.

SUMMARY:

This proposal recommended for Council's approval is for the sale of an easement for an existing cell tower that is currently located on Town property. CF Black Dot LLC has offered to purchase an easement for one of the existing cell towers located at Town Hall within the base of the three flag poles.

After discussing offers from several firms and through negotiation, staff has agreed to an offer price from CF Black Dot LLC of \$357,000 to sell a 40-year easement for the cell tower located in the base of the flag pole utilized by AT&T. Currently, Sprint and Cingular also have cell towers located at the Town Hall site within adjacent flag poles. Revenue from the sale of a cell tower easement was included in the General Fund revenue projections for FY 2011-12 in the amount of \$300,000. This revenue projection was increased to \$357,000 in the mid-year budget amendment to match the amount of the offer received.

Black Dot's proposed agreement has been reviewed in detail by the Town Attorney's office. After much communication and discussions between the Town attorneys and Black Dot attorneys, the proposed agreement has been developed to the satisfaction of both the Town and Black Dot.

BACKGROUND:

Previously, staff submitted a proposal for Council's review and recommended approval to sell a cell-tower easement Black Dot at 14955 Dale Evans Parkway. This proposal was for the sale of an easement for an existing cell tower that is currently located on Town property. CF Black Dot LLC had offered to purchase an easement for one of the existing three cell towers located at Town Hall within the base of the three flag poles. The previous offer was for \$233,735 to sell a 30-year easement.

After discussing offers from several firms and through firm negotiation, staff has agreed to an offer price from Black Dot of \$357,000 to sell a 40-year easement for the cell tower located in the base of the flag pole utilized by AT&T. Currently, Sprint and Cingular also have cell towers located at the Town Hall site within adjacent flag poles.

Revenue from the sale of a cell tower easement was included in the General Fund revenue projections for FY 2011-12 in the amount of \$300,000. This revenue projection was modified and increased to \$357,000 in the mid-year budget amendment to match the amount of the offer received.

In 2010, the Town had entered into similar arrangements to sell easements for the cell towers located at Corwin Park and James Woody Park.

Black Dot's proposed agreement has been reviewed in detail by the Town Attorney's office. After much communication and discussions between the Town attorneys and Black Dot attorneys, the proposed agreement has been developed to the satisfaction of both the Town and Black Dot.

ALTERNATIVES CONSIDERED

No alternatives were considered.

FISCAL REVIEW

The Fiscal Year 2011-12 Adopted Operating and Capital Improvement Budget includes a revenue projection of \$357,000 from proceeds of the sale of a cell tower easement. This revenue projection was increased by \$57,000 from \$300,000 to \$357,000 as part of the mid-year budget adjustment once the amount of the offer was known and identified through CF Black Dot LLC's proposal.

The net revenue increase from this proposal was \$57,000 higher than originally anticipated in the adopted budget document.

LEGAL REVIEW

Black Dot's proposed agreement has been reviewed in detail and approved as to form by the Town Attorney's office. After much communication and discussions between the Town Council Staff Report

Attorneys and Black Dot attorneys, the proposed agreement has been developed to the satisfaction of both the Town and Black Dot.

CONCLUSION

The attached Resolution Number 2012-15 authorizing the sale of the cell tower easement is recommended to Council for adoption.

MARC R. PUCKETT
Director of Finance

ATTACHMENTS:

Resolution Number 2012-15

RESOLUTION NO. 2012-15

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY, A BODY CORPORATE AND POLITIC OF THE STATE OF CALIFORNIA AUTHORIZING THE ENTERING INTO, TERMS OF AND EXECUTION OF THE LEASE TO BE INSURED, AND A DIRECTIVE AS TO PARTICULAR OFFICERS OF THE GOVERNING BODY TO EXECUTE SAID LEASE.

WHEREAS the Town of Apple Valley is the owner of certain cell tower sites located at 14955 Dale Evans Parkway; and

WHEREAS the Town Council of the Town of Apple Valley desires to enter into a lease purchase and easement agreement with CF Black Dot, LLC for the sale of an easement at 14955 Dale Evans Parkway; and

WHEREAS the Town Council has designated the Town Manager to sign all closing documents on behalf of the Town; and

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Apple Valley that the Town Council, does hereby authorize and designate the Town Manager to enter into said lease and sign all closing documents on behalf of the Town.

APPROVED and **ADOPTED** by the Town Council of the Town of Apple Valley this 27th day of March, 2012.

MAYOR

ATTEST:

TOWN CLERK