

STAFF REPORT



Meeting Date: March 17, 2021
To: Board of Directors
From: Michael J. Aho – District Administrator
Subject: Cell Tower lease Negotiation Agreement

I. Recommendation

Authorize the District Administrator the authority to enter into an Agreement (Attachment A) with NAI Capital located in Redlands, CA to provide advice and counsel regarding an American Tower lease amendment in Miller Park with direction to NAI to determine exactly what the additional needed space will be used for.

II. Background

A lease renewal amendment has been requested by American Tower for the cell tower in Miller Park. The current lease was entered into December 2007 with a 5-year term and optional five five-year renewal terms with a rent of \$1,325 per month with an annual increase of 3%. Current monthly rent is \$1,889.13.

The requested cell tower lease amendment will require the District to negotiate with American Tower and due to limited staff knowledge of cell tower lease negotiations it is desirable to utilize a firm that specializes in cell tower leases to be able to maximize potential rental fees. NAI Capital located in Redlands, California has been negotiating cell tower leases since 2008 and has extensive experience in working with cell tower providers and local governments. In 2019 NAI successfully negotiated on behalf of the District for a new cell tower site at Fair Oaks Park.

The Finance and Budget Committee met on March 11, 2021 and recommend that the Board authorize the District Administrator the authority

to sign the agreement with NAI to negotiate the lease amendment and to clearly identify what the 10'x15' additional space will be needed for.

III. Problem /Situation/ Request

With limited in-house knowledge of negotiating cell tower leases it is recommended that the District contract with a firm that specializes in these types of negotiations. lease terms will still need to be approved by the Board of Directors once a proposed agreement has been reached.

IV. Financial Analysis

For services rendered the District will pay NAI a consulting fee for the lease agreement equal to Six percent (6%) of the first five (5) years of the lease amendment or \$5,000 whichever is greater. In the event NAI is unsuccessful in negotiating the cell lease, no fee will be due.

Respectfully Submitted,

Michael J. Aho
District Administrator

Attachment A: Agreement with NAI Capital



VIA ELECTRONIC MAIL

February 22, 2021

Mr. Mike Aho
Fair Oaks Recreation & Park District
4150 Temescal Street
Fair Oaks, CA 95628

RE: Fair Oaks Recreation & Park District

Dear Mr. Aho,

NAI Global Wireless (“Consultant”) will advise and counsel Fair Oaks Recreation & Park District (“Client”), with regard to a proposed telecom lease amendment with American Tower for the above referenced site on terms and conditions acceptable to Client, in Client’s sole discretion. Client will pay Consultant a consulting fee for the lease renewal equal to six percent (6%) of the first five (5) years of the lease renewal or Five Thousand Dollars (\$5,000.00), whichever is greater, (the “Fee”) as outlined below. In the event Consultant is unsuccessful in amending the cell lease, no fee for the lease amendment shall be due to Consultant. The fee is due and payable upon 1) ten (10) days after full execution of the lease amendment, and 2) receipt of an invoice from Consultant.

This Agreement shall commence as of the date set forth herein, (“Commencement Date”), and subject to the terms and provisions hereof, shall continue until the sooner of a) the lease amendment is executed, or b) for nine 9 months after the Commencement Date subject to the provisions of the above, this Agreement may be terminated by either party with thirty (30) days prior written notice. If this agreement is terminated and a lease is executed within three (3) months thereafter, Client shall owe Consultant a Fee as outlined herein.

All material correspondence will be provided to you in the normal course of the process and Client shall be apprised of activity on a weekly basis. Should the foregoing meet with your approval, please sign and return a copy to me.

NAI Global Wireless is a consultant and does not offer nor provide any legal or accounting opinions. We strongly urge you to seek the appropriate legal or accounting advice to obtain the same.

NAI Global Wireless

Amber Brandhagen
CFO/Principal

**Accepted and Agreed:
Fair Oaks Recreation & Park District**

By: _____

Date: _____

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