

## Agenda Item B-4

### **MARIN EMERGENCY RADIO AUTHORITY**

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**DATE:** June 24, 2015

**TO:** MERA Governing Board

**FROM:** Maureen Cassingham, Executive Officer

**SUBJECT:** AGENDA ITEM **B-4**: PROPOSED BAY HILL SUBLEASE AGREEMENT  
BETWEEN MERA AND INCLINE PARTNERS LLC

Recommended Action: Approve the Proposed Bay Hill Sublease Agreement between MERA and Incline Partners LLC and authorize the Executive Officer to execute same.

Background: Since early July 2014, staff reports have been provided to the Executive and Governing Boards on the July 31, 2014 termination of Crown Castle's Sublease Agreement with MERA at Bay Hill and pending confirmation of Incline Partners LLC proof of Tower ownership and Sublessor status. Throughout, MERA has been in effective communications with all the parties including timely rent payments to property owner Rancho Vista Del Mar and Crown Castle. Proof of Incline's tower ownership was provided on May 22, 2015.

From July 2014, MERA has been continuously responsive to the various sublease drafts from Incline with timely administrative, technical and legal reviews, along with meetings and conference calls regarding the documents. Likewise, MERA has provided technical input on Incline's tower replacement project. The MERA Executive Board approved a \$75,000 budget on January 14, 2015, to address the proposed removal and temporary relocation of MERA's equipment from the Bay Hill Tower and reinstallation of same on the replacement Tower. Tower deconstruction is tentatively planned for the week of September 13.

Attached is the proposed Sublease which reflects MERA's extensive negotiations and financial terms dictated by the necessity of the Site to MERA's operations. Those key financial terms are as follows:

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- 1) Monthly rent, effective August 1, 2014 - including an increase effective 1/1/15 with the site lease -will increase from \$2,950.90 (\$2,052.40 tower rental to Crown Castle and \$898.50 to Rancho Vista Del Mar) to \$4,500 which represents a 52.5% increase. Annual CPI rent adjustments remain the same.

In comparison with the rents at other privately owned/subleased MERA sites, the new Bay Hill annual rent is significantly below the mid-range (\$17,331 to \$111,405), at \$54,500.

- 2) Payment of a \$6,000 Administrative Fee to defray Incline's legal and administrative costs for preparing the Sublease. This is the same requirement that was included in MERA's prior sublease agreement with AT&T/Crown Castle.
- 3) Payment of \$12,000 to reimburse Incline for their payment to AT&T to acquire the Shelter to house MERA's equipment. MERA constructed this Shelter, whose ownership reverted to AT&T under the original sublease between MERA and AT&T/Crown Castle. Cost of MERA's continued use of the Shelter is included in the new monthly rent.

Proposed initial term of the Sublease is 10 years, with automatic renewal for 3 additional 5-year terms.

Road Maintenance and Improvement costs are to be equally shared by current and future subleasees, which is the same as the prior sublease cost share. Current subleasees are MERA, AT&T, Verizon and County of Sonoma.

ATTACHMENT:

B-4a Bay Hill Sublease Agreement Between MERA and Incline Partners LLC