

**MEMORANDUM  
DEPARTMENT OF FACILITY SERVICES  
COUNTY OF PLACER**

To: Honorable Board of Supervisors

Date: June 17, 2014

From: <sup>MD</sup> Mary Dietrich, Facility Services Director  
By: Laurie Morse, Property Manager <sup>LM</sup>

Subject: Burton Creek AT&T Communications Ground Lease

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**ACTION REQUESTED:**

1. Authorize the Director of Facility Services, or designee, to process a refund to New Cingular Wireless PCS, LLC c/o AT&T Mobility, LLC., for rent overpayments totaling \$36,201.42 associated with the ground lease at the Burton Creek site Near Tahoe City (Lease Agreement CN002300) at no net county cost.

**BACKGROUND / DISCUSSION:** In September 2003, the County of Placer and Cingular Wireless PCS, LLC c/o AT&T Mobility LLC, formerly AT&T Wireless Services of California, LLC (AT&T) entered into a Communications Ground Lease Agreement (Lease) for approximately 400 square feet of land at the County's Burton Creek site, at 2501 North Lake Boulevard in Tahoe City. AT&T subsequently constructed its equipment shelter and cell tower, on which the County placed antennae for public safety services in the Tahoe area. Rent commenced at \$1,200 per month, and was subject to an annual increase based on the Consumer Price Index (CPI). In June 2007, your Board approved Lease Amendment No. 1 that permitted the County's receipt of AT&T's cellular tower and shelter at no cost upon lease termination, in exchange for a rent reduction. Additionally, the annual CPI increase was replaced by a 2% fixed annual increase, effective August 2008.

In accordance with Lease Amendment No. 1, the monthly rent reduced from \$1,330 to \$945 in August 2007. Despite this reduction, AT&T continued to pay the higher monthly rent (\$1,330) until 2013. Additionally, AT&T continued to calculate the annual rent increase using CPI, rather than the fixed 2%. Staff repeatedly attempted to contact AT&T to correct these payment discrepancies, and in 2013 AT&T did respond and corrected the monthly payments. The ongoing nature of this situation resulted in AT&T's accumulation of a credit balance. Through discussions with AT&T and Facility Services Accounting Staff, Property Management confirmed that a refund of \$36,201.42 is due to AT&T. Your Board's approval is necessary to authorize the Director of Facility Services, or designee, to process this refund.

**ENVIRONMENTAL CLEARANCE:** This action is Categorically Exempt from review pursuant to CEQA Guidelines Section 15301 of the California Environmental Quality Act. This Section provides for activities, including leasing of existing facilities, where there is no expansion of use beyond that previously existing.

**FISCAL IMPACT:** Funding associated with this refund payment totaling \$36,201.42 is available in the Accounts Payable General Ledger account in the DeWitt Enterprise Fund and therefore has no impact to the operating budget.

MD:MR:LM:NT

CC: COUNTY EXECUTIVE OFFICE

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