



**SUPPLEMENTAL AGENDA ITEM
AGENDA STAFF REPORT**

Control: 26001277

MEETING DATE: 05/19/2026

LEGAL ENTITY TAKING ACTION: Board of Supervisors

BOARD OF SUPERVISORS DISTRICT(S): District 2

SUBMITTING AGENCY/DEPARTMENT: County Executive Office

DEPARTMENT CONTACT PERSON(S): Thomas Miller, 714-834-6019
Brian Bauer, 714-834-5663

REASON ITEM IS SUPPLEMENTAL: This ASR is supplemental because we are under a deadline to move an existing wireless cellular tower from its current location on the property at 595 The City Drive in Orange, to accommodate the construction of County’s new Common Good center.

JUSTIFICATION: This Agenda Staff Report and attachments were finalized after the filing deadline to the Clerk of the Board. If this item is delayed, the construction of the project may not be able to proceed on schedule.

SUBJECT: Third Amendment to Communications Site Ground Lease Agreement with STC ONE LLC

CEO CONCUR	COUNTY COUNSEL REVIEW	CLERK OF THE BOARD
Concur	Approve agreement to form	DISCUSSION 3 Votes Board Majority

Budgeted: Yes	Current Year Cost: \$350,000	Annual Cost: N/A
Staffing Impact: No		Sole Source: No
Current Fiscal Year Revenue: \$63,404	Funding Source: Fund 135 – 100%	County Audit in Last 3 years: No
Levine Act Review Completed? Yes		
Prior Board Action: 8/12/2025 # 47; 7/26/2016 #9; 6/7/2011 #9; 8/16/2005 #15		

RECOMMENDED ACTION(S):

1. Find the project is categorically exempt from the California Environmental Quality Act (CEQA), Class 1 (Existing Facilities) pursuant to CEQA Guidelines, Section 15301.
2. Approve and authorize the Chief Real Estate Officer or designee to execute the Third Amendment to Communications Site Ground Lease with STC ONE LLC at 595 The City Drive S, Orange and authorize a one-time payment to STC ONE LLC in the amount of \$350,000 to be used towards relocating telecommunications facilities to accommodate County’s future redevelopment of the property, in a form that substantially conforms with the attached, as approved by County Counsel.

3. Authorize the Chief Real Estate Officer or designee to execute the New License Agreement between County and STC ONE LLC for an initial ten (10) year term with four (4) ten (10) year options to extend, in a form that substantially conforms with Exhibit E to the Third Amendment, pursuant to the terms of the Third Amendment, as approved by County Counsel.
4. Direct the Auditor-Controller, upon notification from the Chief Real Estate Officer or designee to issue a one-time payment from County Fund 135 to STC ONE LLC, in the amount of \$350,000, for costs associated with decommissioning and relocating STC ONE LLC's telecommunications facilities.
5. Authorize the Chief Real Estate Officer or designee to execute subsequent documents and amendments to the Communications Site Ground Lease, as amended, and New License Agreement that make non-monetary and/or monetary changes that do not increase County liability or costs by more than \$75,000 per year, as approved by County Counsel.

SUMMARY:

Approval of the Third Amendment to Communications Site Ground Lease, and a New Site License Agreement, with STC ONE LLC, provide a phased relocation plan for the existing telecommunications facilities located on County-owned property at 595 The City Drive South, Orange, that includes temporary and permanent relocation sites, consistent with construction of the Common Good workforce reentry project.

BACKGROUND INFORMATION:

On August 16, 2005, the Board of Supervisors (Board) approved the purchase of a one-half acre parcel located at 595 The City Drive South, Orange (Property) to expand the former OC Animal Care Center parking lot. The purchase included the assignment of a Communications Site Ground Lease agreement with Cox PCS Assets, LLC to the County as Lessor (Existing Lease). Cox PCS Assets, LLC later assigned its tenant interest in the Lease to STC ONE LLC (Lessee). The Existing Lease consists of approximately 498 square feet (SF) of ground space for use as a telecommunications facility with a wireless communications tower, supporting equipment, and improvements (Lessee's Telecommunication Facilities).

On June 7, 2011, the Board approved the First Amendment to the Existing Lease which expanded Lessee's premises by 231 SF to a total of 729 SF (Current Premises), increased annual revenue to the County, and authorized Metro PCS and AT&T Wireless to co-locate on Lessee's Telecommunication Facilities (First Amendment). Additionally, the First Amendment added the County's right to relocate the Lessee should County redevelop the Property, at County's sole cost and expense including all reasonable costs, fees and expenses associated with the decommissioning and relocation. On July 26, 2016, the Board approved the Second Amendment to Existing Lease, which authorized Lessee's equipment upgrades. The Existing Lease is set to expire on October 28, 2028.

On August 12, 2025, the Board approved a development agreement for the construction of the Workforce Reentry Center, now known as Common Good (Project), which includes the construction of new buildings, related amenities and improvements at the Property. County Executive Office (CEO) Real Estate requests Board approval of this Third Amendment to the Existing Lease (Third Amendment) to

facilitate construction of the Project and relocate Lessee's Telecommunication Facilities and co-located partners into a temporary and subsequent permanent location within the existing Property, consistent with construction of the Project. The Project is anticipated to commence construction in the Summer of 2026 and be completed by Spring 2028, and requires relocation of Lessee's Telecommunication Facilities to accommodate the Project's proposed site plan.

The Third Amendment allows for the relocation of Lessee's Telecommunication Facilities to continue operations during the entirety of the Project in two phases as outlined below. As part of the relocation plan in the Third Amendment, Lessee, at Lessee's sole cost and expense, will construct and install all required telecommunication facilities, improvements and equipment, including those necessary for any co-located partners, for both the temporary and permanent facilities. Such improvements will include work to decommission and remove any facilities and personal property remaining at the Property. Lessee will obtain all the certificates, permits and other approvals that may be required to construct the temporary and permanent sites.

Phase 1: Temporary Facility

Lessee's temporary site consists of approximately 434 SF, as depicted on Exhibit D of the Third Amendment. Lessee will construct a temporary tower, transmission lines, electronic equipment, radio transmitting and receiving antennas, power sources (including generators and fuel storage tanks), supporting equipment and structures and, if applicable to the site, an antenna support structure (Temporary Facility). The work required to build the Temporary Facility, including decommissioning the Current Premises, must be completed within 90 days following Lessee's receipt of all governmental approvals required to accomplish such work, which may be extended by 60 days in the event of any governmental permit approval delays beyond Lessee's control or other force majeure events.

In consideration for Lessee's agreement to vacate the Premises prior to the expiration of the Existing Lease and incurring operational costs associated with decommissioning the Current Premises and constructing the Temporary Facility, County will pay Lessee a one-time fee in the amount of \$350,000 towards these costs and expenses, which are estimated to be more than \$500,000, and Lessee will pay no rent for the temporary site location.

Phase 2: Permanent Facility

Once properly permitted, Lessee will relocate to the permanent long-term location of approximately 729 SF, as depicted in Exhibit D of the Third Amendment (New License Area), consistent with the terms of the New License Agreement attached to the Third Amendment as Exhibit E. Lessee will construct and install the permanent communication facility and associated equipment within the New License Area for long-term use, at no cost to the County. The New License Area, and removal of the Temporary Facility, must be completed by the date the Project's developer requires use of the site to complete the Project, which is currently anticipated to be on or about January 7, 2028.

New License Agreement

Under the New License Agreement, Lessee will license the New License Area for a 10-year term, with four, 10-year options to extend (New License Agreement). The monthly license fee for the New License Area will be \$1,250/month, equating to \$15,000 in the first year, with three percent annual increases thereafter (License Fee). After the completion of Lessee's new communications facility, the License Fee

commencement date will be the first day of the first full calendar month following the date that the mobile carrier, T-Mobile, is installed and operating from the New License Area.

Subject to the prior written approval of the Chief Real Estate Officer, Lessee may enter into sublicense, license or other co-location agreements with a third-party wireless service provider (Co-location Agreements) for the installation and operation on Lessee's communication facility within the New License Area, per the terms of the New License Agreement. The County estimates approximately \$1.7 million of additional revenue resulting from potential Co-location Agreements over the course of the initial 10-year term.

The New License Agreement includes pre-approval of a Co-Location Agreement with AT&T. If a Co-location Agreement with AT&T is signed, County will receive additional revenue of approximately \$625/month with three percent annual increases (AT&T Co-location Fee). Any additional Co-location Agreements would result in an additional fee of \$1,150/month with three percent annual increases (Additional Co-location Fee).

County and Lessee will each comply with all applicable non-interference rules and regulations of the Federal Communications Commission and other applicable governmental authorities, subject to the terms and conditions in the New License Agreement. To accommodate the construction of the Project, CEO Real Estate is recommending the approval of the Third Amendment to the Existing Lease, and the New License Agreement. This will allow construction of the Common Good workforce reentry center to proceed as scheduled.

Compliance with CEQA: The proposed project is Categorically Exempt (Class 1) from the provisions of CEQA pursuant to Section 15301, because it involves an amendment to a ground lease instrument.

FINANCIAL IMPACT:

Approval of the Third Amendment and New License Agreement is anticipated to provide approximately \$171,960 in revenue over the New License Agreement's initial 10-year term. If all term extensions are exercised, the New License Agreement will generate \$1,691,965 over 50 years. Should any additional carriers co-locate onto the tower, County revenue will increase.

Revenue for this agreement is included in Fund 135 Real Estate Development Program FY 2026-27 Budget and will be included in the budgeting process for future years. The Current Fiscal Year Revenue of \$63,404 is based on the Current Premises monthly rental payments for FY 2025-26. Fund 135 will be utilized in FY 2026-27 for payment of the \$350,000 payable fee to Lessee.

595 The City Drive South Revenue from License Fee

FY 2027-2028	\$15,000	FY 2052-2053	\$31,407
FY 2028-2029	\$15,450	FY 2053-2054	\$32,349
FY 2029-2030	\$15,914	FY 2054-2055	\$33,320
FY 2030-2031	\$16,391	FY 2055-2056	\$34,319
FY 2031-2032	\$16,883	FY 2056-2057	\$35,349
FY 2032-2033	\$17,389	FY 2057-2058	\$36,409

FY 2033-2034	\$17,911	FY 2058-2059	\$37,502
FY 2034-2035	\$18,448	FY 2059-2060	\$38,627
FY 2035-2036	\$19,002	FY 2060-2061	\$39,785
FY 2036-2037	\$19,572	FY 2061-2062	\$40,979
FY 2037-2038	\$20,159	FY 2062-2063	\$42,208
FY 2038-2039	\$20,764	FY 2063-2064	\$43,475
FY 2027-2040	\$21,386	FY 2064-2065	\$44,779
FY 2040-2041	\$22,028	FY 2065-2066	\$46,122
FY 2041-2042	\$22,689	FY 2066-2067	\$47,506
FY 2042-2043	\$23,370	FY 2067-2068	\$48,931
FY 2043-2044	\$24,071	FY 2068-2069	\$50,399
FY 2044-2045	\$24,793	FY 2069-2070	\$51,911
FY 2045-2046	\$25,536	FY 2070-2071	\$53,468
FY 2046-2047	\$26,303	FY 2071-2072	\$55,072
FY 2047-2048	\$27,092	FY 2072-2073	\$56,725
FY 2048-2049	\$27,904	FY 2073-2074	\$58,426
FY 2049-2050	\$28,742	FY 2074-2075	\$60,179
FY 2050-2051	\$29,604	FY 2075-2076	\$61,984
FY 2051-2052	\$30,492	FY 2076-2077	\$63,844

Total Revenue: \$1,691,965

STAFFING IMPACT:

N/A

REVIEWING AGENCIES/DEPARTMENTS:

N/A

ATTACHMENTS:

Attachment A - Third Amendment To Communications Site Ground Lease Agreement

Attachment B - Summary of Lease

Attachment C - Conveyance Questionnaire