Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

File #: 2025-0326, **File Type:** Agreement **Agenda Number:** 6.

FINANCE, BUDGET & AUDIT COMMITTEE
JUNE 18, 2025

SUBJECT: LICENSE AGREEMENTS FOR THREE MICROWAVE RADIO STATION LOCATIONS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO), or their designee, to execute three 5-year license agreements commencing August 1, 2025, with American Tower Corporation dba SpectraSite Communications, LLC; with up to three additional five-year options for each site for microwave radio stations located at the following sites:

- 5 Mt. Lukens Road, Tujunga - at an initial rate of approximately $7,617.47 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of $2,678,592.90 over the full 20-year term (including options).

- Oat Mountain Orcutt Ranch, Chatsworth - at an initial rate of approximately $5,274.26 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of $1,837,556.05 over the full 20-year term (including options).

- 1 Hauser Mountain, Acton - at an initial rate of approximately $4,274.97 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of $1,495,434.10 over the full 20-year term (including options).

ISSUE

Metro currently licenses microwave radio station facilities at three locations: Mt. Lukens Road in Tujunga, Oat Mountain Orcutt Ranch in Chatsworth, and Hauser Mountain in Acton (collectively, the “Towers”) to support continuous communication and security across the agency’s bus and rail network. The current license agreement for these sites expires on July 31, 2025. Given the critical operational role these towers play in maintaining Metro’s communications infrastructure, continued access is essential. Board approval is required to authorize the execution of new agreements..

BACKGROUND

Metro has operated the three towers since 1995 under a single license agreement with SpectraSite Communications, originally executed on August 1, 1995. The License was amended on July 10,

1997, and on August 11, 2010, to extend the term through July 31, 2025. The Towers house critical equipment for Metro's Advanced Transportation Management System, which supports voice and data communication between buses and the Bus Operations Center, and rail communications, which facilitate real-time communication between rail lines and the Rail Operations Center. Both systems are essential for maintaining safe, reliable, and efficient public transportation services throughout Los Angeles County.

DISCUSSION

License Renewal and Structure

To continue uninterrupted use of these vital tower sites, Metro staff is proposing to renew the licenses for a 5-year term with three additional 5-year extension options for each location through 2045. As part of this renewal, staff negotiated a separation of the original single license into three distinct agreements, one per site, in alignment with best practices for asset-specific management, legal clarity, and financial tracking.

Financial Terms

The initial rate under the new proposed licenses is less than 1% higher than the current rental rate. Staff evaluated current lease rates for comparable communications towers in the greater Los Angeles region using third-party data (including CoStar) and internal leasing experience and found the rates to be within a normal market range for similar infrastructure, particularly when factoring in Metro's long-term occupancy and reliability of the sites. Metro has over 20 tower agreements with both governmental agencies and private tower landlords ranging from $7,000.00 to $150,465.00 per year. These three agreements range from $52,880.16 to $94,318.56 per year and are at or below the middle of that range.

Considerations

Continued use of these tower sites supports operational efficiency and cost control by leveraging Metro's existing, proven infrastructure. These sites have delivered reliable performance since 1995 and play a key role in providing redundancy and continuity across Metro's communications network. Retaining access ensures uninterrupted service and minimizes the risk of operational disruption. Additionally, by securing favorable long-term rates now, Metro can avoid higher future costs that could result from relocating to or negotiating with multiple alternative tower providers. Staff will continue to evaluate market conditions and operational needs at the conclusion of each term to ensure ongoing value and alignment with Metro's strategic goals.

DETERMINATION OF SAFETY IMPACT

This Board Action will help ensure continued safe and reliable bus and rail transportation throughout the system.

FINANCIAL IMPACT

The proposed agreements include an initial 5-year term for each site, with three additional 5-year renewal options, for a potential total term of 20 years. The rental rates include a 3.5% annual

escalation applied throughout the initial term and any exercised options. The cost of the first year is shown below.

Period	Location 308 (5 Mt. Lukens Rd.)	Location 313 (Oat Mtn. Orcutt Ranch)	Location 314 (1 Hauser Mt.)	Total
8/1/2025-7/31/2026	$94,318.56	$64,977.96	$52,880.16	$212,176.68

The total projected expenditure for all three sites over the full term (including options) is $6,011,583.05.

Impact to Budget
Funding for the license payments in FY26 is included in the Real Estate Non-Departmental Cost Center (0651), under Bus Operations (306006). Future year obligations will be incorporated by staff into Metro's annual budget process and planned accordingly as ongoing operational costs.

EQUITY PLATFORM

The proposed actions would support Metro bus and rail operations and customer experience, which would benefit all Metro riders and employees. There are no specific equity benefits or impacts.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. All Board items are assessed for their potential impact on VMT to ensure continued progress.

As part of these ongoing efforts, this item is expected to contribute to further VMT reductions. While this item does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro transit operations, as communications throughout the Metro bus and rail system are critical to keeping these systems safe and on time. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal #2: "Deliver outstanding trip experiences for all users of the transportation system."

ALTERNATIVES CONSIDERED

If the Board does not approve the License renewals, Metro would need to secure agreements at multiple alternative tower sites to maintain current coverage. This would result in higher rental costs, potential capital expenses to relocate equipment, and increased risk of service disruptions. Given the reliability and strategic locations of the current Towers, pursuing alternatives is not recommended.

NEXT STEPS

Upon Board approval, Metro will execute the three license agreements with American Tower Corporation dba SpectraSite Communications, LLC. This will secure continued use of the microwave radio station locations through July 31, 2045, including the option periods.

ATTACHMENTS

Attachment A - License Location Map
Attachment B - Deal Points

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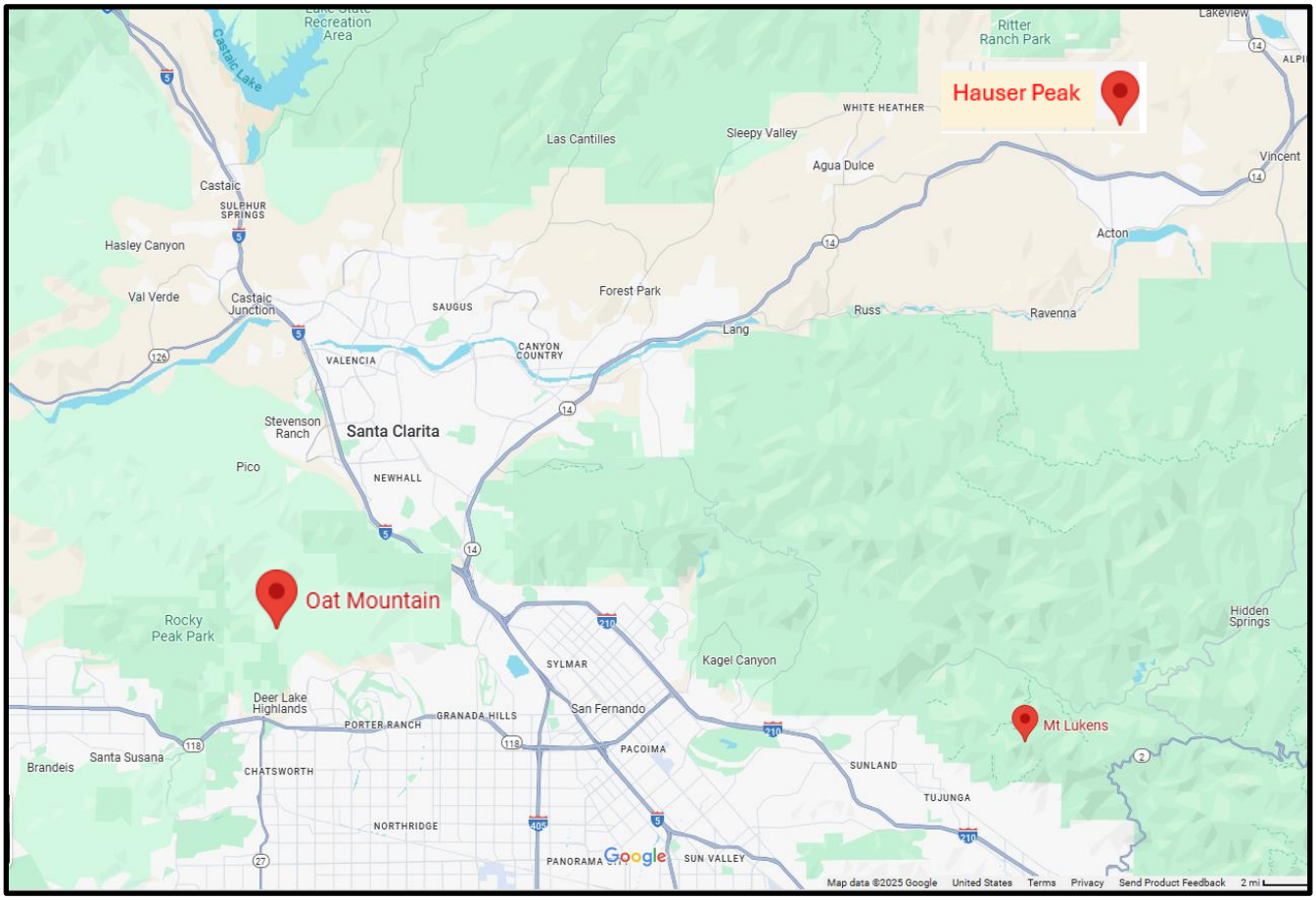
Attachment A

LOCATION MAP



Mt. Lukens
Location 308
5 Mt. Lukens Road
Tujunga, CA
(**AL000081)**

Oat Mountain
Location 313
Orcutt Ranch
Chatsworth, CA
(**AL000082)**

Hauser Peak
Location 314
1 Hauser Mtn.
Acton, CA
(**AL000083)**

Attachment B – Deal Points

New or renewal	License Renewal
Landlord/Owner	American Towers Corporation dba SpectraSite Communications, LLC
Location	5 Mr. Lukens Road, Tujunga Orcuttt Ranch, Chatsworth 1 Hauser Mountain, Acton
Premises	Radio tower locations
Purpose	Radio tower for rail and bus communications.
Commencement and Duration (note any extensions)	5-years commencing August 1, 2025. There are three (3) options to extend the term for five (5) years each.
Total Cost	The total lease value is approximately $6,011,583.03 over the five (5)-year terms including options.
Early Termination Clauses	None.
Determination of Lease Value	Real Estate staff.
Background with this Landlord	This will be the second transactions with the landlord at theses locations. Metro has a total of eight (8) tower agreements with this landlord.
Special Provisions	None.

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Finance, Budget & Audit Committee - June 16, 2025

Legistar File #2025-0326

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Recommendation

AUTHORIZE the Chief Executive Officer (CEO), or designee, to execute three separate five (5)-year license agreements commencing August 1, 2025, with American Tower Corporation dba SpectraSite Communications, LLC (Licensor); and **AUTHORIZE** the Chief Executive Officer (CEO), or designee, to execute up to three (3) additional five (5)-year options for each site for microwave radio stations located at the following sites:

- 5 Mt. Lukens Road, Tujunga - at an initial rate of approximately $7,617.47 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of $2,678,592.90 over the full 15-year term (including options).

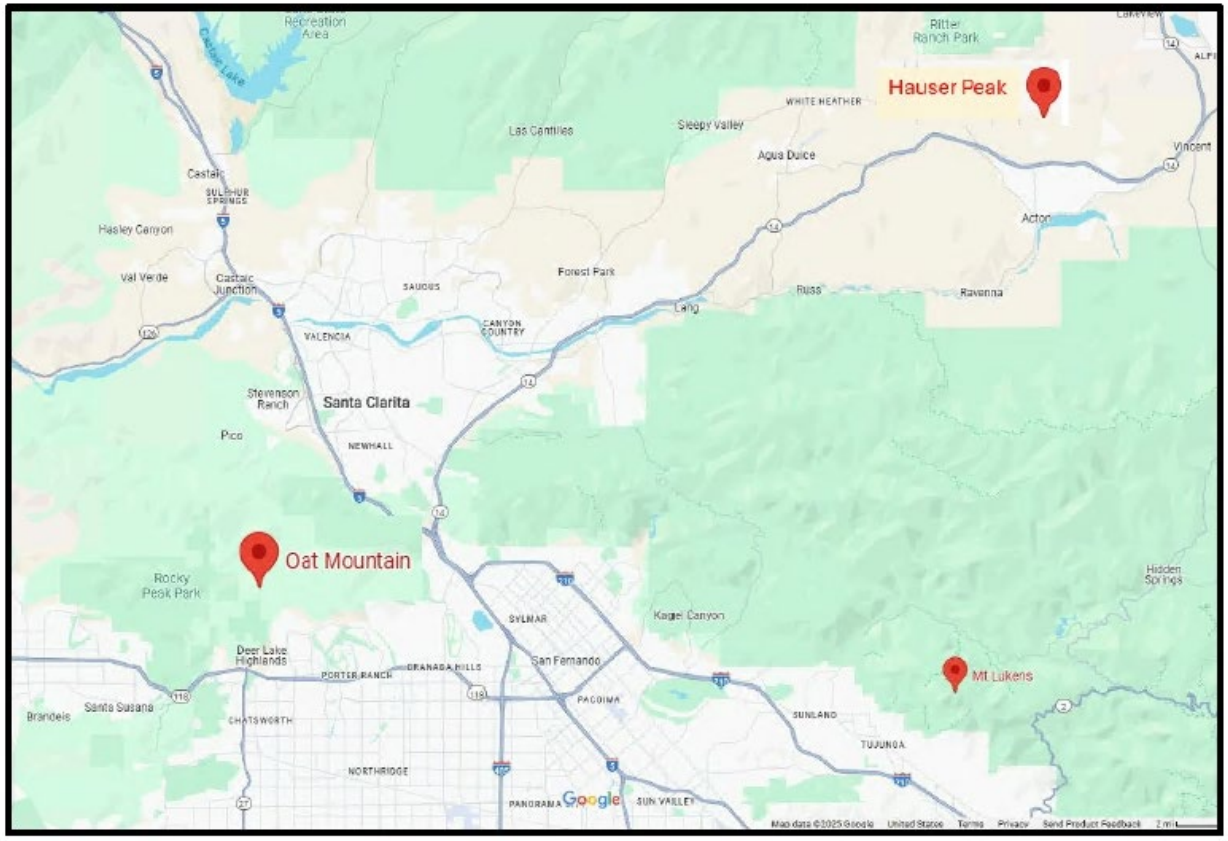
- Oat Mountain Orcutt Ranch, Chatsworth - at an initial rate of approximately $5,274.26 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of $1,837,556.05 over the full term (including options).

- 1 Hauser Mountain, Acton - at an initial rate of approximately $4,274.97 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of $1,495,434.10 over the full term (including options).

Background

- **Longstanding Use**: Metro has operated three microwave radio towers since 1995 under a license agreement with SpectraSite Communications.
- **License History**: The agreement was extended in 1997 and 2010, with the current term expiring on **July 31, 2025**.
- **System Integration**: The towers support Metro's Advanced Transportation Management System (ATMS) and Rail Communications (Rail Comm).
- **Operational Importance**: These systems provide essential voice and data communication between buses, trains, and their respective operations centers, ensuring safe and efficient service countywide.

Location Map



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Oat Mountain
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Financial Impact & Next Steps

Financial Impact:

Up to $6,011,583 for all three sites for up to 20 years (five-year initial period plus three five-year options)

Upon Board approval:

Metro will execute the three license agreements with American Tower Corporation dba SpectraSite Communications, LLC. This will secure continued use of the microwave radio station locations through July 31, 2044, including the option periods.