

# Memorandum

TAB 40

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 15-16, 2009

From:   
CINDY McKIM  
Chief Financial Officer



Reference No.: 2.9a.  
Action Item

Prepared by: Bimla G. Rhinehart  
Chief  
Division of Right of Way and  
Land Surveys

Subject: **TECHNICAL CORRECTION TO RESOLUTION G-08-17, WIRELESS PROGRAM RENEWAL - MASTER LICENSE AGREEMENT**

## **RECOMMENDATION:**

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve a technical correction to Exhibit C of the Fee Matrix of the Department's Wireless Licensing Program Master License Agreement (MLA).

## **ISSUE:**

On October 29, 2008, the Commission approved the Department's wireless licensing master agreement. The pricing matrix (Exhibit C) for the more urban San Francisco Bay area counties was incorrect and needs to be fixed. Approval of this change will allow the Department to move forward with the execution of new MLAs with the wireless carriers and will make the price matrix much clearer for the licensees in the affected Bay Area counties.

## **BACKGROUND:**

Upon renewal of the Program on July 1, 2003, the rental rates for the sites located in the six prime urban San Francisco Bay Area counties went up 25 percent due to market conditions. This was reflected in the 2003 pricing matrix with a footnote to increase the rates for prime urban in Alameda, Contra Costa, Marin, San Francisco, San Mateo and Santa Clara Counties. When the new price matrix (Exhibit C) to the MLA was developed, the 2003 footnote referring to the added price for these counties was misinterpreted, resulting in a lower 2008 price matrix (Part II) for these six Bay Area counties. The revised Exhibit C corrects this by breaking out a separate price matrix for these six urban counties. The pricing matrix in Part II reflects the 25 percent increase to the 2003 pricing matrix and includes the 3.5 percent annual increase for the six year period from July 1, 2008 to June 30, 2014. By adding the separate chart to the price matrix, it brings the rents in these San Francisco Bay Area counties to their present value and projects them out until the end of the MLA term.

**Price Matrix Approved by CTC October 29, 2008****ANNUAL BASE LICENSE FEE MATRIX (JULY 1, 2008)**

Adjusted 3.5 percent per year.

(Rounded to the nearest whole dollar and divisible by 12)

(For use with Master License Agreement in effect after July 1, 2008)

**EXHIBIT C****July 1, 2008 – June 30, 2014**

	<i>July 1, 2008</i>	<i>July 1, 2009</i>	<i>July 1, 2010</i>	<i>July 1, 2011</i>	<i>July 1, 2012</i>	<i>July 1, 2013</i>
<b>MACROCELL</b>						
Prime Urban (Cat 1)*	\$30,660	\$31,728	\$32,844	\$33,996	\$35,184	\$36,415
Urban (Cat 2)	\$23,652	\$24,480	\$25,332	\$26,208	\$27,144	\$28,094
Rural (Cat 3)	\$17,520	\$18,132	\$18,768	\$19,428	\$20,100	\$20,804
<b>MINICELL</b>						
Prime Urban (Cat 1)*	\$26,280	\$27,204	\$28,152	\$29,136	\$30,156	\$31,211
Urban (Cat 2)	\$21,900	\$22,668	\$23,460	\$24,276	\$25,128	\$26,007
Rural (Cat 3)	\$17,520	\$18,132	\$18,768	\$19,428	\$20,100	\$20,804
<b>MICROCELL</b>						
Prime Urban (Cat 1)*	\$21,900	\$22,668	\$23,460	\$24,276	\$25,128	\$26,007
Urban (Cat 2)	\$17,520	\$18,132	\$18,768	\$19,428	\$20,100	\$20,804
Rural (Cat 3)	\$14,460	\$14,964	\$15,480	\$16,020	\$16,584	\$17,164

\*Effective July 1, 2008, for Marin, San Francisco, San Mateo Santa Clara, Alameda and Contra Costa Counties add 25% to the Prime Urban price.

Attachment

**New Proposed Price Matrix**

**ANNUAL BASE LICENSE FEE MATRIX**

**(Base values established July 1, 1997)**

Adjustment is 3.5 percent per year.

(Rounded to the nearest whole dollar and divisible by 12)

(For use with Master License Agreements in effect after July 1, 2008)

**EXHIBIT C**

**July 1, 2008 - June 30, 2014**

**Part I**

	<i>July 1, 2008</i>	<i>July 1, 2009</i>	<i>July 1, 2010</i>	<i>July 1, 2011</i>	<i>July 1, 2012</i>	<i>July 1, 2013</i>
<b>MACROCELL</b>						
Prime Urban (Cat 1)	\$30,660	\$31,728	\$32,844	\$33,996	\$35,184	\$36,415
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Urban (Cat 2)	\$17,520	\$18,132	\$18,768	\$19,428	\$20,100	\$20,804
Rural (Cat 3)	\$14,460	\$14,964	\$15,480	\$16,020	\$16,584	\$17,164

Effective July 1, 2003, for Alameda, Contra Costa, Marin, San Francisco, San Mateo and Santa Clara Counties, 25 percent was added to the prime urban price. The following is the price matrix for these prime urban San Francisco Bay Area counties.

**Part II**

	<i>July 1, 2008</i>	<i>July 1, 2009</i>	<i>July 1, 2010</i>	<i>July 1, 2011</i>	<i>July 1, 2012</i>	<i>July 1, 2013</i>
<b>MACROCELL</b>						
Prime Urban (Cat 1)	\$37,020	\$38,316	\$39,660	\$41,052	\$42,489	\$43,976
<b>MINICELL</b>						
Prime Urban (Cat 1)	\$31,764	\$32,880	\$34,032	\$35,220	\$36,453	\$37,729
<b>MICROCELL</b>						
Prime Urban (Cat 1)	\$26,460	\$27,384	\$28,344	\$29,340	\$30,367	\$31,430