Burney Water District

Board Agenda Item:

Consider adoption of Resolution No. 2026-08 declaring a portion of District property exempt surplus land, approving an Option and Lease Agreement with the Towers, LLC, and conditionally delegating execution authority to the District Manager, or his designee.

Recommendation:

Adopt Resolution No. 2026-08, and approve the Option and Lease Agreement ("Agreement") with The Towers, LLC substantially in the form presented. Authorize the District Manager, or designee, to execute the Agreement and related ministerial documents only after (1) the California Department of Housing and Community Development ("HCD") completes its exemption review and issues its findings, (2) the District completes any further actions required under the Surplus Land Act (SLA) in response to those findings, and (3) District counsel approves any nonmaterial revisions, as necessary.

Background:

The District owns approximately one (1) acre in Shasta County identified as Assessor's Parcel Number 028-320-029. The Towers, LLC, a Delaware limited liability company known in California as The Towers of California, LLC, proposes an option to lease an approximately 50-foot by 50-foot portion of the property, together with related easements, for a wireless communications facility.

The proposed Resolution contains the Board's written findings that the Premises is exempt surplus land because the facility is planned for District agency use. Subject to space, engineering, and noninterference requirements, the Agreement reserves the District's ability to install public-agency equipment supporting telemetry, Supervisory Control and Data Acquisition systems, field communications, emergency response, and future broadband needs.

On July 30, 2026, the District, through counsel, submitted a draft Resolution to HCD for preliminary review. By email dated August 31, 2026, HCD advised that the draft contained the information necessary for adoption and for HCD to proceed with its exemption review. That preliminary response does not complete HCD's exemption review. Staff will submit the adopted Resolution and supporting materials to HCD and will not execute the Agreement until HCD completes its exemption review and issues its findings and the District completes any further action required under the SLA in response to those findings.

Key Agreement Terms:

- **Premises –** Approximately 2,500 square feet within APN 028-320-029, plus related landscape buffer, access, and utility easements, as applicable.

- **Option –** Lessee pays a $7,000 option fee within 30 days after full execution; Three years to exercise from the Effective Date.
- **Lease term –** Five-year initial term after exercise, followed by five successive five-year renewal terms and one final renewal term of four years and eleven months, subject to the Agreement's renewal and nonrenewal provisions.
- **Rent –** $1,500 per month beginning on the Rent Commencement Date, increasing 2.5 percent annually.
- **Additional carriers –** $200 per month for the second Broadband Carrier and each additional Broadband Carrier while the applicable carrier is operating and paying rent to Lessee.
- **District use –** No rent is charged for the District's public-agency equipment on the facility, subject to available space, plan approval, structural capacity, and noninterference requirements. The District pays costs of modifications needed for its installation.
- **Construction –** Lessee bears construction, permitting, utility, maintenance, and compliance costs and must obtain required governmental approvals. The Agreement requires reimbursement of the District's related costs, including environmental review costs requiring Lessee's cooperation.

Fiscal Impact:

The District will receive a $7,000 option fee and, if the option is exercised, initial rent of $1,500 per month with annual 2.5 percent increases, plus any applicable additional-carrier payments. Lessee bears the facility’s construction, permitting, utility, maintenance, and compliance costs. The District bears its own equipment and tower-modification costs if it later installs equipment.

Environmental Review:

Approval of this item does not itself authorize construction. Lessee must obtain all required governmental approvals and reimburse the District for related environmental-review costs requiring Lessee’s cooperation. Any review or exemption determination required under the California Environmental Quality Act must be completed before the District authorizes physical development of the Premises.

Proposed Motion:

Move to adopt Resolution No. 2026-____ declaring the approximately 2,500 square-foot Premises within Assessor’s Parcel Number 028-320-029 exempt surplus land under Government Code section 54221(f)(1)(N); approve the Option and Lease Agreement with The Towers, LLC, substantially in the form presented, and authorize the District Manager, or the District Manager’s designee, to execute the Agreement and related ministerial documents only after (1) HCD completes its exemption review and issues its findings, (2) the District completes any further action required under the SLA in response to those findings; and (3) District Counsel approves any nonmaterial revisions to the Agreement as necessary.

Attachments:

1. Please see item 8 which includes: Resolution No. 2026-08, including Exhibit A legal description and Exhibit B Option and Lease Agreement