

Discussion / Direction / Decision on the Harbor Mountain Bypass Cell Tower Parcel Lease.

Recommendation: Direct staff to prepare the lease and ordinance and to provide feedback on any requested changes to the preliminary terms as outlined in this memo.




City and Borough of Sitka


PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator 

From: Amy Ainslie, Planning Director 

Date: May 4, 2021

Subject: Harbor Mountain Bypass Cell Tower Parcel Lease

Background

On August 5, 2020, the Assembly directed staff to issue a Request for Proposals (RFP) to lease a site on Harbor Mountain Bypass Road for the purpose of cell tower development. CBS was approached by Vertical Bridge/New Horizons (VB/NH) who are contractors for Verizon Wireless with the original request to lease municipal land in this area.

The RFP was developed and advertised from October 2 – November 2, 2020. One proposal was received, and it was from VB/NH. The response was reviewed by CBS staff including Planning, Public Works, Finance, Electric, and SFD. The review team agreed unanimously that some further detail and more competitive terms were needed in order to move forward with a lease; a letter was sent from CBS to VB/NH on December 17th requesting further information.

VB/NH provided a response and modified terms to CBS on February 25th. CBS staff has since reviewed the modified response and felt it was sufficiently complete and competitive to bring forward to the Assembly for consideration.

Analysis

Leases of this length require authorization from the Assembly via ordinance. Staff would like direction from the Assembly to move forward in preparing a lease document and an ordinance for this lease.

Broadly, these are the terms of the lease as proposed:

- \$1,000/month base lease price
- 2% annual rent escalator on the base lease price
- 33% revenue sharing for rents paid by future co-locators (i.e. subtenants on the tower exclusive of Verizon Wireless)

- Lease area is approximately 5,625 square feet plus the access drive
- Initial term of 5 years with renewal terms at each 5 year increment for a total of 30 years

Much of the information exchange between CBS and VB/NH centered around the base lease price. Given a few comparable leases in Sitka we were able to find, CBS staff initially felt a substantially higher base lease price was warranted. However, after discussion with the proposers on the investment challenges for new tower development, staff agrees the alternative revenue sharing structure as proposed best balances developer and CBS returns.

Fiscal Note

No expenses for development of the lease and ordinance are expected at this time. A survey of the lease parcel will be a required attachment to the lease agreement and ordinance; as was explicated in the RFP, this expense is to be borne by the selected proposer (VB/NH).

Recommendation

Direct staff to prepare the lease and ordinance and to provide feedback on any requested changes to the preliminary terms as outlined in this memo.

Attachments:

- RFP & Attachments
- VB/NH RFP Response
- CBS Response 12.17
- VB/NH Response 2.25

REQUEST FOR PROPOSALS (RFP)

HARBOR MOUNTAIN BYPASS CELL TOWER PARCEL LEASE



**Advertise Request for Proposal
Submittals Due**

**October 2, 2020 to November 2, 2020
November 2, 2020**

Released October 2, 2020

**REQUEST FOR PROPOSALS
ISSUED BY
THE CITY AND BOROUGH OF SITKA, ALASKA
FOR
LEASE OF MUNICIPAL LAND FOR CELL TOWER DEVELOPMENT – A PORTION
OF TRACT C ASLS 79-4, HARBOR MOUNTAIN BYPASS ROAD
OCTOBER 2020**

A. Overview

The City and Borough of Sitka (CBS) intends to lease a 2,500 – 10,000 square foot tract of land within the northeast portion of Tract C, ASLS 79-4 for the purposes of cellular tower development, construction, and operation. The lease parcel is not yet surveyed, as the intent was to retain flexibility for the selected developer to identify a suitable location for a tower within the area of interest. An aerial vicinity map is provided to indicate the area of interest for lease.

B. Property Characteristics

The area of interest for the lease is located on Harbor Mountain Bypass Road, which is a right-of-way maintained by CBS. It is also proximate to a municipal water tower. Electric service is available in the vicinity; the selected developer will need to extend electric service into the lease parcel.

There are mapped wetlands in the area; the selected developer will need to contact the Alaska Army Corps of Engineers to definitively determine wetlands delineation in the area, and for information regarding development in the wetlands. A map of known wetlands is available in the Appendices and provided as informational only. CBS makes no representations, determinations, or waivers of wetlands in the area and/or regulatory requirements for development of wetlands in this area.

The property is zoned as R-1 single-family and duplex residential. Cellular antennas and towers are allowed. Proposers are encouraged to review the zoning code which can be accessed at: <https://www.codepublishing.com/AK/Sitka/>

C. Existing Utilities and Construction Information

Single-phase electric service is available in the area; approximately 1,000 feet of underground feed would need to be run to the site and a pad mount transformer installed. If larger electrical needs or three phase power is requested by the selected proposer, CBS can work with the selected proposer to meet the needs for the project. Responses to the RFP should include power needs/demand.

The proposed location and dimensions of utilities shall be shown in the proposed development plan so they can be evaluated along with the rest of the proposal elements.

Development of this land may increase stormwater runoff onto properties downstream. The selected proposer for this property will be required to adhere to CBS Stormwater Design Standards and complete a comprehensive hydrology study completed by a State of Alaska licensed Civil Engineer and accepted by the CBS Department of Public Works.

The maximum building height in the R-1 zone is 35 vertical feet - CBS recognizes this is below the usual/industry standard for cell tower construction. Upon receiving and selecting a proposal, CBS will apply for a variance through the Sitka Planning Commission to secure rights to build a tower taller than 35 feet based on the total maximum height as described in the Site Plan (see section E) of the selected proposal. This variance will be sought prior to execution of the lease.

Obtaining all necessary geotechnical information and applicable permits during planning, design, and construction shall be sole responsibility of the selected proposer.

D. Surveying

This lease area is not yet surveyed – flexibility is offered for the selected proposer to define the lease boundaries within the designated vicinity. The area to be leased shall be no smaller than 2,500 square feet and no larger than 10,000 square feet. The selected proposer shall commission a survey of the lease area (with a surveyor licensed in the State of Alaska), which will be agreed upon between the selected proposer and CBS prior to execution of the lease documentation. The survey will be completed at the sole expense of the selected proposer.

E. Requirements for Proposals

It is the goal of the CBS for private developers to lease this property and develop it with a cellular tower.

Developers submitting Proposals must include the following requested information arranged in this order:

1. Narrative statement of qualifications of your firm or enterprise and key consultants/contractors to be engaged, if applicable.
2. Qualifications of project manager, engineer(s) of record and surveyor.

3. List of projects previously completed of a similar nature including a construction cost and start/completion dates for each project.
4. Submit an organizational chart showing a designated project manager and staff, including consultants/contractors, if known.
5. Statement of proposer's experience working in Southeast Alaska or a similar environment.
6. Site Plan: Detailed proposed lease lot and structure layout with approximate dimensions of parcel, buildings/structures/improvements, site security, and landscaping, fences, or any other features that would provide buffer or visual screening of the tower.
7. Details on proposed roads, utilities, and drainage improvements to be constructed. Include expected electric power demand.
8. Concept narrative of your development plan for the project including estimated time of completion, site security, and improvements to services for cell users.
9. Sources of funding for the project and a tentative development timetable.
10. Proposed lease price: Proposed lease price should be expressed as US dollars per year.
11. Responses are limited to no more than 15 pages.

Responses to this RFP will be evaluated and ranked based on the following criteria (100 points total):

1. Development/Site Plan (0 to 20 points)
Does the proposal address site security? Does the proposal include provisions for buffering/visual screening? Is proposer (and team) qualified to perform the work?
2. Co-Location Opportunities (0 to 20 points)
How many spaces to accommodate co-location for future wireless carriers will be designed?
3. Timeliness of Development (0 to 10)
How soon will the tower be constructed and service available once the lease is executed?
4. Lease Price (0 to 50 points)
Points for lease price shall be awarded based upon the following formula:
$$(\text{Your Lease Price} / \text{Highest Lease Price}) \times 50 \text{ points}$$

F. Submissions and Inquiries

Submit five (5) copies of your Proposal(s) to:

City and Borough of Sitka, Municipal Clerk
100 Lincoln Street,
Sitka, Alaska 99835

The exterior of packaging, containing the proposals, shall be clearly marked **Harbor Mountain Bypass Cell Tower Parcel Lease**.

Proposals will be received until **4:00 p.m. local time Monday, November 2, 2020**.

As a part of the review of proposals, CBS may, at its discretion, require the submittal of additional detailed information.

The City and Borough of Sitka has not, as of the date of the preparation of this RFP, established a review timetable.

Prior to the submittal, inquiries may be directed to Amy Ainslie, Planning Director, City and Borough of Sitka at planning@cityofsitka.org. While phone inquiries can be made to (907) 747-1815, emails are requested to allow for tracking of potential questions.

The CBS reserves the right to modify this RFP at any time. CBS further reserves the right to evaluate the proposals in any manner CBS deems appropriate.

CBS reserves the right to accept or reject any and/or all proposals, to waive irregularities or informalities in the proposals, and to negotiate a contract with the proposer that best meets the selection criteria.

The materials provided in this RFP and appendices are provided for informational purposes only. Potential proposers shall take responsibility for independently verifying all information. Any lease of the land will be in the condition "as is". Any lessee will assume the entire risk as to the quality and suitability of the land for their intended purpose(s).

Outline of Appendices

- A. Aerial vicinity map – area of interest
- B. Topography map
- C. Known wetlands mapping
- D. Survey Document: Tract C, ASLS 79-4

Request for Proposal (RFP)
by
City and Borough of Sitka, Alaska
for
Harbor Mountain Bypass Cell Tower Parcel Lease

Supplemental Documents

1. Aerial vicinity map	Page 2-3
2. Topography map.....	Page 4
3. Known wetlands mapping.....	Page 5
4. Survey document: Tract C, ASLS 79-4.....	Page 6

Useful Links and Resources

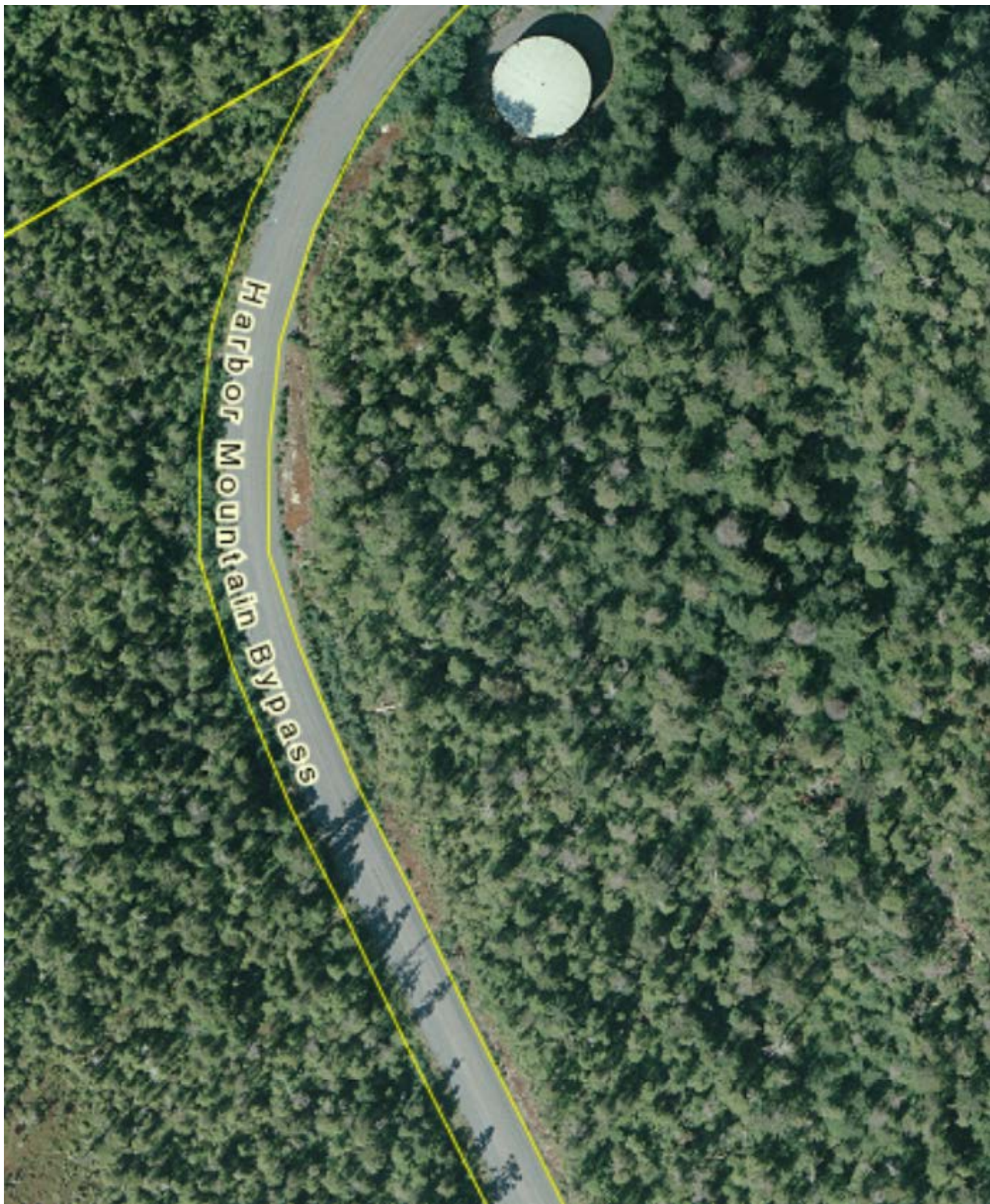
City and Borough of Sitka Web GIS
<http://www.mainstreetmaps.com/ak/sitka/public.asp>

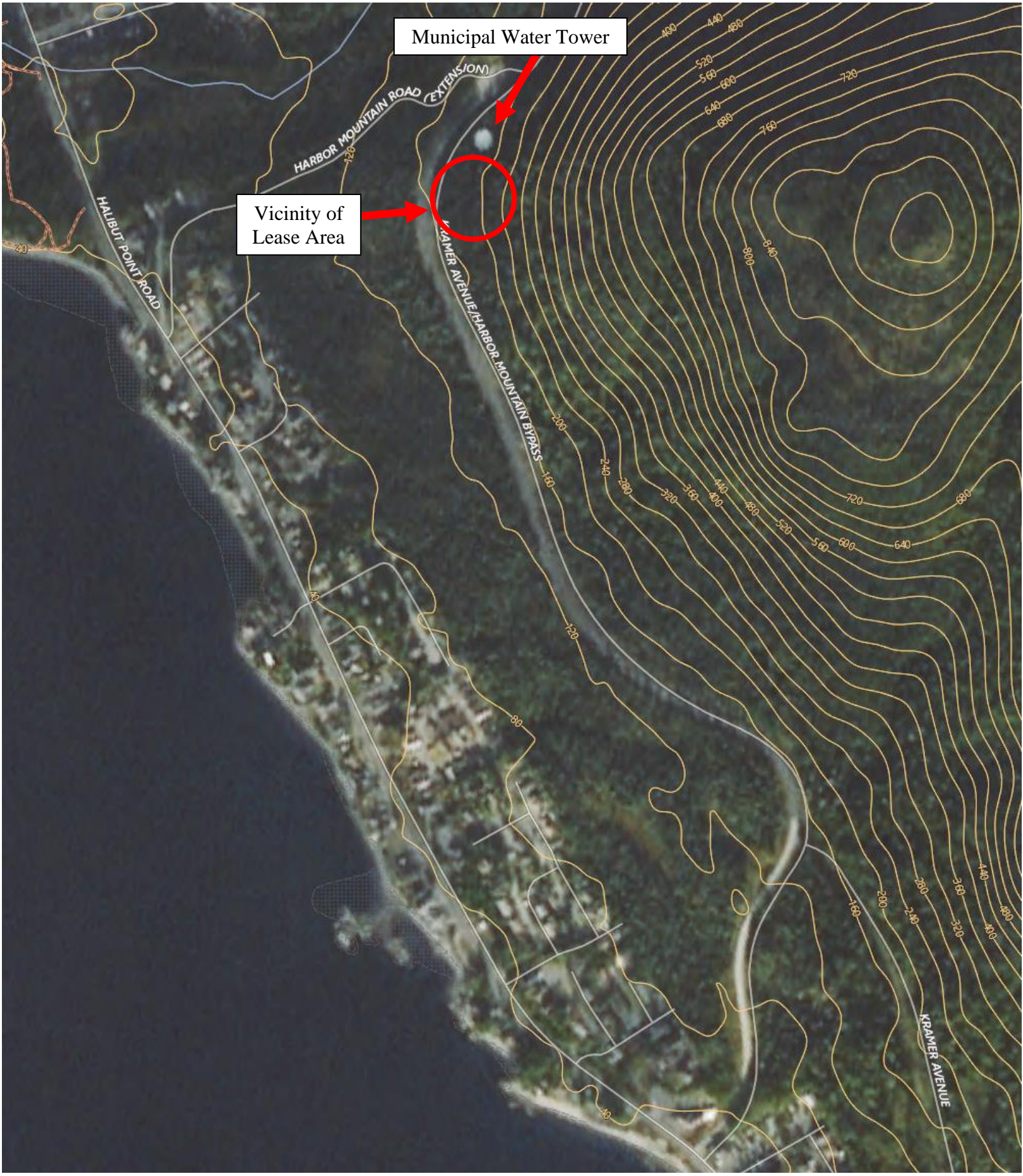
Sitka General Code
<https://www.codepublishing.com/AK/Sitka/>

City and Borough of Sitka Bids and RFPs
<https://www.cityofsitka.com/government/departments/publicworks/BidRFP.html>

Any questions regarding this project should be directed to Amy Ainslie, Planning Director, at planning@cityofsitka.org, (907) 747-1815.







Municipal Water Tower

Vicinity of
Lease Area



U.S. Fish and Wildlife Service

National Wetlands Inventory

Granite Creek



June 15, 2020

Wetlands

 Estuarine and Marine Deepwater	 Freshwater Emergent Wetland	 Lake
 Estuarine and Marine Wetland	 Freshwater Forested/Shrub Wetland	 Other
	 Freshwater Pond	 Riverine

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

LEGAL DESCRIPTION - BOUNDARY SURVEY OF TRACTS A, B, C & D, U.S. SURVEY NO. 3806

A CERTAIN TRACT OR PARCEL OF LAND LYING AND BEING SITUATE WITHIN A FRACTION OF U.S. SURVEY NO. 3806 (FRACTIONS OF PROTRACTED SECS. 15, 16, 22, 26 AND 27, T.55S., R.63E., C.R.M.), CITY AND BOROUGH OF SITKA, FIRST JUDICIAL DISTRICT, STATE OF ALASKA, BEING MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS:

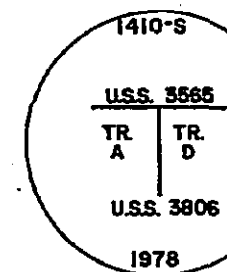
BEGINNING AT THE ORIGINAL GLO/BLM MONUMENT CORNER NO. 1, U.S. SURVEY NO. 3806, SAID MONUMENT HAVING AN APPROXIMATE GEOGRAPHIC POSITION OF LATITUDE = 57°06'N; LONGITUDE = 135°23'12"W; THENCE ALONG LINE 1-2, U.S. SURVEY NO. 3806, SAID LINE BEING THE COMMON BOUNDARY BETWEEN TRACT C, U.S. SURVEY NO. 3806; LOTS 22 AND 23, U.S. SURVEY NO. 2419; LOT 2, U.S. SURVEY NO. 3806 AND LOTS 24 THROUGH 31, U.S. SURVEY NO. 2420, ALONG A SURVEY LINE PASSING THROUGH COMMON MONUMENTS ALONG THE AFOREMENTIONED COMMON BOUNDARY LINE, THE FOLLOWING COURSES: S 30°08'45" E - 395.07'; S 30°01'00" E - 395.02'; S 3°03'15" E - 395.34'; S 30°04'00" E - 395.12'; S 30°03'45" E - 395.69'; S 30°01'45" E - 792.21'; S 30°03'15" E - 395.40'; S 30°09'30" E - 165.27'; S 29°59'15" E - 395.95'; S 30°02'00" E - 395.95' TO CORNER NO. 2, U.S. SURVEY NO. 3806; THENCE ALONG LINE 2-3, U.S. SURVEY NO. 3806, SAID LINE BEING THE COMMON BOUNDARY LINE BETWEEN TRACT B, U.S. SURVEY NO. 3806 AND A DEDICATED RIGHT-OF-WAY WITHIN U.S. SURVEY NO. 2419, N 76°39'00" E - 376.05' TO THE ORIGINAL GLO/BLM MONUMENT CORNER NO. 3, U.S. SURVEY NO. 3806; THENCE ALONG LINE 3-4 AND 4-5, U.S. SURVEY NO. 3806, SAID LINE BEING THE COMMON BOUNDARY LINE BETWEEN TRACT A, U.S. SURVEY NO. 3806 AND LOTS 17 THROUGH 21, U.S. SURVEY NO. 2419 ALONG SURVEY LINES PASSING THROUGH COMMON MONUMENTS ALONG THE AFOREMENTIONED COMMON BOUNDARY LINE, THE FOLLOWING COURSES: S 30°01'15" E - 395.55'; S 29°58'30" E - 792.16'; S 30°02'30" E - 395.95'; S 30°01'15" E - 395.57'; S 59°59'15" W - 329.40' TO ORIGINAL GLO/BLM MONUMENT CORNER NO. 5, U.S. SURVEY NO. 3806; THENCE ALONG LINES 5-6 AND 6-7, U.S. SURVEY NO. 3806, SAID LINE BEING THE COMMON BOUNDARY LINE BETWEEN TRACT A, U.S. SURVEY NO. 3806 AND LOTS C THROUGH K, U.S. SURVEY NO. 2749 ALONG A SURVEY LINE PASSING THROUGH COMMON MONUMENTS ALONG THE AFOREMENTIONED COMMON BOUNDARY LINE, THE FOLLOWING COURSES: S 30°01'45" E - 263.97'; S 30°01'45" E - 264.08'; S 30°02'30" E - 164.98'; S 30°01'45" E - 161.71'; S 30°01'15" E - 168.32'; S 29°59'15" E - 164.98'; S 10°27'15" E - 264.06'; S 10°27'15" E - 165.04'; S 10°27'15" E - 285.19' TO ORIGINAL GLO/BLM MONUMENT CORNER NO. 7, U.S. SURVEY NO. 3806; THENCE ALONG LINES 7-8 AND 8-9, U.S. SURVEY NO. 3806, SAID LINE BEING THE COMMON BOUNDARY LINE BETWEEN TRACT A, U.S. SURVEY NO. 3806 AND LOTS 10 THROUGH 14, U.S. SURVEY NO. 2418 ALONG A SURVEY LINE PASSING THROUGH COMMON MONUMENTS ALONG THE AFOREMENTIONED COMMON BOUNDARY LINE, THE FOLLOWING COURSES: N 59°59'00" E -

320.24'; S 30°03'30" E - 395.57'; S 30°01'45" E - 395.11'; S 30°01'30" E - 396.16'; S 30°01'30" E - 395.93'; S 30°02'00" E - 395.01' TO ORIGINAL GLO/BLM MONUMENT CORNER NO. 9, U.S. SURVEY NO. 3806; THENCE ALONG LINES 9-10 AND A FRACTION OF LINE 10-11, U.S. SURVEY NO. 3806, SAID LINE BEING THE COMMON BOUNDARY LINE BETWEEN TRACT D, U.S. SURVEY NO. 3806 AND LOT 1, U.S. SURVEY NO. 3746 AND LOT 6-A, U.S. SURVEY NO. 2747, THE FOLLOWING COURSES: S 28°11'45" E - 471.24'; S 30°00'45" E - 488.12' TO MONUMENT CORNER NO. 7, LOT 1, BLOCK 4, CASCADE CREEK SUBDIVISION, SAID CORNER BEING ON THE AFOREMENTIONED COMMON BOUNDARY LINE BETWEEN TRACT D, U.S. SURVEY NO. 3806 AND LOT 6-A, U.S. SURVEY NO. 2747 AND BEING ON THE NORTHEASTERLY MOST CORNER OF CASCADE CREEK SUBDIVISION; THENCE ALONG THE NORTHERLY BOUNDARY LINE OF CASCADE CREEK SUBDIVISION BEING COMMON TO THE SOUTHERLY BOUNDARY LINE OF TRACT D, U.S. SURVEY NO. 3806, THE FOLLOWING COURSES: N 59°32'00" E - 67.34'; N 59°48'45" E - 336.53'; N 46°47'30" E - 448.34' TO A POINT ON CURVATURE; THENCE ALONG A 12°09'30" CURVE TO THE RIGHT (RADIUS = 471.14') THROUGH AN ARC OF 22°29'42" AN ARC LENGTH OF 184.98' (CHORD = N 31°20'30" E - 183.79') TO A POINT OF TANGENCY ON THE NORTHERLY RIGHT-OF-WAY LIMITS OF CASCADE CREEK ROAD; THENCE CONTINUING ALONG THE AFOREMENTIONED NORTHERLY RIGHT-OF-WAY LIMITS OF CASCADE CREEK ROAD, N 42°35'15" E - 243.69' TO A POINT OF CURVATURE; THENCE ALONG A 13°56'38" CURVE TO THE LEFT (RADIUS = 410.90') THROUGH AN ARC OF 22°42'54" AN ARC LENGTH OF 162.99' (CHORD = N 31°12'45" E - 161.84') TO A POINT OF TANGENCY; THENCE CONTINUING N 19°52'15" E - 139.84' TO A POINT ON THE COMMON BOUNDARY LINE BETWEEN U.S. SURVEY NO. 3806 AND THE NATIONAL FOREST BOUNDARY, SAID POINT BEING ON LINE 16-17, U.S. SURVEY NO. 3806 AND LINE AP NO. 1-AP NO. 2, U.S. SURVEY NO. 3565; THENCE ALONG AFOREMENTIONED COMMON BOUNDARY LINE ALONG LINE 16-17, U.S. SURVEY NO. 3806 ALONG A SURVEY LINE PASSING THROUGH COMMON MONUMENTS ON THE AFOREMENTIONED COMMON BOUNDARY LINE, THE FOLLOWING COURSES: N 29°59'00" W - 35.59' TO WITNESS POSITION MONUMENT NO. 2, U.S. SURVEY NO. 3565; THENCE N 29°40'15" W - 1932.05' TO WITNESS POSITION MONUMENT NO. 3, U.S. SURVEY NO. 3565; THENCE N 29°42'15" W - 2412.97' TO WITNESS POSITION MONUMENT NO. 4, U.S. SURVEY NO. 3565; THENCE N 29°30'30" W - 1041.98' TO WITNESS POSITION MONUMENT NO. 5, U.S. SURVEY NO. 3565; THENCE N 29°38'15" W - 2530.15' TO WITNESS POSITION MONUMENT NO. 6, U.S. SURVEY NO. 3565; THENCE N 29°27'30" W - 2032.07' TO ANGLE POINT MONUMENT NO. 2, U.S. SURVEY NO. 3565 BEING COMMON TO CORNER NO. 17, U.S. SURVEY NO. 3806; THENCE ALONG LINE 17-1, U.S. SURVEY NO. 3806 BEING COMMON TO LINE 3-4, U.S. SURVEY NO. 3670, S 59°46'00" W - 1659.50' TO CORNER NO. 1, U.S. SURVEY NO. 3806 BEING THE TRUE POINT AND PLACE OF BEGINNING.

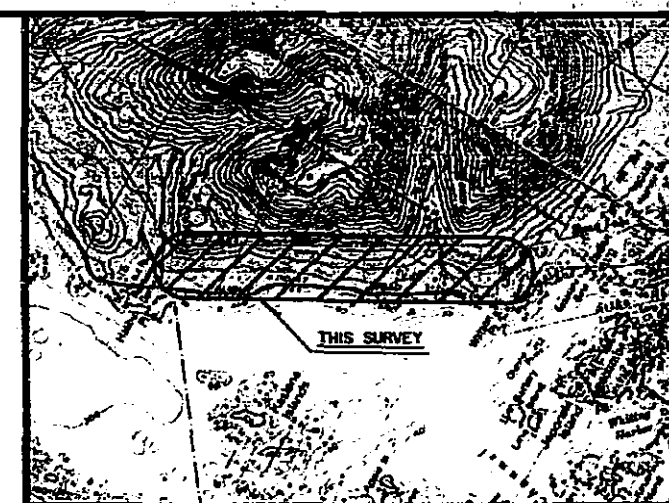
CONTAINING 380.17 ACRES (153.85 HECTARES)

GENERAL NOTES

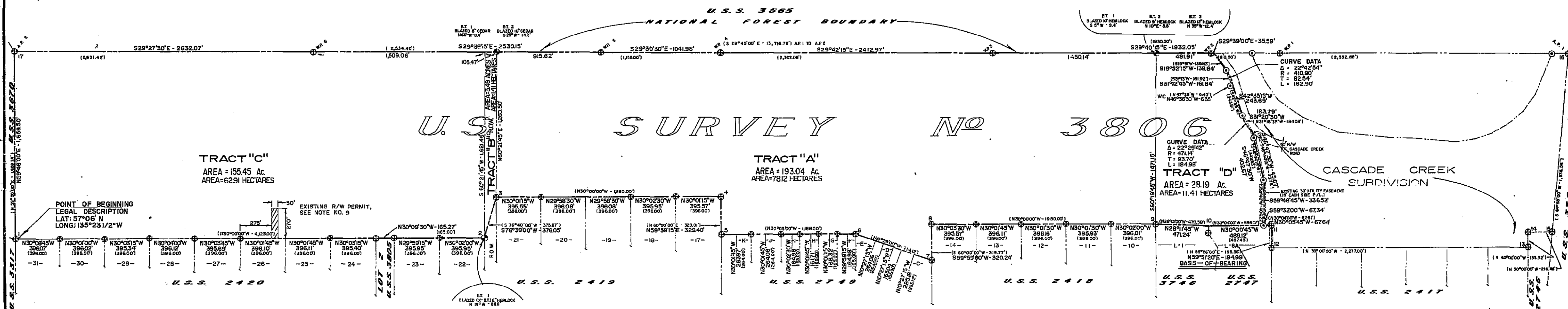
- AUTHORIZATION TO CONDUCT THE BOUNDARY RETRACEMENT SURVEY OF U.S. SURVEY NO. 3806 AND SUBSEQUENT SUBDIVISION OF SAID LAND INTO TRACTS A, B, C AND D, U.S. SURVEY NO. 3806 WAS BY LETTER DATED SEPTEMBER 18, 1978 FROM MR. GENE REHFELD, CITY ENGINEER, CITY AND BOROUGH OF SITKA, ALASKA.
- SPECIAL INSTRUCTIONS FOR THIS SURVEY WERE BY CONTRACTUAL DOCUMENTS DATED AUGUST 24, 1978 AS WRITTEN BY MR. JERRY D. SIMPSON, L.S., DIRECTOR OF PUBLIC WORKS, CITY AND BOROUGH OF SITKA, ALASKA.
- THE BASIS-OF-BEARING UTILIZED FOR THE RETRACEMENT SURVEY OF ALL WORK DENOTED BY THIS PLAT WAS THE ORIGINAL RECOVERED G.L.O. MONUMENTS LOCATED ON CORNERS 5 AND 6, LOT 1, BLOCK 4, CASCADE CREEK SUBDIVISION, A FRACTION OF U.S. SURVEY NO. 3806. THE ACCEPTED BEARING OF RECORD OF SAID MONUMENTS WAS N 59°51'20" E.
- FIELD EQUIPMENT UTILIZED TO CONDUCT THIS SURVEY INCLUDED, BUT WAS NOT LIMITED TO, THE FOLLOWING: WILD T2E THEODOLITE, WILD T1 THEODOLITE, HEMLETT-PACKARD MODEL 3805 ELECTRONIC DISTANCE MEASURING DEVICE, 200' 1/2" BABBITT TAPE CERTIFIED TO A STANDARD LOYAL TAPE, NUMEROUS HAND TOOLS, ETC.
- THE WORK WAS CONDUCTED FOLLOWING SURVEY SPECIFICATIONS AS PUBLISHED WITHIN THE DEPARTMENT OF COMMERCE, NATIONAL OCEAN SURVEY PUBLICATION, "CLASSIFICATION, STANDARDS OF ACCURACY, AND GENERAL SPECIFICATIONS OF GEODETIC CONTROL SURVEYS", THIRD ORDER, CLASS II TRAVERSE SURVEYS.
- WHERE RECORD GLO/BLM SURVEY COURSES (BEARING AND DISTANCE) DIFFER FROM FIELD SURVEY COURSES AS RECOVERED BY THIS RETRACEMENT AND SUBDIVISION SURVEY, THE RECORD SURVEY COURSE IS SHOWN IN PARENTHESES, THUSLY, (N 30°00'00" W - 396.00') WHILE THE FIELD MEASURED COURSE BY THIS RETRACEMENT SURVEY IS SHOWN WITHOUT PARENTHESES, THUSLY, N 30°03'45" W - 395.69'.
- 1 U.S. ACRE = 0.4047 HECTARE.
- 1 METER = 3.280833 U.S. SURVEY FEET.
- A RIGHT-OF-WAY PERMIT EXISTS WITHIN TRACT C, U.S. SURVEY NO. 3806, AS SHOWN. SAID RIGHT-OF-WAY PERMIT WAS ISSUED BY THE STATE OF ALASKA IN 1964 TO MR. BARTON SOLLARS, BOX 771, SITKA, ALASKA. THE RIGHT-OF-WAY PERMIT IS TO CONSTRUCT AND MAINTAIN A DOMESTIC WATER SUPPLY.
- ALL G.L.O. AND/OR B.L.M. CORNER MONUMENTS RECOVERED BY THIS SURVEY WERE SET AND MARKED AS "CALLED OUT" WITHIN ORIGINAL GLO/BLM FIELD NOTES OF RECORD.
- THE ORIGIN OF THE APPROXIMATE GEOGRAPHIC POSITION OF CORNER NO. 1, U.S. SURVEY NO. 3806 WAS THE B.L.M. PLAT OF RECORD FOR SAID SURVEY, DATED DECEMBER 23, 1960.



TYPICAL MONUMENT ESTABLISHED THIS SURVEY



VICINITY MAP
SOURCE: U.S.G.S. QUADRANGLE SITKA (A-4 & A-5), ALASKA
SCALE: 1" = 0.5 MILE
DATE: A-4: 1951
REV: A-4: 1969
A-5: 1961



SYMBOLS

- RECOVERED GLO/BLM MONUMENT
- SURVEY BOUNDARY LINE
- PRIMARY MONUMENT (SET THIS SURVEY)
- MONUMENT SET BY OTHERS

OWNERSHIP CERTIFICATION

I, THE UNDERSIGNED, HEREBY CERTIFY THAT I AM THE DIRECTOR, ALASKA DIVISION OF LANDS AND THAT THE STATE OF ALASKA IS THE OWNER OF U.S. SURVEY NO. 3806, AS SHOWN HEREON. I HEREBY APPROVE THIS SURVEY AND SUBDIVISION PLAT FOR THE STATE OF ALASKA.

DATE 4/19/79
Al Caron
DIRECTOR, ALASKA DIVISION OF LANDS

NOTARY'S ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN TO BEFORE ME THIS 19 DAY OF April, 1979.
Sharon C. Juelich
MY COMMISSION EXPIRES 12/31/80
NOTARY FOR ALASKA

CERTIFICATION OF APPROVAL BY THE STATE

I HEREBY CERTIFY THAT THE PLAT OF SURVEY SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SURVEY REQUIREMENTS OF THE STATE OF ALASKA AND IS APPROVED FOR RECORDING IN THE OFFICE OF THE RECORDER.

4/19 1979

Al Caron
DIRECTOR
DIVISION OF LANDS
DEPARTMENT OF NATURAL RESOURCES

CERTIFICATE DEDICATION OF RIGHT OF WAY

I HEREBY DEDICATE TRACT B AS A RIGHT-OF-WAY FOR PUBLIC ACCESS AND/OR PUBLIC UTILITIES AS SHOWN AND DESCRIBED HEREON.

DATE 4/19/79
Al Caron
DIRECTOR, ALASKA DIVISION OF LANDS

SELECTION INFORMATION

Mental Health - 94
Tentative Approval dated 4/30/62
Patent No. 1226844 dated 5/11/62

ALASKA STATE LAND SURVEY No. 79-4 BOUNDARY RETRACEMENT AND SUBDIVISION SURVEY OF U.S. SURVEY No 3806

WITHIN THE CITY & BOROUGH OF SITKA, ALASKA

CERTIFICATION OF APPROVAL BY THE BOARD

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH PLATTING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY RESOLUTION NO. _____ DATED _____ AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

DATE 2-27-79
Robert Houch
CHAIRMAN, PLATTING BOARD

ATTEST:
Sharon C. Juelich
SECRETARY

SEAL 79-615
COPY
RECORDED - FILED
Sitka REC. DIST.
DATE 4-26-79
TIME 9:10 A.M.
Presented by AS/RL
Address
BOOK PAGE

CERTIFICATION OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF SITKA, AND THAT SAID PLAT HAS BEEN APPROVED BY THE ASSEMBLY AS RECORDED IN MINUTE BOOK _____ PAGE _____ DATED _____ AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

DATE 2/27/79
Chairman, MAYOR

ATTEST:
Sharon C. Juelich
CLERK-TREASURER

SURVEYOR'S STATEMENT

I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO CONDUCT THIS SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION AND THE MONUMENTS SHOWN THEREON ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT.

DATE 2-15-79 REGISTRATION NO. 1410-3



PLAT PREPARED 11-1-78	
DATE OF SURVEY Beginning 9-22-78 Ending 10-15-78	NAME OF SURVEYOR R.B.M. CONSULTANTS, INC. 1700 SITKA, ALASKA 99802
STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF LANDS ANCHORAGE, ALASKA	
ALASKA STATE LAND SURVEY NO. 79-4 WITHIN FRACTIONS OF PROTRACTED SECS. 15, 16, 22, 26 & 27, T.55S., R.63E., C.R.M., BOUNDARY RETRACEMENT & SUBDIVISION SURVEY OF U.S. SURVEY NO. 3806 WITHIN THE CITY & BOROUGH OF SITKA, ALASKA	
DRAWN BY M.A.J.	APPROVAL RECOMMENDED For The CHIEF SURVEYAL ENGINEER
DATE APPROVED: 4/19/79	APPROVED: Al Caron Director of Lands
CHECKED BY M.A.J.	FILE NO. 2314, 081 79-1 (ASL 79-4)

Response to the City and Borough of Sitka, Alaska Harbor Mountain Bypass Cell Tower Parcel Lease RFP

Submitted by:

Vertical Bridge Development, LLC
("Vertical Bridge")
750 Park of Commerce Dr, Suite 200
Boca Raton, FL 33487
www.verticalbridge.com website
Contact: Steve Hedges, Project Manager
SHedges@verticalbridge.com email
773.988.1715 mobile

And its agent:

New Horizons Telecom, Inc.
901 Cope Industrial Way
Palmer, AK 99645
Contact: Sherrie Greenshields, Program Manager
SGreenshields@nhtiusa.com email
907.761.6057 mobile

1.0 Statement of Qualifications

Vertical Bridge – Tower Developer & Owner and Program Management

Vertical Bridge is the largest private owner and manager of communication infrastructure in the country, with more than 288,000 owned and managed sites nationwide. Vertical Bridge offers wireless and broadband carriers, and other wireless telecom companies, locations and infrastructure needed to improve wireless services for their customers.

Vertical Bridge offers wireless, broadcast, WISPs and IoT providers a variety of solutions to fit their network needs. Vertical Bridge's infrastructure is located in all 50 states; in urban, suburban, traffic corridor and rural locations and often in areas where there are no other suitable structures to improve wireless coverage.

Vertical Bridge plans to design this tower and ground compound to accommodate the anchor carrier Verizon, plus three (3) additional future co-locators.

New Horizons Telecom, Inc. - Site Acquisition and Engineering Consultant

New Horizons Telecom, Inc. specializes in the delivery of turnkey telecommunications infrastructure solutions for clients within all major commercial sectors and industries. Established in 1978, New Horizons is an engineering and construction firm created to meet the challenge of making modern telecommunications services available throughout Alaska.

New Horizons employs a diverse program management and engineering staff to ensure a high quality, timely and cost-conscious solutions for our clientele. From site inspection and leasing to design and permitting, our engineers have decades of experience to draw upon.

New Horizons has successfully delivered on thousands of projects, many within some of the harshest and most remote environments in Alaska. New Horizons turn-key approach ensures that potential gaps are bridged from the start, and project risks are identified and mitigated early.

Acutek - Surveyor

A small Alaska owned company established in 1987, which specializes in telecommunication surveys and many other types of commercial construction projects.

Acutek staff utilizes the latest computer software to provide detailed, accurate, comprehensive final products. Acutek uses the state-of-the art survey equipment that has been proven to be efficient, precise, and cost effective.

Site Build Contractor – Site Construction

Vertical Bridge has established relationships with various construction companies licensed to work in Alaska. Vertical Bridge construction projects are competitive bid. Vertical Bridge restricts bidding to a select group of construction companies, all of which have established track records for building sites on schedule and on budget.

2.0 Qualifications – Project Personnel

Vertical Bridge

Steve Hedges is the Project Manager for Vertical Bridge that, if approved, will be responsible for the Development and Construction of this proposed tower. Steve has over 20 years of experience in the development of wireless communications infrastructure and has been building towers for Vertical Bridge for over 4 years.

New Horizons Telecom, Inc.

Sherrie Greenshields (Project Manager) - Sherrie has over 23 years of experience in environmental permitting and program management. Skilled in permitting large communication network projects to include; undersea fiber optic, cable installations, and communication towers. Experience conducting public meetings, coordinating communication between multiple disciplines and establishments.

Dale Browning, PE (Civil/Structural) – Dale has 35 years of engineering design experience. The past 10 years have been in Alaska. He specializes in foundation designs for communication towers in remote areas of Alaska and often in difficult soil conditions. His experience also includes site design, analysis of steel, concrete, wood, and masonry buildings and structures.

Patrick Goodyear, PE (Electrical) – Patrick has 36 years of engineering design in electrical power system, microwave communication system, satellite communication system, and mobile wireless system designs. Projects have involved application of the NEC, remote power, prime power and standby generators, electrical system upgrades, DC plant work, grounding/bonding, 5G deployment, fiber communications, utility coordination, and renewable energy.

Acutek

Terry Nicodemus, PLS - Mr. Nicodemus has over 57 years in the surveying profession. Through the years, Mr. Nicodemus worked for numerous survey firms in all positions. During the past twenty years his responsibilities have included management of multiple field survey crews. Mr. Nicodemus between 1995 and 2011 has served 9 years on the Matanuska Susitna Borough Platting Board including 6 years as the chair. In 2011 he was named to the Matanuska Susitna Borough Board of Adjustments and Appeals and he is currently the chairman. His knowledge and expertise concerning all levels of the survey profession make him an invaluable member of any team.

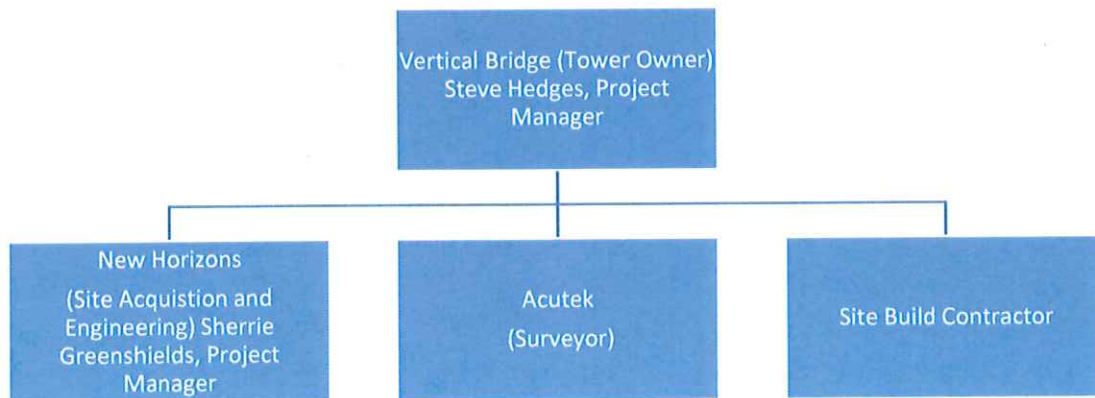
3.0 List of Projects

Below are the last three (3) towers built by Vertical Bridge in Alaska:

- US-AK-5238 Anderson: Anderson, AK

- Approximate Construction Timeframe: 9/1 to 10/31
- Total Development & Construction Costs: \$384,745
- US-AK-5240 Delta Junction: Delta Junction, AK
 - Approximate Construction Timeframe: 10/1 to 11/30
 - Total Development & Construction Costs: \$548,628
- US-AK-5242 Scotty Lake: Petersville, AK
 - Approximate Construction Timeframe: 9/1 to 10/31
 - Total Development & Construction Costs: \$521,775

4.0 Organization Chart



5.0 Project Experience – SE Alaska

Vertical Bridge

Vertical Bridge is the largest tower owner in Alaska, works with major carriers such as Verizon Wireless, AT&T and GCI for developing and building new towers. Steve Hedges, Project Manager, is currently working on the development of +20 new towers in the State of Alaska, and more specifically several in the Sitka area.

New Horizons Telecom, Inc.

New Horizons logistic knowledge and capabilities for remote Alaska project design, permitting and construction are extensive. Our remote site projects routinely require the use of helicopter and barge logistics for mobilization of personnel and equipment. Our facility in Palmer, Alaska is located on the south ramp of the Palmer Airport providing a direct connection between the local 6000-foot runway and the state's road and rail system.

From new tower installation to stand-alone, prefabricated equipment shelters for ocean cables to full size, commercial structures or remote facilities, New Horizons has the experience and skill to implement building needs regardless of scale. We are a statewide innovator in foundation design and construction – our past installations have incorporated concepts ranging from concrete mass and driven pile to rock bolt and frozen arctic foundation systems.

Specific to SE Alaska since 1978, we have designed, permitted and constructed projects from towers for both cellular and microwave communications and remote microwave reflectors. Several turnkey construction projects have occurred in environmentally sensitive areas such as National Forests. New Horizons attention to innovative solutions, while providing practical functionality, meeting environmental and logistic challenges is unmatched. We also have upgraded fuel tanks systems in remote SE Alaska mountain tops and performed environmental remediation services.

Acutek

Acutek has worked in SE AK for numerous years, including multiple communication site development projects over the past several years. They are familiar with working with the municipalities and Tribal organizations to reach mutual benefits of building Alaska's infrastructure. They are proficient and competent in navigating both the terrain and code requirements to perform the surveys that are both legible and accurate.

6.0 Site Plan

Through choices in site placement, design and tower height the proposed construction is designed to fill the significant gap in Verizon Wireless coverage in the least intrusive manner possible. The proposed site is located on a parcel of land which is currently undeveloped. The surrounding area is a large undeveloped lot. The general area depicted in the attached graphic was selected due to its proximity to existing power that serves the water tower. Another major factor was that this area is not within a designated wetlands area, per the U.S. Fish and Wildlife Service National Wetlands Inventory, which will significantly reduce environmental impacts. However, we will work with the U.S. Army Corps. of Engineers to verify wetlands delineation of the project area during the permitting and engineering stage of the project.

We have provided a basic site plan showing the proposed tower build. The tower structure is planned to be an 85' monopole with a 5' lightning rod connected at the top, for an overall structure height of 90'. The tower compound will be surrounded by a six-foot chain link fence. The site will be secured with a locked gate with coded entry. The tower site will be accessed using a newly constructed ~14' wide driveway to the site. The site can be strategically planned and placed to maximize existing tree cover to screen the site visually from the roadway. A detailed set of construction drawings for the tower construction will be developed following a survey of the site location and environmental studies. The drawings will be certified by a licensed professional engineer demonstrating soundness and conformity with all applicable codes, as well as State and federal law.

7.0 Project Details – Infrastructure Improvements for Site Build

After a search of available sites which could meet the technical requirements necessary to fill the Verizon Wireless coverage gaps, a location within No Name Mountain – Granite Creek, Parcel 24940000, was located. This area will allow for construction meeting network requirements. This tower location is the least intrusive and most appropriate option to meet the significant gap in Verizon Wireless coverage, which can only be met through placement of a new tower. The lease parcel proposed is 75 ft. by 75 ft. square and adjacent to Harbor Mountain Bypass Road and near an existing water tank. Commercial power is nearby, servicing the existing watertank. A new 14' wide access road/driveway will be built from Harbor Mountain Access Road to the site. Power is assumed to route from existing overhead service lines. Placement of power pole(s), or buried underground conduits, to the site will be necessary and will be determined during site design with the local power company. Power requirements for the tower facility will be 800 amps, single phase power and Vertical Bridge will set a 4-gang meter that will accommodate Verizon Wireless and three (3) additional future co-locators.

8.0 Development Plan

The proposed construction is designed to fill the significant gap in Verizon Wireless coverage (anchor tenant) in the least intrusive manner possible. The proposed site is located on a parcel of land which is undeveloped. The surrounding area is a large undeveloped parcel.

Attached is a proposed site plan (Appendix A). A more detailed site plan/construction drawings for the tower construction will be developed and submitted upon RFP award. The drawings will be certified by an Alaska licensed professional engineer demonstrating soundness and conformity with all applicable codes, as well as State and federal law. The tower complex will be surrounded by a six-foot chain link fence. The tower site will be accessed using a new driveway.

The tower structure is a monopole. Site placement should allow existing foliage and trees to help in screening the site.

Vertical Bridge prefers not to illuminate towers. Illumination is typically only installed when instructed by the FAA for the health and safety of aviators or when otherwise required by federal and state agencies. The FAA determination for this location has not been filed. A licensed surveyor will need to provide documentation giving both vertical and horizontal placement for the proposed tower before this can be determined.

The tower is being designed at the initial 85' height necessary to assure that the significant gap in Verizon Wireless service coverage can be filled. The tower and foundation will also be built with enough capacity to allow for collocation of future carriers, both on the built structure, and also designed with enough structural capacity to allow for a possible future tower extension of height in case a future co-locator needs additional height to fill in their coverage gap. Any possible future extension would of course need approval of CBS, but it will be designed to be possible. This tower will be constructed to an engineering standard that allows four (4) carriers to locate equipment on the structure. The proposed tower will be designed and engineered to accommodate Verizon Wireless proposed equipment, plus three (3) additional future additional sets of antennas.

Vertical Bridge understands that the development of this land may possibly increase stormwater runoff onto downward properties, and will adhere to any CBS Stormwater Design Standards and will have completed a comprehensive hydrology study by a State of Alaska licensed Civil Engineer and submit the study to CBS Department of Public Works.

9.0 Funding and Development Timeline

Vertical Bridge is the largest private tower developer in the country, sources are self-funded to develop new towers to add in the portfolio.

The Development process of the proposed tower will start immediately if we are to be awarded the RFP, and the actual Construction is most likely to start during the 2021 construction season. As soon as the RFP is awarded, the project would begin site survey, due diligence and environmental studies required for federal and local permitting. All applicable permits would be obtained prior to site construction. Vertical Bridge will attempt to maximize winter downtime to complete permitting and site engineering. Tower construction would be completed in 2021 after receipt of applicable Federal and Local permits. The carrier would like to start providing improved wireless service in the area as soon as possible, so please be assured that we will work very diligently to get to that point of construction start. Vertical Bridge will endeavor to "fast-track" the development and construction of the tower so that Verizon Wireless can start providing improved wireless service. As of right now, if the RFP is awarded by end of November, the forecast for construction start would be mid-to-late summer 2021.

10.0 Proposed Lease Price

Vertical Bridge proposes an annual rent lease payment of Nine Thousand Dollars (\$9,000), with an annual escalator increase of one percent (1%).



VERTICAL BRIDGE DEVELOPMENT, LLC
GRANITE CREEK
US-AK-5268

CONTACT INFORMATION

TOWER OWNER:
VERTICAL BRIDGE DEVELOPMENT, LLC
750 PARK OF COMMERCE DRIVE, SUITE 200
BOCA RATON, FL 33487
PROJECT MANAGER:
STEVE HEDGES
PHONE - (773) 988-1715

ENGINEERING:
NEW HORIZONS TELECOM, INC.
901 COPE INDUSTRIAL WAY PALMER,
ALASKA 99645 PHONE - (907)
761-6000 LICENSE # AECC610

CIVIL ENGINEER :
DALE R. BROWNING, PE
PHONE - (907) 761-6069

PROPERTY OWNER:
CITY AND BOROUGH OF SITKA
100 LINCOLN STREET
SITKA, AK 99835

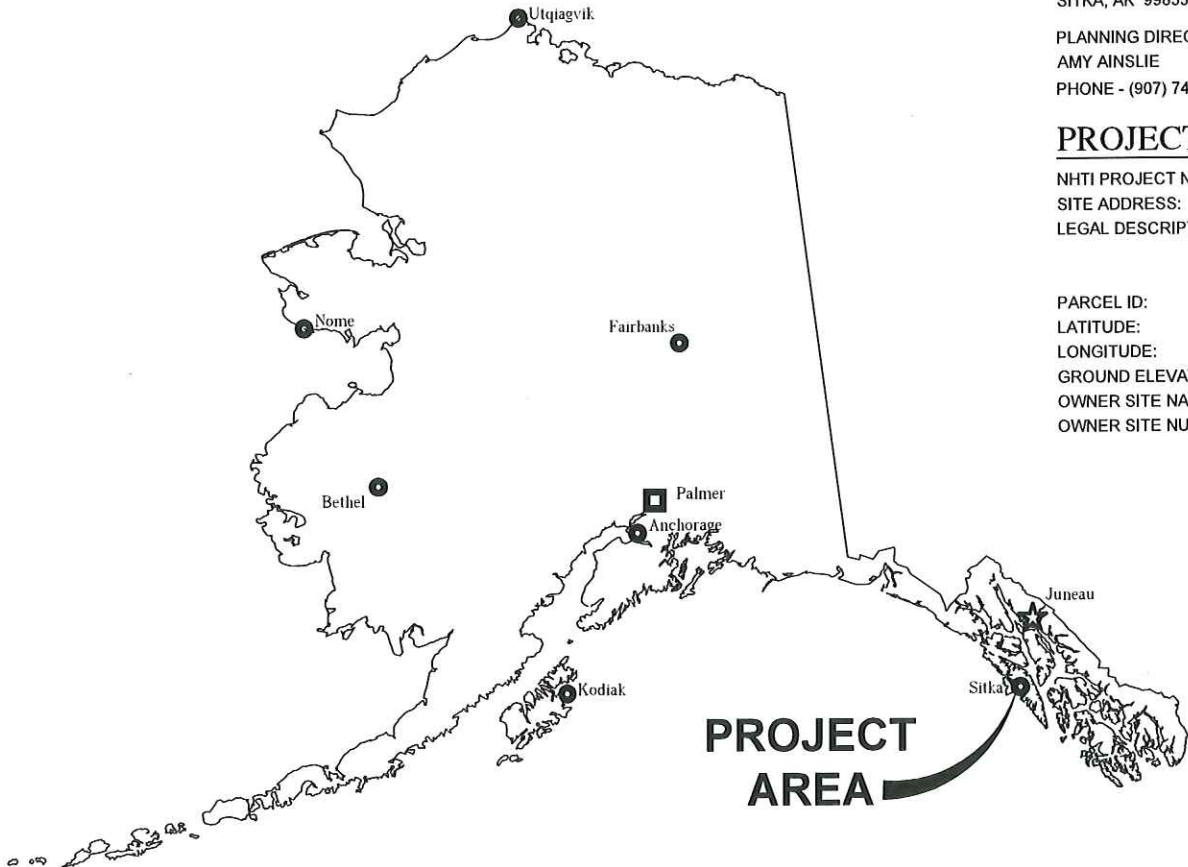
PLANNING DIRECTOR:
AMY AINSLIE
PHONE - (907) 747-1815

PROJECT INFORMATION

NHTI PROJECT NUMBER: 20-0089-90-08
SITE ADDRESS: MILE 0.8 HARBOR MOUNTAIN BYPASS ROAD - SITKA, AK 99835
LEGAL DESCRIPTION: TRACT C, ALASKA STATE LAND SURVEY NO. 79-4, ACCORDING TO
PLAT NO. 79-13, SITKA RECORDING DISTRICT, FIRST JUDICIAL
DISTRICT, STATE OF ALASKA
PARCEL ID: 2-4940-000
LATITUDE: 57° 05' 55.32" N (PRELIMINARY)
LONGITUDE: 135° 23' 22.92" W (PRELIMINARY)
GROUND ELEVATION: 180' (PRELIMINARY)
OWNER SITE NAME: GRANITE CREEK
OWNER SITE NUMBER: US-AK-5268

DRAWING INDEX

SHEET #	TITLE	REV #
T1.0	COVER SHEET	A
C1.0	SITE PLAN	A
C1.1	COMPOUND PLAN	A
C2.0	TOWER ELEVATION	A



PRELIMINARY
SITE PLAN

REV	DESCRIPTION	DATE
A	ISSUE FOR REVIEW	201028

COVER
SHEET

T1.0





NOTES:

1. DRAWINGS ARE PRELIMINARY. ADJUSTMENTS MAY BE REQUIRED UPON COMPLETION OF PROFESSIONAL SURVEY, DESIGN CALCULATIONS, AND UTILITY COORDINATION.
2. CONNECTION TO EXISTING POWER DISTRIBUTION INFRASTRUCTURE TBD PENDING COORDINATION WITH UTILITY PROVIDER.

LEGEND:

— UP — PROPOSED UNDERGROUND POWER



1
C1.0
SITE PLAN
SCALE: NTS



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NOT FOR CONSTRUCTION

**PRELIMINARY
SITE PLAN**

REV	DESCRIPTION	DATE
A	ISSUE FOR REVIEW	201028

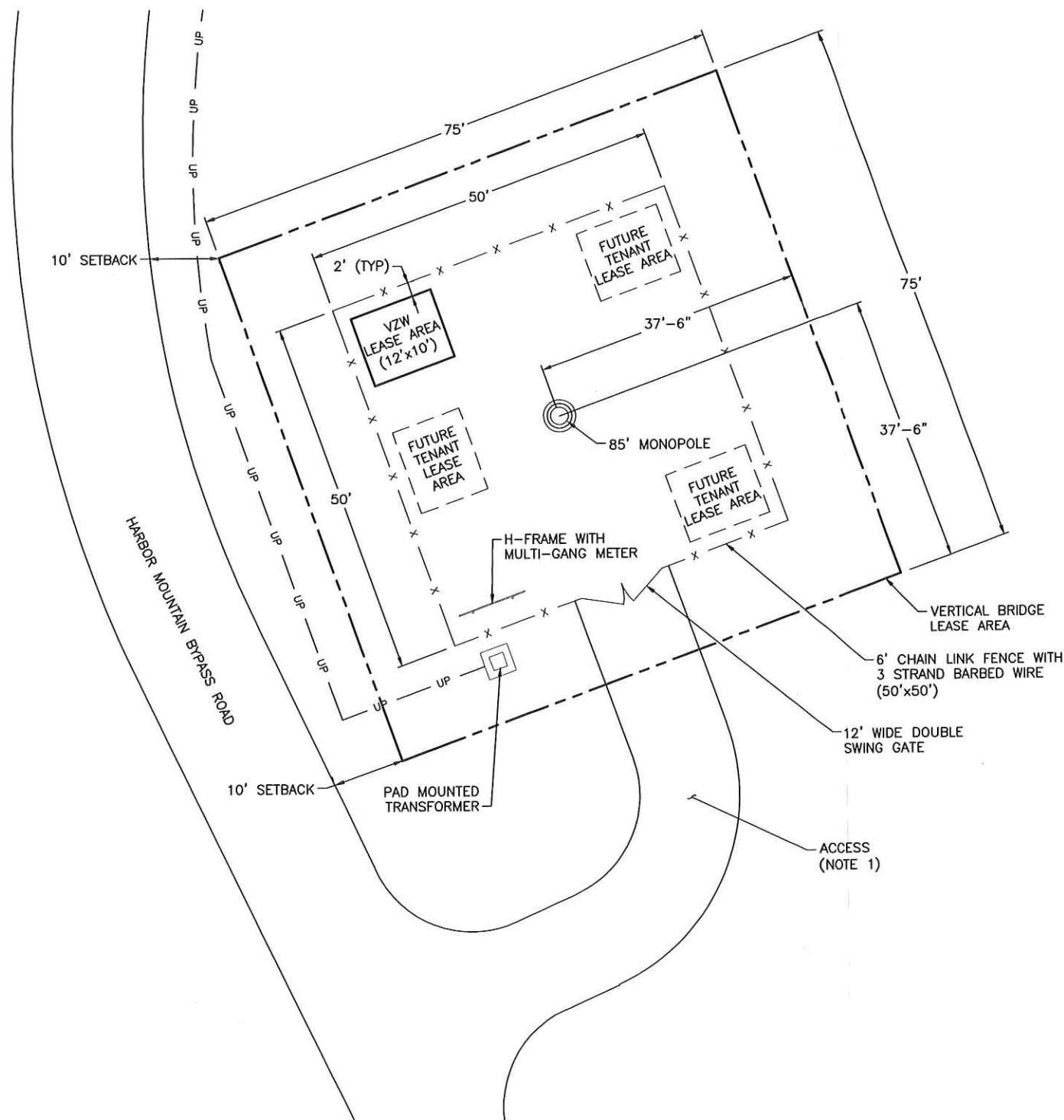
**VERTICAL BRIDGE
GRANITE CREEK
US-AK-5268**

DWN: JAA	DSN: JCM	APP: DRB	REV A
JOB #: 20-0089-90-08			DATE: 201028

**SITE
PLAN**

C1.0

FILE: X:\20 JOBS\20-0089-90 VERTICAL BRIDGE - VERIZON BTS SITES\US-AK-5268-05-ENGR\CAD\C1.0 SITE PLAN.DWG | PLOT DATE: 201028



1. ACCESS ROAD ALIGNMENT IS PRELIMINARY AND SUBJECT TO CHANGE PENDING TOPOGRAPHIC INFORMATION FROM PROFESSIONAL SURVEY AND APPROVED DRIVEWAY PERMIT REQUIREMENTS.

—UP— PROPOSED UNDERGROUND POWER



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PRELIMINARY SITE PLAN

REV	DESCRIPTION	DATE
A	ISSUE FOR REVIEW	201028

VERTICAL BRIDGE
GRANITE CREEK
US-AK-5268

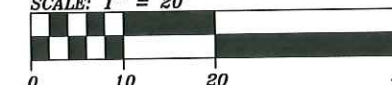
DWN: JAA	DSN: JCM	APP: DRB	REV A
JOB #: 20-0089-90-08 DATE: 201028			

COMPOUND PLAN

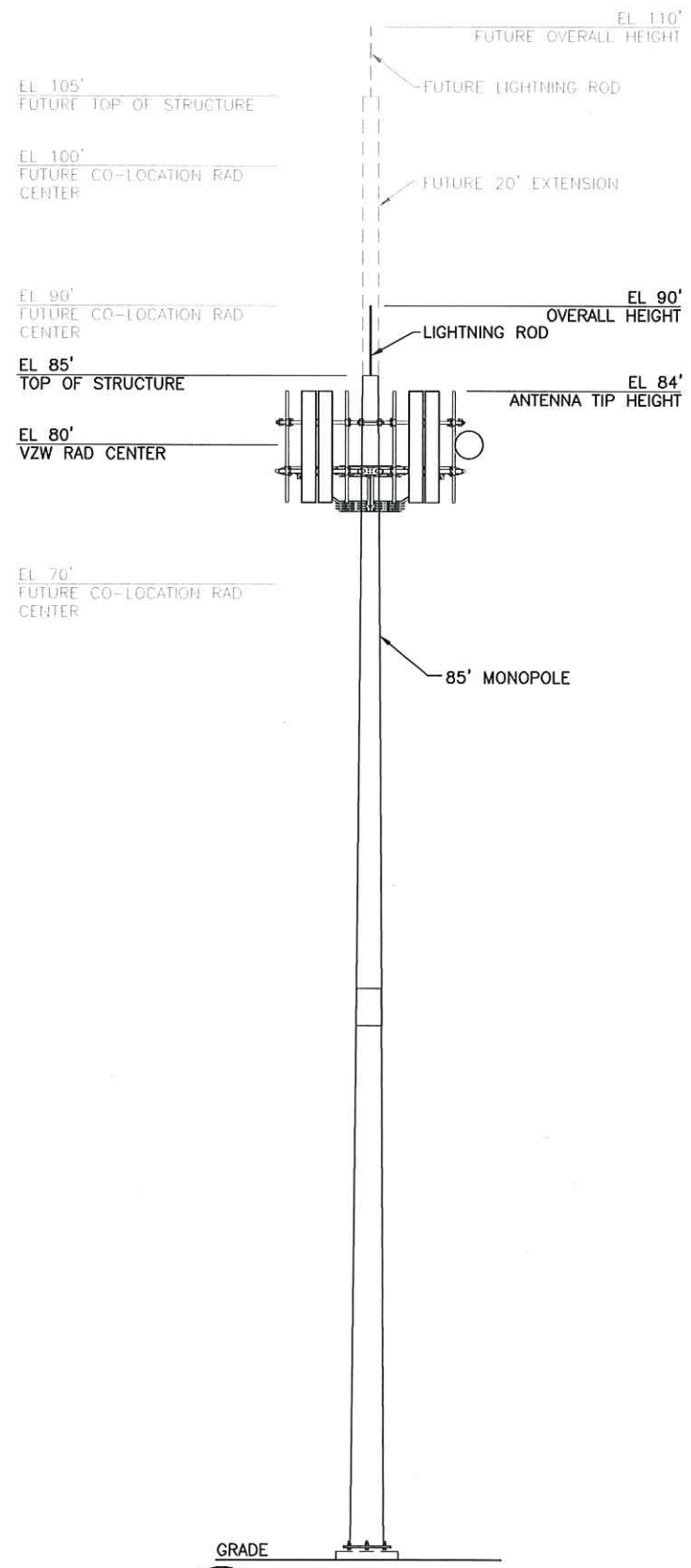
C1.1

COMPOUND PLAN
SCALE: 1" = 20'

SCALE: 1" = 20'



VERIZON RTS SITES\SITES08 - GRANITE CREEK US-AK-526805-ENGR\CAD\C1.1 COMPOUND PLAN.DWG | PLOT DATE: 201028



1 MONOPOLE ELEVATION
C2.0 SCALE: NONE

NOTES:

1. DRAWINGS ARE PRELIMINARY. ANTENNAS AND MOUNTS SUBJECT TO CHANGE PENDING TOWER STRUCTURAL ANALYSIS AND TENANT'S RADIO FREQUENCY REQUIREMENTS.
2. ELEVATIONS GIVEN ARE ABOVE GROUND LEVEL (AGL) AT BASE OF TOWER.



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PRELIMINARY SITE PLAN

REV	DESCRIPTION	DATE
A	ISSUE FOR REVIEW	201028

**VERTICAL BRIDGE
GRANITE CREEK
US-AK-5268**

DWN: JAA	DSN: JCM	APP: DRB	REV
JOB #: 20-0089-90-08 DATE: 201028			A

TOWER ELEVATION

C2.0

FILE: X:\20 JOBS\20-0089-90 VERTICAL BRIDGE - VERIZON BTS SITES\SITES08 - GRANITE CREEK US-AK-5268\05-ENGR\CAD\C2.0 TOWER ELEVATION.DWG | PLOT DATE: 201028



City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

City and Borough of Sitka
Attn: Amy Ainslie
100 Lincoln Street,
Sitka, AK 99835

December 17, 2020

New Horizons Telecom, Inc.
Attn: Sherrie Greenshields
RE: Harbor Mountain Bypass Cell Tower Parcel Lease RFP

Dear Ms. Greenshields,

The City and Borough of Sitka (CBS) would like to thank Vertical Bridge Development, LLC and New Horizons Telecom, Inc. for their response to the Request for Proposals (RFP) that CBS issued for a cell tower lease parcel on Harbor Mountain Bypass Road here in Sitka. Overall, CBS is interested in pursuing a lease with Vertical Bridge and New Horizons. However, there are several adjustments to Vertical Bridge/New Horizons' RFP response CBS would like to request before we feel we can accept the response and move forward with developing the lease agreement.

1. Lease Price

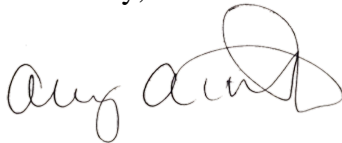
- a. Annual Lease Price: The review team for the RFP felt unanimously that the consideration offered for the annual lease price was too low. Based on our market research, and fees paid by other local carriers for similar services on other CBS infrastructure, CBS requests a rate of \$6,000 per month, paid annually. This rate includes consideration for future subletting of co-location spots, so additional royalties/sublet payments will not be levied.
 - b. Escalator Rate: CBS is amenable to a fixed annual escalator percentage. Given the average annual CPI adjustments in recent history (which CBS usually uses for lease rate adjustments), CBS requests the annual escalator rate of 2%.
2. The description of the site plan did not provide specifics on buffering/visual screening of the tower itself, though CBS did appreciate that plans will be developed to retain as many trees as possible on the lease site. Please provide more clarification on plans to reduce the visual impact of the tower.

3. Please include a written and/or pictorial description of access and staging areas that will need to be utilized for construction of the tower outside of the lease area. CBS will require Vertical Bridge/New Horizons to obtain a temporary construction easement for areas of the right-of-way or other municipal land to be utilized for construction.

Please keep in mind that ultimate approval of the lease and its terms will be made by the Assembly of the City and Borough of Sitka.

CBS respectfully requests a response to these changes by January 8, 2021, unless a later date is requested by Vertical Bridge/New Horizons. Please feel free to contact me for any questions or clarifications.

Sincerely,

A handwritten signature in cursive script, appearing to read "Amy Ainslie".

Amy Ainslie
Planning Director
City and Borough of Sitka
amy.ainslie@cityofsitka.org
907-747-1815

Delivered electronically to sgreenshields@nhtiusa.com

CC: John Leach, Municipal Administrator
Melissa Haley, Finance Director
Michael Harmon, Public Works Director



Vertical Bridge REIT, LLC

750 Park of Commerce Drive, Suite 200
Boca Raton, FL 33487
+1 (561) 948 - 6367
VerticalBridge.com

February 25, 2021

City and Borough of Sitka
Attn: Amy Ainslie, Planning Director
100 Lincoln Street
Sitka, AK 99835

RE: Harbor Mountain Bypass Cell Tower Parcel Lease RFP
Vertical Bridge US-AK-5268 Granite Creek

Dear Ms. Ainslie:

This letter is in response to the letter dated 12-17-2020 from the City and Borough of Sitka ("CBS"), and the extension granted by CBS via email on 02-02-2021 to the new response due date of 02-26-2021. We thank you for granting Vertical Bridge Development, LLC ("VB") additional time to gather comparable information to hopefully bring us closer together in the financials of the "Lease Price" for the proposed cell tower agreement, and as it currently stands that both parties have interest in pursuing the agreement at fair market value.

The current hurdle being the financials, or Lease Price, of the agreement, based on VB's initial proposed rent in the RFP of \$750 per month with annual escalator of 1%. As part of this response, VB will adjust the proposed offer to these below business terms:

- Monthly Rent = \$1,000 (rent can be paid monthly or annually, whatever CBS preference is)
- Rent Escalator = 2% Annually, as requested by CBS
- Rent Revenue Sharing = 33% of Rent Revenues received by future collocators, or subtenants
 - Note: The initial subtenant on the tower Verizon is *not* included in Revenue Sharing
 - VB cannot guarantee any future subletting will come to fruition, thus cannot pay those additional rents upfront, as requested by CBS
- Initial Term 5 years, with five Renewal Terms of 5 years each, for total Term Length = 30 Years
- Lease Area is 75' x 75', but fenced compound is 50' x 50'

Regarding the Lease Price counter-proposed by CBS of \$6,000 per month, as we discussed over the phone, this amount is substantially well above even the highest end of industry Lease Prices, and the research that I have found which I believe may have led CBS to that amount is based off a deal between GCI and Sitka Electric Department for multiple towers in Sitka, and of which the structure of that agreement and upfront capital expenditures is very different than what VB is proposing at Harbor Mountain Bypass Road. The multiple-tower GCI deal would not be a fair comparison. I do not have any first-hand knowledge of



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that deal, only information ascertained was from local articles and publications, but that was the only information I found that could have led to the \$6,000 counter-offer.

Regarding a potential solution to bringing us to agreement in fair market value for the Lease Price, I would request that CBS reach out to their counterparts or research comparable agreements that are in Juneau and Kodiak. These agreements should be public information, and, in fact, City of Kodiak has their 11 communication site lease agreements posted on their website. In addition, VB has a very comparable existing agreement with City of Juneau, whereas the proposed tower facility is located on the edge of City at the water reservoir facility at 3000 Jackson Road. Possibly a discussion between CBS and Juneau would help in the determination of fair market base rent.

Finally, my research has found that Sitka's local real estate appraiser Charles Horan had performed a "market rental appraisal" specifically for a cell tower lease tract in Juneau dated February 6, 2018 and the conclusion of that report was a market base rent as of August 23, 2017 is \$9,600 per year or \$800 per month. If CBS would request such similar appraisal be conducted by Horan & Company, LLC (Charles Horan), then VB would be willing to commission that study at VB's cost. I have already spoken with Charles Horan to confirm that he has the ability and expertise to perform such appraisal, and it sounds like he has knowledge of cell tower agreements and has performed multiple such appraisals in the past. Having a local Sitka expert provide an opinion in the matter could help.

Regarding buffering/visual screening of the tower, VB is open to the discussion of any reasonable options to help lessen the visual impact of the proposed tower. The best solution is to retain as many existing vegetation and trees around the fenced compound facility. In addition, we could include slates within the chain-link fence, or possibly even a wood fence, but those wood fences do degrade at a much faster pace over time in inclement weather. Having the tower painted green or brown to blend in the surrounding environment is an option, but again, I would caution that approach as over time weather tends to make an impact and my experience has shown that the galvanized steel visual over time is the best approach. In short, VB is willing to work with CBS on a design that is a good approach for both parties.

Regarding description of access and staging areas during the construction stage, VB agrees that obtaining a temporary construction easement or permit from CBS would be the best approach. Normally the access easement will include an area right outside the fenced compound that would be large enough to stage the heavy machinery and trucks during construction. In this case, because we would want to retain as many trees as possible, the likely staging area would be on Harbor Mountain Bypass Road, which we would coordinate with CBS. Once the compound area is cleared and grubbed, that will give the



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construction crews more room to work within the compound as well. The standard process involves a pre-construction and coordination meeting on site with VB reps and CBS reps. We would also be happy to walk through all of the detailed steps involved leading up to and during construction, and will provide a detailed construction schedule and timeline prior to starting, if and when we get to that point.

VB is excited to help bring improved wireless services to Sitka, and view this as a potential partnership between VB and CBS. Look forward to furthering the discussion regarding this proposal.

Sincerely,

A handwritten signature in blue ink that reads "Steve Hedges".

Steve Hedges
Project Manager, Tower Development
Vertical Bridge
750 Park of Commerce Drive, Suite 200
Boca Raton, FL 33487
SHedges@verticalbridge.com
773.988.1715 mobile

Delivered electronically to Amy.Ainslie@cityofsitka.org

cc: Sherrie Greenshields, New Horizons Telecom
Sierra Larson, New Horizons Telecom