



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

May 26, 2017

Through Naomi Kelly,
City Administrator

Honorable Board of Supervisors
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place
City Hall, Room 224
San Francisco, CA 94102

RE: New Telecommunications Lease on City Property – 1 South Van Ness Avenue

Dear Board Members:

Enclosed for your consideration is a resolution authorizing the lease of telecommunication facilities consisting of approximately 200 square feet on the roof of City-owned property located at 1 South Van Ness Avenue, San Francisco, California, between the City and County of San Francisco ("City") and T-Mobile West LLC ("Tenant"). This proposed new lease was found to be in conformance with the City's General Plan via letter dated May 23, 2017.

Through this proposed legislation, we seek Board of Supervisors approval and authorization of the negotiated lease agreement for an initial ten-year term at a base rent of \$60,000 per year (\$5,000 per month) with three (3) percent annual increases on the anniversary date of the lease. The lease includes two (2) options to extend the term for an additional five years, each. Option rent shall be re-established at the then prevailing rate for comparable telecommunication facilities on City-owned properties. The total potential term is twenty (20) years.

The negotiated lease is based upon an executed letter of intent between City and Tenant dated May 19, 2015 at a rate of \$5,000 per month, which is significantly higher than the standard cellular tower rate at the time of that letter's execution (approximately \$3,500 per month).

Should you have any questions or need additional information, do not hesitate to call Josh Keene of our office at 554-9859.

Respectfully,

Claudia Gorham
Assistant Director of Real Estate