



October 10, 2014

**Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Carlton B. Goodlett Place
San Francisco, California 94102**

**RE: *Lease of Real Property for the SFMTA
1 Bayview Park Rd., San Francisco, California***

Dear Board Members:

Attached for your consideration is a Resolution authorizing a Lease between C&E Haas Development Company, LLC, as landlord, and the City and County of San Francisco (City), acting by and through the SFMTA, as tenant, for certain premises at 1 Bayview Park Rd (Assessor's Block 4991, Lot1C) (Premises), for use as a SFMTA radio transmission site. The Lease has an initial term of approximately ten years commencing upon full execution of the Lease, and includes an initial annual lease rate of \$78,000 per year with annual increases, plus three (3) five-year extension options at fixed rates.

Background

The SFMTA's current radio communications system dates back to the 1970s. The radio system provides voice communications to all SFMTA buses and transit operation and maintenance workers. For passengers' safety, every bus must have a functioning radio when in revenue service as the radio is the critical lifeline. When an onboard panic button is activated, a distress call signal is transmitted via the onboard radio system to SFMTA's Operation Control Center.

The current radio system has only 11 radio channels serving approximately 1,100 buses, 200 maintenance trucks and 500 handheld radios. Existing radio transmission base stations are located at three facilities: 555 California Street, McLaren Park, and Forest Hill. Built 30 plus years ago, the current radio system does not have sufficient voice channels or data bandwidth to support SFMTA's current operational needs. Additionally, the current radio system is obsolete and is no longer supported by any manufacturer.

It is difficult and costly for the SFMTA to maintain the current radio equipment. SFMTA maintenance staff has been recycling old radio parts from retired equipment from neighboring transit agencies to support it. Newly procured buses have old radio equipment from retired buses. Defective onboard radio equipment occasionally delays bus pull-out into revenue service.

On April 17, 2012, the SFMTA Board of Directors authorized the Director of Transportation to execute the Radio System Replacement Design-Build Contract with the Harris Corporation. This new radio system will operate from four radio base station sites with 15 additional radio frequencies for a total of 26 radio frequencies channels. It will provide sufficient radio channels and data bandwidth to support the current transit services and provide additional capacity for future growth. In addition to providing voice communications, a new radio system will provide up-to-date Intelligent Transportation System (ITS) features that the current system cannot provide.

Key new features and deliverables of the project will include:

- Improvements in above- and underground radio communications to provide better radio coverage and eliminate coverage gaps
- Improvements in data communications from vehicles to Central Control Center in order to support advanced data applications
- Advanced Computer Aided Dispatch/Automatic Vehicle Location (CAD/AVL) System for quick search of a vehicle (or a group of vehicles) to efficiently enable direct communications with the vehicle operator(s) to respond to real-time incidents or bus service adjustments
- Use of the Advanced Automatic Vehicle Location feature for pin point the real-time locations of each bus providing real-time vehicle information and NextBus bus arrival prediction services
- Latest P25 equipment that will provide interoperability with emergency responders and other City departments
- “Trunking” capability to maximize the number of concurrent radio conversations and talking paths
- Use of Onboard Mobile Data Terminal’s visual texting messaging feature to provide alternate routes to the bus operators from the Central Control Center
- Use of Advanced Computer Aided Dispatch (CAD) schedule adherence feature to provide Central Control Center with real-time on-time performance information for each bus and bus line
- Use of Traffic Signal Priority features to provide advanced signal priority to buses in revenue service in order to improve bus on-time performance
- Use of Digital Next Stop Announcement System to automatically provide visual and audio announcements of next stops on SFMTA light rail vehicles for improved passenger service and ADA compliance

The new improvements offered by the new radio system will provide important and necessary tools for the SFMTA to provide reliable and on-time bus services to the public and better onboard passenger information services.

Lease Terms

The Lease would provide SFMTA with the necessary facilities to operate a radio transmission facility for up to 25 years (an approximate 10 year initial lease term plus three 5-year options) at a

known rental rate. The initial annual rent of \$78,000 increases at a fixed three percent annually. The Lease would provide SFMTA with an equipment room in the main building consisting of approximately 12 feet by 17.5 feet; space to install four radio antennae mounted to a tower at approximately 140 feet and 160 feet; space to install two 24-inch microwave dishes and two 16-inch GPS antennae on the main building roof and space to install a condensing unit on the northeastern corner of the main building; a 9 feet by 22 feet fenced exterior foundation pad for City's emergency generator; space to install all conduits, panels, and equipment necessary to connect such emergency generator to the City's equipment; space to install all conduits, panels and equipment necessary to connect fiber between the City's equipment in the main building and the tower and to connect such equipment to the main building's grounding system.

SFMTA will pay \$78,000 in the initial year of the Lease, plus separately metered electrical costs, which is estimated to add another \$12,629 per year. The Harris Corporation estimates that improvements City will need to make to the Premises will be approximately \$1,237,293, and the City's cost for purchasing and installing the equipment will be approximately \$1,265,853.

COMPARABLE LEASES TRANSACTIONS

Address	Date	Annual Rent	Taxes, Insurance, Building and Tower Maintenance included in Rent	Tenant
Subject	Proposed	\$78,000	Yes	SFMTA
Bayview Park Rd (1/2)	10/13	\$72,000	No	KREV FM
Bayview Park Rd (2/2)	3/14	\$72,000	No	KEST FM
555 California	5/13	\$92,785	Yes	SFMTA
1250 Jones St	9/13	\$9,540	No	SFMTA

Funding Impact

The base rent of \$78,000 per year and the estimated electricity cost of \$12,629 per year during the construction and installation period (estimated through 2016) are being funded by federal and local grants and by the operating budget after the project completion in 2016.

The tenant improvement cost estimated to be \$1,237,294 and equipment purchases are expected to add another \$1,265,853.33 both of which are being funded by federal and local grants.

Site Construction:	Amount
Architectural Improvement Costs (including room improvements, concrete pad for generator, etc.)	\$ 265,899.24
Mechanical Improvement Costs (including HVAC and fire protection)	\$ 434,302.09
Electrical Improvement Costs (including generator)	\$ 284,610.67

Seismic Improvement Costs	\$ 140,000.00
Sub-total	\$ 1,124,812.00
Contingency @10%	\$ 112,481.20
Total Estimated Site Construction Costs	\$ 1,237,293.20
Equipment Costs:	
P25 Site Equipment	
9 P25 Base Stations	\$ 367,172.14
Common Simulcast Equipment	\$ 75,695.10
Intermodulation Study	\$ 33,906.25
Open Sky Equipment	
3 Open Sky Base Stations	\$ 206,078.12
Open Sky Licenses	\$ 61,451.15
Antenna Equipment	\$ 78,625.00
Security Router, Switch, Interface Equip	\$ 43,149.00
Equipment Installation	\$ 284,699.00
Sub-total	\$ 1,150,775.75
Contingency @ 10%	\$ 115,077.58
Total Estimated Equipment Costs	\$ 1,265,853.33
Total Estimated Construction and Equipment Costs	\$ 2,503,146.53

SFMTA Board of Directors' Approval

The SFMTA Board of Directors adopted and authorized this Lease through its Resolution 14-146 at its October 7, 2014, meeting.

Recommendation

The SFMTA requests the Board of Supervisors authorizes the execution of a Lease between C&E Haas Development Company, LLC, as landlord, and the City, acting by and through SFMTA, as tenant, for certain premises at 1 Bayview Park Road (Assessor Block 4991, Lot 1C), in San Francisco, California, as a base station for the SFMTA radio operations, with an initial term of approximately 10 years, with three five-year extension options, and adopt and incorporate the categorical exemption for the Lease.

If you have any questions regarding this matter, please contact Kerstin Magary at 415-701-4323.

Sincerely,



Edward D. Reiskin
 Director of Transportation