

ZSFGH – T-MOBILE WEST LLC – Lease for Building 25, iDAS Participation

Preliminary Information Request
Budget and Finance Committee Meeting Preparation

1. Attached via email

- a. Proposed Resolution
- b. Proposed Lease
- c. Health Commission Resolution (passed)

2. Lease summary:

	Existing Lease Terms	New Lease Terms
Lease Period	N/A	Five Years ~ September 1, 2017 – August 31, 2022
Size of property	N/A	One 19” rack associated cabling and other equipment in the radio equipment room (room shared by ZSFGH and other vendors)
Options to extend the lease	N/A	Three, Five-Year (5 yr.), Options to Extend at fair market rent
Base rent paid by tenant	N/A	\$5,000.00 per month (\$60,000 per yr.) to be waived during term Tenant’s Master Agreement for paging services
Annual rent adjustments to base rent	N/A	Three percent per year
Tenant Improvement Allowance	N/A	None. No Tenant Improvements required; Tenant paying for own equipment, cabling, batteries, etc.
Utilities and services	N/A	City to pay for electric during term so long as Tenant participates in DAS; otherwise, \$3,708 per term subject to three percent annual increase

Note: As constructed, ZSFGH Building 25 is not conducive to receipt of paging/cellular coverage within the middle, basement or confined areas of the building. In response, the City installed a “Distributed Antenna System” (“DAS”) within Building 25 (a series of repeaters that transmit and create better coverage within the building) and companies, such as T-Mobile were invited to join into the system in order to provide coverage for their clients in the building, some of which include doctors, medical staff, patients and visitors. Tenant is supplying its own equipment and racks to connect/participate (and remains responsible for their own equipment) in the system.

3. City as Lessee: N/A

4. **Options & Renewal Terms:** The greater of: (a) City's minimum monthly base rent for similar personal communications sites, including equipment and antennas, atop and within City owned assets and (b) Base Rent prior to the start of any Option Year term after adjusting for annual Base Rent escalations – both subject to annual escalation of three percent.

5. **Tenant Improvements:** N/A – No Tenant Improvements required. Tenant to supply own equipment and hook up into the DAS.

6. **Unusual provisions/restrictions:** During the Term, so long as Tenant participates in the DAS which allows for cell coverage within Building 25 to the staff, patients and visitors therein, and in consideration of, the benefit of such coverage to both the City and Building 25 users – which is necessary within Building 25 and to the Department of Public Health, and its doctors, nurses, other medical staff, patients and visitors – Tenant is exempt from payment of rent and utilities. Should Tenant attempt another use, extend coverage outside Building 25 or fail to participate in the DAS, but leaves its equipment, it must pay rent and utilities.

7. **Programmatic Purposes:** See note above. City invited cellular companies to participate because cell coverage within Building 25 is weak to non-existent and City desires coverage for all doctors, medical staff, patients and visitors both daily and in emergencies. Participation is open to both paging companies and cellular companies (such as AT&T, Verizon, T-Mobile, Sprint).

8. **Fair Market Value Comparison:** T-Mobile is providing its own equipment to connect to the DAS. It will have one rack inside the equipment room at Building 25 with related cabling for hook-up into DAS. The minimum charge of \$5,000 is what the City was charging at other locations for one antenna within the City when negotiations started over two years ago. The benefit of having cellular coverage for all persons within building daily and during emergencies is greater than waiver of rent.