



London N. Breed, Mayor
Naomi M. Kelly, City Administrator



Andrico Q. Penick
Director of Real Estate

May 6, 2020

Through City Administrator Naomi Kelly

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

Subject: Communications Site Lease Between City and County of San Francisco (Landlord) and New Cingular Wireless PCS, LLC (aka AT&T) (Tenant) at 260 Golden Gate

Dear Board Members:

Attached for your consideration is a Resolution approving and authorizing a Communications Site Lease between the City and County of San Francisco (Landlord) and New Cingular Wireless PCS, LLC (aka AT&T) at 260 Golden Gate which is currently under the jurisdiction of the Department of Homelessness and Supportive Housing. The Lease permits the installation and replacement of upgraded antennas and equipment by AT&T which is currently on the site under holdover of an existing Lease.

Background

In 1996, the Board of Supervisors approved a "Cell Site Lease" between the City and Bay Area Cellular Telephone Company (BACTC). The lease term was for a total of 15 years (initial five-year term and two five-year options) or until May 31, 2011.

In 2011, the Real Estate Division (RED) commenced negotiations with the Tenant to enter into a new lease. In 2012, the former Real Property Director forwarded a letter of intent to AT&T Wireless (which purchased BACTC). During this time period, the facility, originally the SFFD's Headquarters, changed uses and the SFFD relocated. Currently, the building houses Hamilton Families, a non-profit, providing assistance to and housing for the homeless.

Negotiations stalled for numerous reasons including changes in staffing both on the City side and the tenant side; revisions to the planned upgrades and permitting of same; and, the City's decisions regarding reuse of the building.

In or about 2016, AT&T indicated they had "finalized" plans for upgrades to several of the antennas on site. Approval of the plans took some time. In April 2020, the two parties agreed to the proposed lease which includes the approved plans for the equipment upgrades.

Resolution

Specifically, the Resolution approves:

- (A) An initial Lease term of ten years through 2030;
- (B) Two additional option terms of five years each to extend the lease;
- (C) A base monthly rent of \$7,696.00 commencing upon approval by the Board of Supervisors and Mayor, subject to annual adjustments of 4%; and
- (D) The Tenant to pay to City \$600.00 monthly for utilities and services which increases 3% annually.

Both the Department of Homelessness and Supportive Housing and the Real Estate Division recommend approval of the proposed Resolution.

If you have any questions regarding the lease, please contact Claudia Gorham of Real Estate at 415.554.9871 or Claudia.gorham@sfgov.org.

Respectfully,



Andrico Q. Penick
Director of Property