

ZSFGH – AT&T MOBILITY NATIONAL ACCOUNTS, LLC – License for Building 25, DAS Participation

Preliminary Information Request
Budget and Finance Committee Meeting Preparation

1. Attached via email

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

2. License summary:

	Existing Lease Terms	New License Terms
License Period	N/A	Five Years ~January 1, 2018 – December 31, 2023
Size of property	N/A	AT&T Base Station and Related Transmission Equipment (GPS pathway from MPOE to roof – coax format; 3-208V 20AMP L-6 twist lock receptacles at or near AT&T rack)
Options to extend the lease	N/A	One Year Automatic Extensions with either party able to give 90 days notice not 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 and AT&T's participation in DAS
Annual rent adjustments to base rent	N/A	Three percent per year
Tenant Improvement Allowance	N/A	None. No improvements required
Utilities and services	N/A	City to pay for utilities during Term and thereafter so long as Licensee participates in DAS; otherwise, \$3,708 per year 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 AT&T, Verizon, Sprint and 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. Licensee 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:** Base Rent prior to the start of any Option Year term after adjusting for annual Base Rent escalations – subject to annual escalation of three percent.

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

6. **Unusual Provisions/Restrictions:**

AT&T objected to the use of a lease agreement, since it believes it is not technically leasing anything, rather putting equipment into the building as a service to the City. So the parties agreed to use of a license in lieu of a lease agreement. Under the City's Administrative Code, the term lease includes licenses.

During the Term, so long as Licensee participates in the DAS which allows for cell coverage within Building 25 to the staff, patients and visitors therein, an 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 – Licensee is exempt from payment of rent and utilities.

During and after the Term, should the hospital cease being used as a hospital, AT&T attempts another or expand its use (extend coverage outside Building 25), or fail to participate in the DAS, and leaves its equipment, AT&T must pay rent and utilities.

7. **Programmatic Purposes:** 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). T-Mobile is already in Building 25, Verizon is signing an agreement and Sprint choose not to participate.

8. **Fair Market Value Comparison:** AT&T is providing its own equipment and personnel to install and connect to the DAS. It does not have any antenna or other equipment on the roof or other rooms in the building. A minimum charge of \$5,000 was what the City charges at other locations for one antenna within the City when the parties agreed to the fee structure and 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 and utilities.