

1 [Real Property Leases - Multiple Landlords - Communications Services Facilities in Multiple  
2 Locations - \$90,500 Total Annual Initial Year Base Rent]

3 **Resolution authorizing the General Manager of the Public Utilities Commission to enter**  
4 **into: 1) a new communications site lease with Communication and Control, Inc., as**  
5 **Landlord for existing and new microwave communications antennas, radio**  
6 **communications, and other general telecommunications facilities on Alameda County**  
7 **Assessor's Parcel No. 096-0090-005-007 for a term up to 25 years at an initial rent of**  
8 **approximately \$57,000 with 3% annual rent increases; 2) a new amendment to an**  
9 **existing communications site sublease with Communication and Control, Inc., as**  
10 **sublandlord for existing and new microwave communications, radio communications,**  
11 **and other general telecommunications facilities on Contra Costa County Assessor's**  
12 **Parcel No. 006-070-021 for a term up to 25 years at an initial rent of approximately**  
13 **\$14,900 with 3% annual rent increases; 3) a license with Tri-Star Investors Inc., as**  
14 **Landlord for new microwave communications antennas, radio communications, and**  
15 **other general telecommunications facilities on a portion of Stanislaus County**  
16 **Assessor's Parcel No. 081-012-004-000 for a term up to 25 years at an initial rent of**  
17 **approximately \$18,600 with 3% annual rent increases, for a combined total amount of**  
18 **\$90,500 annual initial year base rent; and 4) adopting findings under the California**  
19 **Environmental Quality Act (CEQA), CEQA Guidelines, and Administrative Code,**  
20 **Chapter 31.**

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22 WHEREAS, The San Francisco Public Utilities Commission (SFPUC) currently relies  
23 on an antiquated and inadequate communication system in the San Joaquin Valley and  
24 desires to upgrade that system in order to improve existing facilities and provide  
25 communication capabilities where none exist at twenty sites from Calaveras Substation to

1 Moccasin Peak, to improve safety and security, and to provide remote valve control of the San  
2 Joaquin Pipelines; and

3 WHEREAS, The Commission, at its June 10, 2014, hearing awarded DB-124, the San  
4 Joaquin Valley Communication System Upgrade Project (the "Project") and authorized the  
5 General Manager to execute a design build agreement with Communication Services, Inc.,  
6 the lowest, qualified, responsible and responsive bidder, under its Resolution No. 14-0094;  
7 and

8 WHEREAS, Three of the twenty sites to be served by the Project are located on  
9 premises not owned by the SFPUC; and

10 WHEREAS, Communications and Control Inc. (C&C), owns certain real property  
11 known as a portion of Assessor's Parcel No. 96-90-5-7, on Mt. Allison in Alameda County,  
12 California ("Mt. Allison Site"), and leases from Robert LaRue, an individual, certain real  
13 property known as a portion of Assessor's Parcel No. 006-070-021 in Contra Costa County,  
14 California ("Livermore Hills Site"); and

15 WHEREAS, The City and County of San Francisco ("City"), through the SFPUC,  
16 currently leases space at the Mt. Allison Site for existing communications equipment under a  
17 lease that is scheduled to expire on October 31, 2014, and wishes to enter into a new lease  
18 ("Mt. Allison Lease") with C&C for expanded premises at the site ("Mt. Allison Premises"), for  
19 a term of five years with four (4) five-year renewal options, at an initial annual rental rate of  
20 approximately \$57,000, with 3% annual rent increases; and

21 WHEREAS, The City, through the SFPUC, currently occupies space at the Livermore  
22 Hills Site for existing communications equipment under a sublease with C&C, and wishes to  
23 enter into an Amendment to that sublease ("Livermore Hills Sublease Amendment") for  
24 expanded premises ("Livermore Hills Premises") for a term of five years with four (4) five-year  
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1 renewal options, at an initial annual rental rate of approximately \$14,900, with 3% annual rent  
2 increases; and

3 WHEREAS, TriStar Investors, Inc. ("TriStar"), owns certain real property known as a  
4 portion of Assessor's Parcel No. 081-012-004-000, in Stanislaus County, California ("Modesto  
5 Site"); and

6 WHEREAS, The City, through the SFPUC, wishes to enter into a license agreement  
7 ("Modesto License") with TriStar for premises at the Modesto Site ("Modesto Premises"), for a  
8 term of five years with four (4) five-year renewal options, at an initial annual rental rate of  
9 approximately \$18,600, with 3% annual rent increases; and

10 WHEREAS, On June 27, 2013, the Environmental Review Officer issued the Initial  
11 Study/Final Mitigated Negative Declaration (IS/FMND) for the San Joaquin Valley  
12 Communication System Upgrade Project and on July 23, 2013, by Resolution No. 13-0119,  
13 the SFPUC, through its Commission considered the IS/FMND; adopted the IS/FMND, the  
14 Mitigation Monitoring and Reporting Program (MMRP), and California Environmental Quality  
15 Act (CEQA) findings; approved the Project; and authorized the solicitation of design-build  
16 proposals; and

17 WHEREAS, Copies of SFPUC Resolution No. 13-0119, including without limitation,  
18 copies of the IS/FMND, the CEQA findings and the MMRP, are on file with the Clerk of the  
19 Board of Supervisors in File No. 140997, and the CEQA Findings and MMRP are incorporated  
20 in the Resolution by this reference as if set forth fully herein; and

21 WHEREAS, The SFPUC Compliance Manager and Planning Department  
22 Environmental Planner prepared and finalized Minor Project Modification No. 001, dated  
23 August 27, 2014, (the MPM), for a pre-construction design change to lease space at two  
24 existing telecommunications towers different from the two existing towers identified in the  
25 FMND, conditioned upon SFPUC applying to the replacement lease sites the standard

1 mitigation measures for the lease sites that are identified in the FMND, and finding that the  
2 changes are not anticipated to result in significant environmental impacts; and

3 WHEREAS, A copy of the MPM is on file with the Clerk of the Board of Supervisors in  
4 File No. 140997, and the MPM is incorporated in the Resolution by this reference as if set  
5 forth fully herein; and

6 WHEREAS, On July 8, 2014, the SFPUC, by its Resolution No. 14-0112, authorized  
7 the General Manager to execute the Mt. Allison Lease, the Livermore Hills Sublease  
8 Amendment and the Modesto License (together the "Agreements"), subject to approval by the  
9 Board of Supervisors, and authorized the General Manager to submit the Agreements for  
10 consideration by the Board of Supervisors under Charter, Section 9.118; and

11 WHEREAS, Charter, Section 9.118(c), requires the Board of Supervisors approval of  
12 leases having a term of ten or more years or anticipated revenues of \$1,000,000 or more;  
13 now, therefore, be it

14 RESOLVED, That the Board of Supervisors has reviewed and considered the  
15 information contained in the IS/FMND, the SFPUC CEQA findings, the MMRP, the MPM, and  
16 all other written and oral information provided to it regarding the IS/FMND and the Project,  
17 and finds that the IS/FMND and the MPM are adequate for its use as a decision-making body  
18 for the Project and hereby adopts as its own the SFPUC CEQA findings and MMRP as set  
19 forth in the SFPUC Resolution No. 13-0119, and the MPM; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors finds that since the IS/FMND  
21 was finalized, and taking into consideration the MPM, there have been no substantial changes  
22 in the Project; no substantial changes in the circumstances under which the Project will be  
23 undertaken that would require major revisions to the IS/FMND due to the involvement of new  
24 significant environmental effects or an increase in the severity of previously identified  
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1 significant environmental impacts; and there is no new information of substantial importance  
2 that would change the conclusions set forth in the IS/FMND; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby approves and  
4 authorizes the General Manager of the SFPUC to execute: 1) a Lease between C&C, as  
5 landlord, and the City, through the SFPUC, as tenant for the expanded Mt. Allison Premises;  
6 2) a Sublease Amendment between C&C, as sublandlord, and the City, through the SFPUC,  
7 as subtenant, for the Livermore Hills Premises; and 3) a License by and between TriStar and  
8 the City, through the SFPUC, as licensee, for the Modesto Premises, on the terms described  
9 above, in substantially the form of such agreements on file with the Clerk of the Board of  
10 Supervisors in File No. 140997, which is hereby declared to be a part of this Resolution as if  
11 set forth fully herein; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors authorizes the General  
13 Manager of the SFPUC to enter into any future amendments to add additional facilities or  
14 expand the premises to include additional SFPUC communications antennas and equipment,  
15 provided that such amendments do not increase the rent under any one of the Agreements by  
16 more than 20% percent, and that the General Manager, in consultation with the SFPUC and  
17 the City Attorney, determines are in the best interests of the SFPUC and the City; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors authorizes the General  
19 Manager of the SFPUC to enter into any of the renewal terms, with such renewals at the then  
20 current lease rate increased by 3%, then increased 3% each year thereafter, and that the  
21 General Manager, in consultation with the SFPUC and the City Attorney, determines are in  
22 the best interests of the SFPUC and the City; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors authorizes the General  
24 Manager of the SFPUC to enter into additional amendments or other modifications to the  
25 Agreements that do not materially decrease the benefits to the SFPUC or the City, do not

1 materially increase the obligations or liabilities of the SFPUC or the City, and do not authorize  
2 the performance of any activities without pursuing all required regulatory and environmental  
3 review and approvals, and are necessary or advisable to complete the transactions which the  
4 Agreements contemplate and effectuate the purpose and intent of this resolution, such  
5 determination to be conclusively evidenced by the execution and delivery of any such  
6 additions, amendments, or other modifications; and, be it

7         FURTHER RESOLVED, That the Board of Supervisors authorizes and urges the  
8 SFPUC General Manager and any other appropriate officers, agents or employees of the City  
9 to take any and all steps (including, but not limited to, the execution and delivery of any and all  
10 certificates, agreements, notices, consents and other instruments or documents), as they or  
11 any of them deems necessary or appropriate, in consultation with the City Attorney, in order to  
12 consummate the transaction under the Agreements in accordance with this resolution, or to  
13 otherwise effectuate the purpose and intent of this resolution, such determination to be  
14 conclusively evidenced by the execution and delivery by any such person or persons of any  
15 such documents; and, be it

16         FURTHER RESOLVED, That the Board of Supervisors approves, confirms, and ratifies  
17 all prior actions taken by the officials, employees and agents of the City with respect to the  
18 Agreements.

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