

## **PUBLIC UTILITIES COMMISSION**

City and County of San Francisco

RESOLUTION NO. 14-0112

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) currently relies on an antiquated and inadequate communication system and desires to upgrade that system in order to improve and to provide communication capabilities where none exists at twenty sites from Calaveras Substation to Moccasin Peak to improve safety and security, and to provide remote valve control of the San Joaquin Pipelines; and

WHEREAS, The Commission, at its June 10, 2014 hearing awarded DB-124, the San Joaquin Valley Communication System Upgrade Project and authorized the General Manager to execute a DBA with Communication Services, Inc., the lowest, qualified, responsible and responsive bidder, under Resolution No. 14-009; and

WHEREAS, Three of the twenty sites to be served by the San Joaquin Valley Communication System Upgrade Project are located on premises not owned by the SFPUC; and

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

WHEREAS, The City and County of San Francisco (City), through the SFPUC, currently leases space at the Mt. Allison site for existing communications equipment under a lease that is scheduled to expire on October 31, 2014, and wishes to enter into a new lease with C&C for the expanded Mt. Allison Premises, for a term of five years with four (4) five-year renewal options, at an initial annual rental rate of approximately \$45,000, with three percent annual rent increases; and

WHEREAS, The City, through the SFPUC, currently occupies space at the Livermore Hills site for existing communications equipment under a sublease with C&C, and wishes to enter into an Amendment to that sublease for expanded premises and a term of five years with four (4) five-year renewal options, at an initial annual rental rate of approximately \$14,900, with three percent annual rent increases; and

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

WHEREAS, The City, through the SFPUC, wishes to enter into a license agreement with TriStar for the Modesto Premises, for a term of five years with four (4) five-year renewal options, at an initial annual rental rate of approximately \$18,600, with three percent annual rent increases; and

WHEREAS, On June 27, 2013 the Environmental Review Officer adopted the Initial Study/Final Mitigated Negative Declaration (FMND) for the San Joaquin Valley Communication System Upgrade Project and on July 23, 2013 this Commission adopted the FMND, the Mitigation Monitoring and Reporting Program (MMRP), and the California Environmental Quality Act (CEQA) findings and authorized the project to proceed as a Design-Build Project under Resolution No. 13-0057; and

WHEREAS, The Commission has reviewed and considered the information contained in the FMND, the findings contained in SFPUC Resolution No. 13-0057 and all written and oral information provided by the Planning Department, the public, relevant public agencies, SFPUC and other experts and the administrative files for the Project; now, therefore, be it

RESOLVED, That the Commission has reviewed and considered the FMND and record as a whole, finds that the FMND is adequate for its use as the decision-making body for the action taken herein approving the Lease Agreements and incorporates the CEQA findings contained in Resolution No. 13-0057 by this reference thereto as though set forth in this Resolution; and be it

FURTHER RESOLVED, That the Commission finds that since the FMND was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FMND due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FMND; and be it

FURTHER RESOLVED, That this Commission hereby approves the terms and conditions and authorizes the SFPUC General Manager, following approval by the Board of Supervisors and Mayor, to execute (1) a Lease between C&C, as landlord, and the City, through the SFPUC, as tenant for the Mt. Allison Premises and (2) a Sublease Amendment between C&C, as sublandlord, and the City, through the SFPUC, as subtenant, for the Livermore Hills Premises, and (3) a Lease by and between TriStar and the City, through the SFPUC, as licensee, for the Modesto Premises, on the terms described above (together the Lease Agreements), in substantially the forms on file with the Commission Secretary; and be it

FURTHER RESOLVED, That this Commission hereby authorizes the General Manager of the San Francisco Public Utilities Commission to enter into future amendments to the Lease Agreements to expand the premises to include additional SFPUC communications antennas and equipment, as needed by SFPUC, provided that such amendments do not increase the rent under any one of the Lease Agreements by more than twenty (20%) percent, and to seek similar authorization from the Board, if required; and be it

FURTHER RESOLVED, That this Commission hereby authorizes the General Manager of the San Francisco Public Utilities Commission to enter into any other amendments or modifications to the Lease Agreements that the General Manager determines, in consultation with the City Attorney, are in the best interest of the City; do not materially increase the obligations or liabilities of the City or materially diminish the benefits to the City, are necessary or advisable to effectuate the purposes and intent of the Lease Agreements or this resolution; and are in compliance with all applicable laws, including the City Charter.

*I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of July 8, 2014*

A handwritten signature in cursive script, reading "Alonna Wood", is written over a horizontal line.

*Secretary, Public Utilities Commission*