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Malcolm Heinicke, Director Cristina Rubke, Director

Edward D. Reiskin, Director of Transportation

October 23, 2015

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

Subject: Master License Agreements for outdoor distributed antenna system on transit poles

Dear Board of Supervisors:

We are seeking your retroactive approval of three agreements for the installation of wireless telecommunications antennae and equipment (ODAS Equipment) on San Francisco Municipal Transportation Agency (SFMTA) poles, between the SFMTA and Mobilitie Investments III, Extenet Systems, and GTE Mobilnet/Verizon each for a term of nine years.

Additionally, we are requesting the Board of Supervisors approve the form of a Master License Agreement (MLA), similar to your approval of the SFPUC MLA, which authorizes the Director of Transportation to approve any future agreements, as long as the terms and conditions of such are substantially the same as the approved MLA.

Background

On July 15, 2014, the SFMTA Board of Directors approved the form MLA and also authorized the Director of Transportation to approve and execute agreements with wireless telecommunication companies that seek to install ODAS Equipment on SFMTA poles. Three telecommunications companies have entered into Master License Agreements: Extenet Systems on September 22, 2014; GTE Mobilnet/Verizon on December 17, 2014; and, Mobilitie Investments III on April 23, 2015. During the spring of 2015, SFMTA staff, City Planning and the Licensees agreed on standards for ODAS Equipment to be installed on SFMTA poles (please see picture below).



www.sfmta.com

When the SFMTA entered into the original agreements, the SFMTA did not believe that the revenues would exceed \$1,000,000 and therefore these agreements would not be not subject to Board of Supervisors approval. But by September of 2015, after City's Planning Department's concerns were addressed as to design and placement of ODAS Equipment, it became apparent that the Licensees would seek access to additional poles than anticipated. The upcoming Super Bowl has also had an impact on the number of poles that are being requested by the wireless companies.

Revenue Projection

The SFMTA charges approximately \$4,000 annual rent for each pole it licenses for installation of ODAS Equipment. Currently, it is estimated that total revenues to the SFMTA from the three existing Master License Agreements will be approximately \$13 million over the nine-year terms of those agreements or approximately \$1.4 million annually.

The SFMTA Board of Directors will be approving the MLA and at its November 3, 2015 meeting.

If you have any questions regarding this matter, please contact Sonali Bose at 415-701-4617. We appreciate your ongoing support of transportation and SFMTA.

Sincerely,

Edward D. Reiskin Director of Transportation

