



Mark Farrell, Mayor  
Naomi M. Kelly, City Administrator



John Updike  
Director of Real Estate

May 15, 2018

Through Naomi Kelly,  
City Administrator

Honorable Board of Supervisors  
City & County of San Francisco  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 224  
San Francisco, CA 94102

**RE: New Telecommunications Lease on City Property – 1 South Van Ness Avenue**

Dear Board Members:

Enclosed for your consideration is a resolution authorizing the lease of telecommunication facilities consisting of approximately 200 square feet on the roof of City-owned property located at 1 South Van Ness Avenue, San Francisco, California, between the City and County of San Francisco ("City") and GTE Mobilnet of California Limited Partnership, dba Verizon Wireless ("Tenant"). This proposed new lease was found to be in conformance with the City's General Plan via letter dated September 8, 2017.

Through this proposed legislation, we seek Board of Supervisors approval and authorization of the negotiated lease agreement for an initial ten-year term at a base rent of \$60,000 per year (\$5,000 per month) with four (4) percent annual increases on the anniversary date of the lease. The lease includes two (2) options to extend the term for an additional five years, each. The total potential term is twenty (20) years.

The negotiated lease is generally based upon an executed letter of intent between City and Tenant dated July 22, 2015 at a rate of \$5,000 per month, which is significantly higher than the standard cellular tower rate at the time of that letter's execution (approximately \$3,500 per month).

Should you have any questions or need additional information, do not hesitate to call Josh Keene of our office at 554-9859.

Respectfully,

John Updike  
Director of Real Estate