



April 8, 2019

Honorable Board of Supervisors
City and County of San Francisco
City Hall, 1 Carlton B. Goodlett Place
San Francisco, CA 94102

Subject: Second Amendment to Telecom Lease at One Market Plaza with PPF Paramount One Market Plaza Owner, L.P. (Landlord)

Dear Board Members:

Attached for your consideration is a Resolution approving and authorizing the Second Amendment to [Telecommunications] Lease of a portion of the roof at One Market Plaza (also known as the "Spear Tower"), with property owner/landlord PPF Paramount One Market Plaza Owner, L.P. The Second Amendment permits the installation of additional and upgraded antennas and equipment of the Department of Emergency Management (DEM), Department of Technology (DT), and the San Francisco Municipal Transportation Agency (SFMTA) for the City's emergency radio and cellular telecommunications system.

Background

In 1997, the Board of Supervisors approved an 800 MHz Radio System to be installed and used for emergency public services (SFFD, SFPD, SFSD, Public Health, etc.). One Market Plaza is an integral (necessary) site for complete coverage of the City. Accordingly, for optimal coverage within the City, in 1998, the City entered into a lease agreement to use a portion of the roof at One Market Plaza. The City has been using the space/roof ever since.

In October 2016, the Board of Supervisors adopted Resolution No.16-0967, approving a new 800 MHz Project which proposes to continue to use the existing antennas at One Market Plaza for optimal coverage.

The Second Amendment to the Lease provides for additional and upgraded equipment on the roof at One Market for the 800 MHz Emergency Radio/Cellular Communication Project and provides for additional space, antennas and equipment to be used by SFMTA.

Resolution

Specifically, the Resolution approves:

- (A) Extending the initial Lease term through May 31, 2020;
- (B) Two additional option terms of five years each to extend the lease;
- (C) A base monthly rent of \$15,475.75 (103% above existing rent) commencing June 1, 2019, subject to annual adjustments of 3%.

The Department of Emergency Management, Department of Technology, the San Francisco Municipal Transportation Agency and the Real Estate Division recommend approval of the proposed Resolution. If you have any questions regarding the project, please contact Michelle Geddes of DEM at michelle.geddes@sfgov.org. For questions regarding the lease, please contact Claudia Gorham of Real Estate at 415.554.9871 or claudia.gorham@sfgov.org.

Respectfully,



Linda Gerull
City Chief Information Officer
Department of Technology