

City & County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Andrico Q. Penick, Director of Real Estate

August 18, 2021

Through City Administrator Carmen Chu

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

Subject: Communications Site Lease Between City and County of San Francisco (Landlord) and New Cingular Wireless PCS, LLC (aka AT&T) (Tenant) at 375 Laguna Honda Boulevard

Dear Board Members:

Attached for your consideration is a Resolution approving and authorizing a Communications Site Lease between the City and County of San Francisco (Landlord) and New Cingular Wireless PCS, LLC (aka AT&T) at 375 Laguna Honda Blvd. which is currently under the jurisdiction of the Department of Public Health. The Lease permits the installation and replacement of upgraded antennas and equipment by AT&T which is currently on the site under holdover of an existing Lease.

Background

In 1997, the Board of Supervisors approved a "Cell Site Lease" between the City and Bay Area Cellular Telephone Company (BACTC). The lease term was for a total of 20 years (initial five-year term and three five-year options) or until March 2017.

In 2017, the Real Estate Division (RED), the Department of Public Health (DPH) and Tenant were in discussions regarding upgrades and changes to equipment at the site. Negotiations with the Tenant to enter into a new lease commenced. During this time period, DPH was determining its plans for the Laguna Honda campus and use of the buildings and whether it desired to continue the lease of space for the cellular equipment. Negotiations stalled for numerous reasons including changes in staffing both on the City side and the tenant side; revisions to the planned upgrades and permitting of same; and, DPH's and City's discussions regarding use on City's facilities.

In or about 2020, AT&T indicated they had "finalized" plans for upgrades to several of the antennas on site. Approval of the plans took some time and occurred in 2021. In January 2021, the two parties agreed to the proposed lease which includes the approved plans for the equipment upgrades.

Resolution

Specifically, the Resolution approves:

- (A) An initial Lease term of ten years through 2030;
- (B) Two additional option terms of five years each to extend the lease;
- (C) A base monthly rent of \$10,000.00 commencing upon approval by the Board of Supervisors and Mayor, subject to annual adjustments of 3% commencing January 1, 2022; and
- (D) The Tenant to pay to City \$600.00 monthly for utilities and services which increases 3% annually with the option to install their own meter at their own expense.

Both the Department of Public Health and the Real Estate Division recommend approval of the proposed Resolution.

If you have any questions regarding the lease, please contact Claudia Gorham of Real Estate at 415.554.9871 or Claudia.gorham@sfgov.org.

Respectfully,



Andrico Q. Penick
Director of Property