



SFMTA
Municipal
Transportation
Agency

Wireless Policy & Form Lease Agreement for Wireless Facilities in Parking Garages

SFMTA Board Meeting
February 16, 2016

Background: Current & Proposed

Current Leases	Proposed Form Lease
6 of 11 leases are expired on month to month – Need to renegotiate	2+ years developing form lease with industry representatives
Existing leases lack uniform terms and conditions	Standardized Lease
Below market rates	Comparable rates to other City departments
Lacks transparency and parity	Transparent and Fair Acceptable to the City

Rents: Current and Proposed

Current Rent	Proposed Rent
Varied rent by type of equipment installed	Base Rent of \$60,000 for 220 sq.ft. site area up to 3 antennas
Varied additional rent by type of equipment installed	Additional Rent: \$60 per sq. ft. site area \$6,000 per year for each additional antenna
Varied term	5 year term + 4.5 years extension option
Varied increases	3% annual increases

New rates are based on discussions with Planning and City Real Estate to ensure fair market value

\$60 per sq. ft. is current fair market rate for commercial space

\$6,000 per antenna is current rate negotiated by Rec and Park and other City departments

Comparable Rates

Telecommunication Company	Lease Signed	Lease Term	Sq. Ft.	# of Antennas	Current Annual Rent	Proposed Annual Rent	Notes
Below Market Rate							
Existing SFMTA Lease	2013	9 years	367	9	\$63,654	-	Average \$psf is \$300+. This site is at \$173 psf.
Comparable Rates							
Company at SF General Hospital	2014	5 years	190	6	\$73,200	-	
Company at Port of SF	2015	4 years	255	6	\$68,400	-	
Company at City Real Estate	2015	5 years	189	6 - 9	\$69,600	-	
Proposed Fair Market Rate							
Company A	Proposed	5 years	185	3	\$89,412	\$60,000 ↓	
Company B	Proposed	5 years	214	6	\$82,571	\$78,000 ↓	Comparable to rents above
Company C	Proposed	5 years	214	8	\$51,134	\$90,000 ↑	# of antennas will determine desirability of location

Summary

Approval of the Policy for Placement of Wireless Facilities on SFMTA Owned and Managed Real Estate Assets and the Form Communication Site Lease Agreement will result in significant benefits including:

Uniform terms and conditions

Clarity for staff and wireless companies

Establishment of fair market rates
in alignment with other City Departments

Policy and procedures for
equipment installation and lease negotiations