RESOLUTION NO. 128-2004

Adopted November 9, 2004

PUBLIC HEARING AND AUTHORIZING EXECUTION OF A SUBLEASE WITH BAY AREA CELLULAR TELEPHONE COMPANY, A CALIFORNIA GENERAL PARTNERSHIP, DOING BUSINESS AS AT&T WIRELESS, TO SUBLEASE FOR A TERM OF FIVE YEARS APPROXIMATELY 150 SQUARE FEET OF DESIGNATED FLOOR AREA IN THE PIER 40 SHED; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The City and County of San Francisco, acting by and through the San Francisco Port Commission (the "Port"), by a lease dated December 7, 1984 (the "Port Lease"), leased to the Redevelopment Agency of the City and County of San Francisco (the “Agency”) for redevelopment purposes certain real property that included the Pier 40 Shed located in the Rincon Point-South Beach Redevelopment Project Area. The Pier 40 Shed is an approximately 46,200-square-foot structure that includes a small mezzanine of about 150 square feet.

2. AT&T Wireless currently operates three antennas on the Pier 40 apron. This operation currently generates about $17,400 in revenue a year – funds that help the Agency pay rental, maintenance and operating costs for Pier 40. AT&T Wireless is required to move its mobile/wireless communications equipment from its current location to make way for the first phase of the Agency’s South Beach Park and Harbor improvements, currently under construction.

3. As a result, with the Commission’s approval, Agency staff sent letters of interest to telecommunications companies on May 20, 2004 to advertise available space inside the Pier 40 Shed. Staff publicized this offering to all known telecommunications companies in Northern California, but received only one submission from Bay Area Cellular Telephone Company, doing business as AT&T Wireless. Staff reviewed the submission and apprised the Commission before proceeding to negotiate the proposed sublease.

4. The proposed sublease covers about 150 square feet of the mezzanine inside the Pier 40 Shed. It also allows AT&T Wireless to install antennas on designated areas of the Pier 40 Shed roof. It has an initial term of five years beginning on the first day of the month following the date the Port issues a permit for AT&T Wireless’ proposed improvements to the Pier 40 Shed mezzanine. It includes one five-year renewal option. The base rent during the initial term for three or fewer antennas starts at $1,800 per month and will be increased annually by three percent (3%). The base rent may be reset to fair market rent at the start of the renewal period. There is a higher base rent schedule if AT&T Wireless installs
The proposed sublease also includes the Agency's Nondiscrimination in Contracts and Benefits Policy, and insurance and indemnifications requirements. It also includes all terms required by the Agency's master lease with the Port and has been reviewed by Port officials.

6. A public hearing concerning the proposed sublease has been held in a time and manner pursuant to Section 33431 of the California Community Redevelopment Law.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute the sublease between the Agency and Bay Area Cellular Telephone Company, a California general partnership, doing business as AT&T Wireless, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

[Signature]

James B. Morales
Agency General Counsel