FILE NO. 230621

[Master License Agreements - Mobilitie, LLC - Install Wireless Telecommunications Equipment on SFMTA and SFPUC Poles - Revenues to Exceed \$1,000,000]

Resolution approving execution of Master License Agreements between the City and County of San Francisco and Mobilitie, LLC for the installation of wireless telecommunications antennae and equipment on San Francisco Municipal Transportation Agency (SFMTA) and San Francisco Public Utilities Commission (SFPUC) poles, each for a term of 12 years and resulting in revenues that could exceed \$1,000,000 effective upon approval of this Resolution; and affirming the Planning Department's determination under the California Environmental Quality Act.

WHEREAS, Charter, Section 8A.102(b)1, provides that the San Francisco Municipal Transportation Agency (SFMTA) has "exclusive authority over the acquisition, construction, management, supervision, maintenance, extension, operation, use, and control of all property, as well as the real, personal, and financial assets of the Agency; and [has] ... exclusive authority over contracting, leasing, and purchasing by the Agency"; and

WHEREAS, Charter, Section 4,112(d), provides that the SFPUC "shall have charge of the construction, management, supervision, maintenance, extension, operation, use and control of all water and energy supplies and utilities of the City as well as the real, personal and financial assets, which are under the Commission's jurisdiction on the operative date of this Charter, or assigned pursuant to Section 4.132."; and

WHEREAS, The SFMTA owns approximately 10,000 transit poles that are of various types of construction and are used to support the overhead catenary traction power system that powers trolley buses and light rail vehicles; and

WHEREAS, The SFPUC owns approximately 30,000 streetlight poles in San Francisco that are of various types of construction and are used to support streetlights; and

WHEREAS, During 2012 through 2014, the SFMTA and the SFPUC separately negotiated Master License Agreements ("2014 MLAs") with various telecommunications carriers, which established the terms and conditions that govern licenses issued under the 2014 MLAs and the procedures the licensees were required to follow to install outdoor distributed antenna system ("ODAS") equipment on SFMTA and SFPUC poles; and

WHEREAS, To date, under four 2014 MLAs the SFMTA has issued 253 pole licenses, and SFPUC has issued approximately 578 pole licenses; and

WHEREAS, To respond to increasing public demand for wireless services, telecommunications carriers are seeking to install additional ODAS facilities on SFMTA and SFPUC poles to support 5G services; and

WHEREAS, In 2018, the Federal Communications Commission construed federal law to limit to cost recovery the fees that the City can charge telecommunications carriers for the use of SFMTA and SFPUC poles for ODAS equipment, which will reduce annual pole license revenues to the SFMTA from the current \$1,200,000 to \$220,000-\$330,000 and to the SFPUC from \$3,100,000 to \$160,000-\$230,000, and to impose other conditions, including changes to licensing procedures, which required the SFMTA and SFPUC to negotiate new terms and conditions of their Master License Agreements; and

WHEREAS, The Mayor's Office of Economic and Workforce Development led negotiations with SFMTA and SFPUC and telecommunications carriers for new Master License Agreements ("2023 MLAs"); and

WHEREAS, The 2023 MLAs will increase pole license application fees, decrease annual license fees, and annually amend fees using an annual escalation rate; and

WHEREAS, The 2023 MLAs will provide a common set of contract requirements for the licensing of City poles by SFMTA and SFPUC; and

Public Utilities Commission BOARD OF SUPERVISORS

1

WHEREAS, SFMTA and SFPUC have informally agreed as a matter of policy that the agreed terms and conditions of the 2023 MLA will be the same for any telecommunications carrier that elects to sign the 2023 MLA and to install ODAS equipment on SFMTA or SFPUC poles; and

WHEREAS, The existing 253 SFMTA pole licenses and 800 SFPUC pole licenses issued under the 2014 MLAs will remain subject to the 2014 MLAs until the 2014 MLAs expire, after which the licensees may apply to have those existing pole licenses reissued under the 2023 MLA; and

WHEREAS, The 2023 MLA provides that the SFMTA and SFPUC have the absolute right in their sole discretion to terminate any or all pole licenses if either City agency determines that use of a pole by a telecommunications carrier adversely affects or poses a threat to public health and safety, constitutes a public nuisance, interferes with transit operations or streetlighting, or requires the City agency to maintain a pole that is no longer required for City purposes; and

WHEREAS, The 2023 MLA provides that the SFMTA and SFPUC have the right to remove any SFMTA or SFPUC pole or remove a licensee's equipment from a pole should either agency determine that removal is necessary for City operations; and

WHEREAS, The form 2023 MLA contains a mechanism for issuing individual pole licenses, each pole license identifying the locations of the licensed pole, describing the ODAS equipment to be installed on said pole, and establishing conditions or requirements unique to the used licensed pole for by the licensees to install and maintain ODAS equipment; and

WHEREAS, Board of Supervisors' approval of the 2023 MLAs is required under Charter, Section 9.118(a), because the term for each of the 2023 MLAs will exceed 10 years and the estimated revenues from each 2023 MLA could exceed \$1,000,000; and

Public Utilities Commission BOARD OF SUPERVISORS WHEREAS, Mobilitie, LLC have all executed a 2023 MLA, a copy of such executed MLAs are on file with the Clerk of the Board in File No. 230621; and

WHEREAS, On March 24, 2023, the SFMTA, under authority delegated by the Planning Department, determined that the SFMTA's approval of the form 2023 MLA and execution of the 2023 MLAs with Mobilitie, LLC is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Sections 15060(c) and 15378(b); the approval and execution of those agreements do not commit the SFMTA to authorize the use of specific poles; ODAS installation under individual pole licenses will require separate environmental review, and the SFMTA will not approve a pole license until the proposed installation has been reviewed and the appropriate environmental review under the CEQA has been completed; and

WHEREAS, A copy of the CEQA determination a is file with the Clerk of the Board in File No. 230621; and

WHEREAS, In Resolution No. 23-0058 dated March 14, 2023, the SFPUC determined that approval of the 2023 MLA does not commit the SFPUC or authorize the use of specific poles; and therefore, the approval and execution of the 2023 MLA does not fall with the definition of a "project" under CEQA Guidelines, Section 15378; and approval of individual pole licenses by the General Manager would not occur until the proposed work is reviewed and the appropriate environmental review under the CEQA is completed; and

WHEREAS, In Resolution No. 23-0058 the SFPUC approved the terms and conditions of the 2023 MLA, authorized to seek Board of Supervisors approval of the 2023 MLA, and further authorized execute the 2023 MLA with licenses upon Board of Supervisors approval; and

WHEREAS, A copy of Resolution No. 23-0058 is on file with the Clerk of the Board in File No. 23-0058; now, therefore, be it

Public Utilities Commission BOARD OF SUPERVISORS RESOLVED, That the Board of Supervisors approves the 2023 Master License Agreement with Mobilitie, LLC, a Nevada limited liability company, for a term of 12 years and anticipated revenues exceeding \$1,000,000; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the SFMTA's Director of Transportation and the SFPUC's General Manager, as applicable, to approve any additions, amendments or other modifications to Master License Agreements (including, without limitation, preparation and attachment of, or changes to, any or all of the exhibits and ancillary agreements) that they, in consultation with the City Attorney, determine are in the best interest of the City, do not materially increase the obligations or liabilities of the City, or materially decrease the public benefits accruing to the City, and are necessary or advisable to complete the transactions contemplated and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the SFMTA Director of Transportation or the SFPUC General Manager (as applicable) of any such documents; and, be it

FURTHER RESOLVED, That the Board of Supervisors requests that all revenue from the proposed MLAs generated from SFPUC poles be appropriated to the SFPUC Streetlight Program and all MLA revenue generated from SFMTA poles be appropriated to Transit Operations; and, be it

FURTHER RESOLVED, That within thirty (30) days of any additional the Master Licenses being fully executed by all parties, the SFMTA and SFPUC shall provide final versions of said Master Licenses to the Clerk of the Board for inclusion into the official file.

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Public Utilities Commission BOARD OF SUPERVISORS



City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

File Number: 230621

Date Passed: July 18, 2023

Resolution approving execution of Master License Agreements between the City and County of San Francisco and Mobilitie, LLC for the installation of wireless telecommunications antennae and equipment on San Francisco Municipal Transportation Agency (SFMTA) and San Francisco Public Utilities Commission (SFPUC) poles, each for a term of 12 years and resulting in revenues that could exceed \$1,000,000 effective upon approval of this Resolution; and affirming the Planning Department's determination under the California Environmental Quality Act.

July 12, 2023 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

July 12, 2023 Budget and Finance Committee - RECOMMENDED AS AMENDED

July 18, 2023 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 230621

I hereby certify that the foregoing Resolution was ADOPTED on 7/18/2023 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

London N. Breed Mayor

Date Approved