



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 19-291

Board Meeting Date: 4/9/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael P. Callagy, County Manager
Subject: Amendment to Permit Agreement with New Cingular Wireless PCS, LLC for the continued operation of a wireless communication facility at San Mateo County Event Center. (Permit No. 5345)

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute a First Amendment to the Permit Agreement with New Cingular Wireless PCS, LLC for the continued operation of a wireless communication facility at the San Mateo County Event Center for a term of five years with one option to extend for an additional five years at an initial monthly rate of \$5,500; and
- B) The County Manager, or his designee, to accept or execute on behalf of the County of San Mateo any and all notices, options, consents, approvals, terminations, and amendments in connection with the Permit, so long as no such documents modify the amount payable under the Permit by more than \$25,000 (over the term of the Permit) nor increase the ground area of the Permit.

BACKGROUND:

In 2012, the County and New Cingular Wireless PCS, LLC ("New Cingular") entered into a Permit Agreement ("Permit") for the installation, construction, and operation of a communication facility located in the East Parking Lot of the San Mateo County Event Center ("Event Center") grounds. The Permit had an initial term of five years followed by two five-year extension options, ultimately giving New Cingular the right to use the premises until 2027. Although New Cingular contends that it sent the required notice to exercise its first extension option in 2017, the County has no record of having received such notice. Nonetheless, the County has permitted New Cingular to continue to occupy the premises in accordance with the holdover provision of the Permit. The proposed First Amendment resolves the ambiguity regarding the exercise of the extension option by confirming New Cingular's right to use the premises until 2027 and re-establishes the monthly fee at current market rates.

DISCUSSION:

Real Property Services has negotiated a First Amendment to the Permit to extend the term to June 30, 2022, with one option to extend for an additional five years. Effective upon approval of the First Amendment by the Board, the monthly fee will be \$5,500.00 and is subject to annual three percent escalations. The First Amendment also approves a number of equipment upgrades for the communications facility, none of which increase the ground area of the premises of the Permit.

Pursuant to the Agreement for Management and Operation of the San Mateo County Fair and San Mateo County Event Center, entered into on October 23, 2018, between the County, which owns the underlying land, and the Event Center, which operates the fairgrounds, and past custom and practice between the County and the Event Center, the Event Center collects all rents from use of the Event Center grounds, including the monthly fees paid pursuant to the Permit.

County Counsel has reviewed and approved the First Amendment to the Permit as to form. The Executive Director of the Event Center concurs in this recommendation.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Collaborative Community by generating revenue that contributes to the Event Center's ability to be self-sustaining while facilitating the delivery of New Cingular's services to the public.

FISCAL IMPACT:

The initial monthly fee of \$5,500 will be deposited in the Event Center's accounts and will be used to fund the operations of the Event Center. The Event Center shall reimburse the County for the staff time expended in negotiating and finalizing the First Amendment.