



Midpeninsula Regional  
Open Space District

R-24-18  
Meeting 24-04  
February 14, 2024

## AGENDA ITEM 5

### AGENDA ITEM

Communications Lease with DISH Wireless LLC at the existing PG&E Tower in Pulgas Ridge Open Space Preserve

### GENERAL MANAGER'S RECOMMENDATIONS

1. Determine that the recommended actions are categorically exempt from the California Environmental Quality Act (CEQA) as set forth in this report.
2. Authorize the General Manager to enter into a Communications Site Lease with DISH Wireless LLC for an initial 10-year term with three 5-year optional extensions at a starting annual rent of \$54,000 with a 3% annual increase thereafter.

### SUMMARY

The Board of Directors (Board) is considering a communications lease with DISH Wireless LLC (DISH) to lease out space for the installation of telecommunications equipment at an existing PG&E transmission tower located in Pulgas Ridge Open Space Preserve. The proposed lease is for a ten-year initial term with three 5-year optional extensions, for a total lease period of twenty-five years. The proposed rent for the first year is \$54,000 with a 3% annual increase thereafter. The District would receive \$619,049 in rent over the initial 10-year term. If all lease extension options are executed, the total rent realized would be \$1,968,800 at the end of 25 years.

### DISCUSSION

DISH Wireless, LLC (DISH) contacted the District with a proposal to lease space for the installation of telecommunications equipment at an existing PG&E transmission tower located in Pulgas Ridge Open Space Preserve (Preserve) (Attachment 1). The existing tower is situated at the southwest corner of the Preserve adjacent to the Caltrans Park and Ride lot near the Edgewood Road and Interstate 280 junction in unincorporated San Mateo County. DISH has obtained permission from PG&E to place their equipment at this tower location, however, the PG&E easement over District land is limited to power transmissions and provides no rights to grant alternate uses. Therefore, DISH must obtain District approval to install and operate any communications facilities at this location.

The Use and Management Plan for the Preserve allows telecommunications facilities and related communications leases. This location has proven to be an attractive site for cellular communications providers. Current tenants include AT&T and Verizon. Sprint Cellular was also a lessee at this site until the expiration of their lease in December 2022.

Sprint’s departure provides space on the ground at the base of the PG&E tower for DISH’s equipment. Therefore, there will be no expansion of the available communication lease footprint. Ground equipment will be contained on the existing cement pad and will consist of an equipment cabinet, power cabinet, GPS unit, and generator. The area will be enclosed by a fiber fence with a 4-foot-wide swing gate. The ground equipment is not visible from Preserve trails. PG&E meters for this site are located at the edge of the Caltrans Park and Ride lot. DISH will utilize the same cable and meter that Sprint used, eliminating the need to dig a new trench. DISH would be responsible for all maintenance and repair and for restoration of the site at the end of the lease.

This lease is consistent with Board Policy 4.02, *Improvements on District Lands*. Section 5: Improvements as Income Sources of the policy requires the following: *Improvements intended to be constructed or maintained solely for the purpose of producing revenue will be evaluated on a case-by-case basis by the Board. Structures that do not serve a District purpose ... may be rented or leased to provide a revenue source for the District. When a structure or improvement is retained for these purposes, it should generally be rented for the fair market value consistent with possible special restrictions due to its location on open space lands.* The lease is solely for the purpose of producing revenue. The tower does not serve a direct purpose to the District and it is being rented at fair market value.

There has not been any indication of interest from other cellular service companies. Staff was able to negotiate with DISH for lease terms similar to the two existing leases as reflected below. The lower starting rate for DISH reflects the fewer number of antennas that would be installed on the PG&E tower as compared to AT&T and Verizon.

Tenant	Current Payment (2024)	Escalator	Term
AT&T	\$62,669	3% annually	Exp. February 2025*
Verizon	\$63,285	4% annually	Exp. June 30, 2028**
DISH (Proposed)	\$54,000	3% annually	Exp. February 2034

The proposed lease with DISH has a ten-year initial term with three 5-year extension options for a total lease period of 25 years. The proposed rent for the first year of the lease is \$54,000 with a 3% annual increase thereafter. The District would receive \$619,049 in rent over the initial 10-year term. If all lease extension options are executed, the total rent realized would be \$1,968,800 at the end of 25 years.

**FISCAL IMPACT**

The recommended action would have a positive fiscal impact of up to \$766,050 for the initial

**PRIOR BOARD AND COMMITTEE REVIEW**

None

**PUBLIC NOTICE**

Public notice was provided as required by the Brown Act.

## **CEQA COMPLIANCE**

The leasing and minor alterations of existing structures is Categorical Exempt in accordance with CEQA Guidelines Section 15301, Existing Facilities. The change in lessee and use of existing equipment and minor alterations to equipment on an existing equipment footprint is not Project as defined by the California Environmental Quality Act (CEQA).

## **NEXT STEPS**

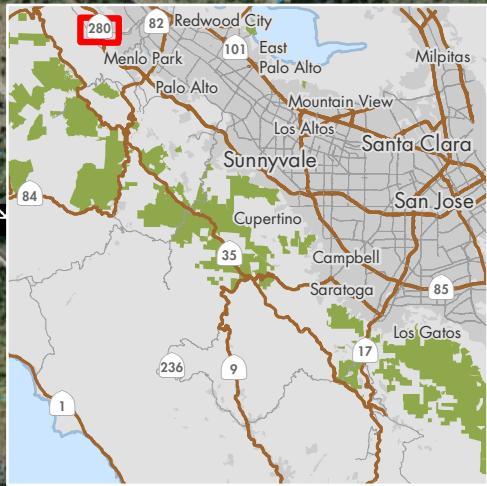
Upon Board approval the General Manager will execute the lease.

## **ATTACHMENTS**

1. Location Map

Responsible Department Head:  
Brandon Stewart, Land & Facilities Services

Prepared/Contact person:  
Susan Weidemann, Property Management Specialist II,  
Land & Facilities Department



### Pulgas Ridge Communications Lease Area

#### Parking Location Landmark

- Lot
- Roadside
- Restroom
- Other Landmark
- Point of Interest
- Visitor Center
- Vista Point

#### Trail (classes)

- Paved Road
- Unpaved All-Season Road
- Unpaved Seasonal Road
- Trail

Preserve Boundary (fill)

## ATTACHMENT 1

Midpeninsula Regional  
Open Space District  
(MROSD)  
4/4/2023



Data Source(s): Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community