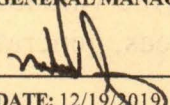
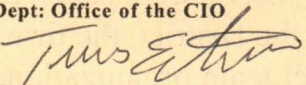
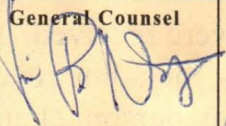

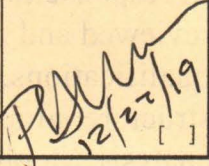




EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:  1/2/20		GENERAL MANAGER ACTION REQ'D:		
DATE: 12/19/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Travis Engstrom Dept: Office of the CIO  Signature/Date: 12/27/2019	General Counsel  1/2/2020 []	Controller/Treasurer  1/2/2020 []	District Secretary []	BARC  12/22/19 []

BART DIGITAL RAILWAY – MASTER PROGRAM LICENSE AGREEMENT (MPLA)

PURPOSE:

To request Board authorization for the General Manager or his designee to enter into a Master Program License Agreement (MPLA), and associated Project License Agreements (PLAs) with Mobilitie Services, LLC (Mobilitie) for the development of the BART Digital Railway and a related project for the San Francisco Municipal Transportation Agency (SFMTA).

DISCUSSION:

The proposed Digital Railway is a system of wired and wireless communications infrastructure along the District's rights of way, within stations and on board BART's Fleet of the Future. Included as part of the overall Project is a project with the San Francisco Municipal Transportation Agency (SFMTA) expanding commercial cellular communications and fiber optic infrastructure to the SFMTA underground.

The Board authorized the General Manager to enter into a Communications Agreement with SFMTA in September 2016. The Communications Agreement, also approved by the SFMTA Board and the San Francisco Board of Supervisors, authorized BART to work with SFMTA and a commercial vendor to pursue an expansion of the District's revenue generating underground cellular and fiber optic infrastructure to underground areas of SFMTA service, primarily in downtown San Francisco, and share revenue obtained with SFMTA.

In order to obtain proposals to develop and manage the BART Digital Railway and the SFMTA project an Invitation for Proposal (Invitation) was issued in March 2017. The

Invitation included new commercial business opportunities in fiber optic cable, station wireless services and in-train wireless services for the District's Fleet of the Future.

The Invitation sought proposals from private commercial entities to construct commercial telecommunications infrastructure for BART and SFMTA that would provide valuable services to patrons and generate revenue for the District, and in SFMTA areas, generate shared revenue with SFMTA.

In response to the Invitation, ten proposals were received. The responsive proposals were reviewed and scored based on several factors, including revenue for the District, the firm's qualifications, experience and references, key personnel and project team organizational structure, proposed services and project impact and plan and schedule. As a result of the analysis, Mobilitie was determined to be the top respondent.

Mobilitie is the nation's largest private wireless services firm, with infrastructure projects across all 50 states. Mobilitie owns and operates 60 neutral host cellular systems. Mobilitie has built over 3,000 communication towers, 70,000 miles of fiber, over 60,000 cell sites, and generated over 100,000 network designs for the major cellular carriers. Mobilitie has high density metropolitan cellular and fiber deployments in New York City, Chicago, San Francisco and Los Angeles. Mobilitie has deployments in many sports stadiums across the country, resorts and in Seattle's Sound Transit light rail system.

In 2018 the Board authorized an Exclusive Negotiating Agreement (ENA) with Mobilitie. Since then staff has worked with Mobilitie to conduct preliminary design work, meet California Environmental Quality Act (CEQA) requirements and negotiate a Master Program License Agreement (MPLA) and associated Project License Agreements (PLAs) to cover the four primary elements of the BART Digital Railway and SFMTA project, as set forth in the Invitation: 1) Underground Cellular Services for SFMTA, 2) Wayside and Fleet of the Future Wireless Services, 3) In-Station Wireless Services, and 4) Fiber Optic Telecommunication Services for both BART and SFMTA.

District staff has determined that the Project will not have a significant impact on the environment and is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 California Code of Regulations, Section 15301, Existing Facilities, and Section 15303, New Construction or Conversion of Small structures, because the project consists of alternations to equipment on existing faculties involving no expansion of use in addition to the limited construction of new small structures on District property. Therefore, no further environmental review is required.

All agreements will be approved as to form by the Office of General Counsel prior to execution.

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FISCAL IMPACT:

This action is not anticipated to have any Fiscal Impact on unprogrammed District reserves in the current Fiscal Year. This project is expected to generate revenue for the District. The terms of the Master Program License Agreement (MPLA) includes a scheduled minimum license revenue payment made by Mobilitie to the District, a revenue share of all earnings after expenses for each project, and that all Capital and Operating costs for the project will be borne by Mobilitie. The term of these License Agreements will be twenty years, estimated to begin in the first quarter of calendar year 2020, with two optional five year extensions.

Total Anticipated Revenue to the District:	\$243,100,000
Total Minimum Annual Guarantee payments:	\$26,700,000
Total Technology Improvement Fund Reserve:	\$10,000,000
Anticipated Capital Expenditure by Mobilitie:	\$48,200,000

Minimum Annual Guarantee Payment Schedule

Contract Year	Minimum Annual Guarantee
FY20	\$2,000,000
FY21	\$900,000
FY22	\$900,000
FY23	\$900,000
FY24 – FY39	\$1,375,000

ALTERNATIVES:

Do not enter into Master Program License Agreement (MPLA) with Mobilitie. This action would significantly delay consideration and development of the BART Digital Railway.

RECOMMENDATION:

Adoption of the following motion.

MOTION:

The Board of Directors:

- (1) Approves the BART Digital Railway Project.
- (2) Authorizes the General Manager or his designee to execute a Master Program License Agreement (MPLA), and associated License Agreements with Mobilitie Services, LLC (Mobilitie), for development of the BART Digital Railway, including 1) Underground Cellular Services for SFMTA, 2) Wayside and Fleet of the Future Wireless Services, 3) In-Station Wireless Services, and 4) Fiber Optic Telecommunication Services for both BART and SFMTA.