

**City & County of San Francisco**  
London N. Breed, Mayor



**Office of the City Administrator**  
Carmen Chu, City Administrator  
Andrico Q. Penick, Director of Real Estate

October 11, 2022

Honorable Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Carlton B. Goodlett Place  
San Francisco, CA 94102

RE: 1455 Market Street, SFMTA – First Amendment to Lease –  
Lease Option Extension

Dear Board Members:

Attached for your consideration is a proposed Resolution for a Lease Extension for the San Francisco Municipal Transportation Agency's ("SFMTA") existing Transportation Management Center ("TMC") located at 1455 Market Street, San Francisco.

The TMC provides command, communication and control functions for: monitoring service and issuing control commands to all subway trains via the Automatic Train Control System; communicating instructions to MUNI bus, trolley or train drivers and maintenance crews via the SFMTA radio system; making service or emergency announcements to subway stations via the Public Address and Platform Display Systems; monitoring and remotely operating subway fire, life and safety systems via the facility Supervisory Control and Data Acquisition system; monitoring the traction power for train and trolley overhead wires via the Traction Power Supervisory Control and Data Acquisition system; monitoring traffic flows and control traffic signal timing and variable message signs via the centralized signal monitoring and control system; monitoring and operating SFMTA's access control and security management system and Closed Circuit Television surveillance system; and, processing Parking Control Officer's field requests for DMV record checks and dispatching Parking Control Officers to towing and traffic directing requests.

The original Lease, dated March 9, 2011, for ten years was approved by the full Board of Supervisors and signed by the Mayor on June 13, 2011 (Resolution No. 247-11). The Lease commenced on September 20, 2013, after substantial completion of tenant improvements, and rent commenced on November 19, 2013.

The Lease provides for two ten-year extension options. This would be the first ten-year extension. The Lease requires the City to give notice at least 15 months before the end of the Term. Accordingly, the Real Estate Division, on behalf of the SFMTA, served notice on June 17, 2022. The Lease also requires that the City take the resolution to the Board for approval within 90-days of the notice, or as soon thereafter as can be.

The initial base rent for the option term, is set forth in the Lease, is 105% of the then existing base rent for the month immediately preceding the option term. Accordingly, base rent will be \$140,933.54 (existing rent of \$134,222.42 x 5%) per month with a 3% annual adjustment during the option term.

All other terms and conditions, including the calculation of Base Rent for the second extension, remains the same.

If you have any questions regarding this matter, please contact Claudia J. Gorham of our office at 415-554-9871.

Respectfully,



Andrico Q. Penick  
Director of Real Estate