

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 19-0081

WHEREAS, The San Francisco Public Utilities Commission, by Lease dated May 12, 2009 (Lease) by and between William H. Banker, Jr., Successor Trustee of The Banker Trust dated April 20, 1992, Fillmore C. Marks, Trustee of The Fillmore and Barbara Marks 1992 Trust; Fillmore Douglas Marks, William C. Marks, and Bradford F. Marks, tenants in common, as landlord (collectively, Landlord), and the City and County of San Francisco (City), through its SFPUC as tenant (Tenant) leases approximately 14,000 square feet of warehouse and office space on an approximate 19,000 square foot lot commonly known and numbered 651 Bryant Street for use by the SFPUC Power Enterprise Utility Field Services (UFS) Division; and

WHEREAS, This Commission approved the Lease on July 8, 2008, by Resolution No. 08-0121, which had an initial term of 10 years and one option to extend by an additional 10 years, and the Board of Supervisors approved the Lease by Resolution No. 315-09, adopted July 28, 2009; and

WHEREAS, The UFS Division provides engineering, technical, and field services in the management, operation, maintenance, replacement and new installations of the City-owned electric distribution systems and 25,000 streetlights in San Francisco, and also operates and maintains facilities for San Francisco International Airport and the Port of San Francisco and on Treasure Island and Yerba Buena Island owned by the Treasure Island Development Authority, plus various redevelopment projects; and

WHEREAS, The Lease currently expires October 31, 2019; and

WHEREAS, The Lease provides City, through the SFPUC, with one option to extend the Lease term for ten years, to be exercised at the SFPUC's sole discretion and requiring approval by this Commission; and

WHEREAS, By letter dated December 6, 2018, City, through the SFPUC, exercised its option under the Lease to extend the Lease term for one additional term of 10 years pursuant to Section 3.4 [Extension Option] of the Lease; and

WHEREAS, Extension of the Lease term is subject to approval of this Commission, and the Board of Supervisors under Charter Section 9.118; and

WHEREAS, Pursuant to the terms of Section 3.5 [Determination of Base Rent for the Extended Term] of the Lease, Landlord and City agreed that, considering all factors, 95% of the "prevailing market rate" for annual Base Rent for the first year of the Extended Term shall be \$577,920 (approximately \$41.28 per square foot) and monthly Base Rent payments shall be \$48,160 (approximately \$3.44 per square foot), which shall increase annually by three percent (3%), as set forth in the attached Lease extension letter dated March 4, 2019; and

WHEREAS, Funding for the rent payments is available from the from the Power Enterprise Operating COA: 24970/298650/10000/10029985/0006/530000; and

WHEREAS, This action does not constitute a project under California Environmental Quality Act Guidelines Section 15378 because there would be no physical change in the environment; now, therefore, be it

RESOLVED, That this Commission hereby approves the terms and conditions of the ten-year Lease term extension agreement dated March 4, 2019, a copy of which is incorporated by reference; and be it

FURTHER RESOLVED, That this Commission hereby ratifies, approves, and authorizes all actions heretofore taken by any City official in connection with the Lease extension; and be it

FURTHER RESOLVED, That this Commission hereby authorizes and directs the General Manager of the SFPUC to seek approval by the Board of Supervisors pursuant to Charter Section 9.118 to execute the attached Lease extension agreement; and, be it

FURTHER RESOLVED, That this Commission hereby authorizes the SFPUC General Manager to enter into any amendments or modifications to this Lease and Lease extension, including without limitation, the exhibits, that the General Manager determines, in consultation with the City Attorney, are in the best interest of the City, do not materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes and intent of the Lease or this resolution, and are in compliance with all applicable laws, including the City Charter.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of April 23, 2019.



Secretary, Public Utilities Commission