

1 [Real Property Lease Extension - Multiple Ownership - 651 Bryant Street - \$577,920
2 Annual Base Rent]

3 **Resolution authorizing the General Manager of the San Francisco Public Utilities**
4 **Commission to exercise a lease extension for the real property located at 651 Bryant**
5 **Street with William H. Banker, Jr., Successor Trustee of The Banker Trust dated April**
6 **20, 1992, Fillmore C. Marks, Trustee of The Fillmore and Barbara Marks 1992 Trust,**
7 **Fillmore Douglas Marks, William C. Marks, and Bradford F. Marks, tenants in**
8 **common, collectively as landlord, for a ten year extension term, commencing on**
9 **November 1, 2019, through October 31, 2029, for the continued use by the San**
10 **Francisco Public Utilities Commission at the monthly base rent of \$48,160 for a total**
11 **annual base rent of \$577,920.**

12
13 WHEREAS, The City currently leases approximately 14,000 square feet of
14 warehouse and office space on an approximate 19,000 square foot lot at 651 Bryant Street
15 (Premises) from Landlord by a Lease dated May 12, 2009 (Lease) authorized by Board of
16 Supervisors Resolution No. 0315-09, a copy of the Lease is on file with the Clerk of the
17 Board of Supervisors under File No. 190455; and

18 WHEREAS, The Premises are occupied by the San Francisco Public Utilities
19 Commission's (SFPUC) Power Enterprise's Utility Field Services (UFS) Division which
20 provides engineering, technical, and field services in the management, operation,
21 maintenance, replacement and new installations for the City-owned electric distribution
22 systems and approximately 25,000 streetlights in San Francisco; and

23 WHEREAS, SFPUC's UFS Division also operates and maintains facilities for the
24 San Francisco International Airport, the Port of San Francisco and on Treasure Island and
25

1 Yerba Buena Island owned by the Treasure Island Development Authority, plus various
2 redevelopment projects; and

3 WHEREAS, The Premises are adjacent to the City-owned facilities at 639 Bryant
4 Street and are critical to the operation of the SFPUC's UFS Division at both properties.

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

6 WHEREAS, The Lease includes an option for one additional ten-year extension
7 period at 95% of fair market rent; and

8 WHEREAS, The Real Estate Division ("RED") on behalf of SFPUC, negotiated the
9 95% of fair market monthly base rent to be \$48,160 or \$3.44 per square foot, increasing
10 annually at 3%, net of utilities and janitorial services for the Premises, for the ten-year
11 extension term; and

12 WHEREAS, On April 23, 2019, at a public meeting of the SFPUC, the Commission
13 adopted Resolution No. 19-0081, a copy of which is on file with the Clerk of the Board of
14 Supervisors under File No. 190455, approving the lease extension for the term and at the rent
15 and on specified business terms which are contained in the Lease; and,

16 WHEREAS, The Lease extension is subject to enactment of a resolution by the
17 Board of Supervisors and Mayor; now, therefore, be it

18 RESOLVED, That in accordance with the recommendation of the San Francisco
19 Public Utilities Commission, the General Manager of the San Francisco Public Utilities
20 Commission is hereby authorized to take all actions on behalf of the City and County of
21 San Francisco, as Tenant, to exercise the ten-year extension term commencing on
22 November 1, 2019; and, be it

23 FURTHER RESOLVED, That commencing on November 1, 2019, the monthly rent
24 for the ten-year extension term shall be \$48,160 (\$3.44 per square foot), increasing
25 annually at 3%; and, be it

1 FURTHER RESOLVED, That the City shall continue to pay for its own utilities and
2 janitorial expenses and increases in typical property operating expenses over a 2019 Base
3 Year; and, be it

4 FURTHER RESOLVED, That any action taken by any City employee or official with
5 respect to the exercise of the extension provision contained in the lease is hereby ratified
6 and affirmed; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors authorizes the General
8 Manager of the SFPUC to enter into any amendments or modifications to the lease (including
9 without limitation, the exhibits and exercising the additional extension option pursuant to the
10 terms of the Lease) that the General Manager of the SFPUC determines, in consultation with
11 the City Attorney, are in the best interest of the City, do not increase the rent or otherwise
12 materially increase the obligations or liabilities of the City, are necessary or advisable to
13 effectuate the purposes of the lease or this Resolution, and are in compliance with all
14 applicable laws, including City's Charter; and, be it

15 FURTHER RESOLVED, That within 30 days of the Lease Extension being fully
16 executed by all parties, the General Manager of the SFPUC shall provide a copy to the
17 Clerk of the Board for inclusion into the official file.

18

19 ///

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

\$385,280 Available
(Monthly rent from November 1, 2019 to June 30, 2020)

Department ID: 298650
PS Project ID: 10029985
Authority ID: 10000
Account ID: 53000
Activity ID: 0006

Controller

RECOMMENDED:

San Francisco Public Utilities Commission
Pursuant to SFPUC Resolution 19-0081