

1 [License Amendment - Telx Entities - 200 Paul Avenue - \$111,780 Total Rent in the First
2 Year]

3 **Resolution authorizing an amendment to the Master Terms and Conditions License of**
4 **space and services which extends the term for two years with three one year options at**
5 **fixed rents and expands the existing 24-pair fiber connection to two 24-pair fiber**
6 **connections with Telx Entities, at 200 Paul Avenue for use by the Department of**
7 **Technology at \$9,000 monthly plus a one-time set up fee of \$3,780 for \$111,780 total**
8 **rent in the first year.**

9
10 WHEREAS, The Department of Technology (DT) requires connectivity to the internet
11 and the fiber network to operate the City’s mission critical data operations; and

12 WHEREAS, Telx Entities, a limited liability company (“Licensor” or “Telx”) provides the
13 only interconnectivity services at 200 Paul Avenue; and

14 WHEREAS, The City has had interconnectivity through Telx since 1996; and

15 WHEREAS, The current Master Terms and Conditions to License dated as of
16 February 1, 2011 (“License”) for a cabinet and 24-pair connectivity was approved by Board
17 of Supervisors Resolution No. 27-11; and

18 WHEREAS, The term of the License is presently scheduled to expire on January 31,
19 2016; and

20 WHEREAS, An additional 24-pair connection is needed by the Department of
21 Technology for expansion of Voice over Internet Protocol (VOIP) and other City initiatives; and

22 WHEREAS, The Real Estate Division has negotiated an extension and expansion of
23 the existing License at fair market rents; and

24 WHEREAS, The Department of Technology recommends the proposed Amendment;
25 and

1 WHEREAS, The Agreement is subject to enactment of a resolution by the Board of
2 Supervisors and the Mayor, in their respective sole and absolute direction, approving and
3 authorizing such Agreement; now, therefore, be it

4 RESOLVED, That in accordance with the recommendation of the Director of the
5 Department of Technology, the Director of Property is hereby authorized to take all actions on
6 behalf of the City and County of San Francisco, as Licensee, to execute the First Amendment
7 to Master Terms and Conditions License (copy of the proposed Amendment is on file with the
8 Clerk of the Board of Supervisors in File No. 151202) with Telx Entities on behalf of itself and
9 its wholly-owned subsidiaries (collectively, "Licensor"), for two (2) 24-pair fiber connections in
10 a server rack with primary and redundant power in the building commonly known as 200 Paul
11 Avenue, San Francisco, California, as more particularly described in the Amendment on the
12 terms and conditions set forth herein, and on a form approved by the City Attorney; and, be it

13 FURTHER RESOLVED, That the City shall accept delivery of the second 24-pair
14 connectivity as soon as Licensor can deliver the cabinet which is estimated to be about
15 January 1, 2016 as described in the Amendment and City shall pay a one-time set up fee of
16 \$3,780.00 and an additional \$3,780.00 per month for such connection; and, be it

17 FURTHER RESOLVED, That the License with the additional 24-pair connection shall
18 be extend for an additional term of two (2) years commencing on February 1, 2016, and
19 terminating on January 31, 2018; and, be it

20 FURTHER RESOLVED, The License shall be include three (3) options to extend the
21 term for one (1) year each by providing 9 months advance notice on the same terms and
22 conditions except the base rent shall continue to be increased annually by three percent (3%);
23 and, be it

24 FURTHER RESOLVED, The base rent during the first year of the extended term shall
25 be \$9,000.00 per month; and, be it

1 FURTHER RESOLVED, The Landlord shall pay for typical utilities, janitorial services,
2 and building maintenance and repairs and City shall pay for typical Licensee expenses; and,
3 be it

4 FURTHER RESOLVED, That the License shall include a clause, indemnifying, holding
5 harmless, and defending Telx, other related parties, and its agents from and against any and
6 all claims, costs and expenses, including without limitation, reasonable attorneys' fees,
7 incurred as a result of any default by the City in the performance of any of its material
8 obligations under the License, or any negligent acts or omissions of the City or its agents, in,
9 on, or about the Premises or the property on which the Premises are located, excluding those
10 claims, costs and expenses incurred as a result of the negligence or willful misconduct of the
11 Telx or its agents; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
13 Property to enter into any amendments or modifications to the License (including, without
14 limitation, the exhibits) that the Director of Property determines, in consultation with the City
15 Attorney, are in the best interest of the City, do not increase the rent or otherwise materially
16 increase the obligations or liabilities of the City and are necessary or advisable to effectuate
17 the purposes of the License or this Resolution, and are in compliance with all applicable laws,
18 including the City Charter; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
20 Property to exercise any or all of the options to extend the term if the Director of Property
21 determines, in consultation with the Director of the Department of Technology and the City
22 Attorney, that such extended term is in the best interest of the City and are in compliance with
23 all applicable laws, including the City Charter; and, be it

1 FURTHER RESOLVED, That the City use the License for the full term of the License
2 unless funds for the Department of Technology’s rental payments are not appropriated in any
3 subsequent fiscal year at which time the City may terminate the License; and, be it

4 FURTHER RESOLVED, Said License shall be subject to certification as to funds by the
5 Controller, pursuant to Section 3.105 of the City Charter; and, be it

6 FURTHER RESOLVED, That within thirty (30) days of the agreement being fully
7 executed by all parties, the Director of Real Estate shall provide a copy of the Agreement to
8 the Clerk of the Board for inclusion into the official file.

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\$57,780.00 Available
(Base Rent from January 1, 2016 to June 30, 2016
plus the one-time fee of \$3,780)

Index Code: 751403
Subject: 03000

Controller

RECOMMENDED:

Director
Department of Technology

Director of Property
Real Estate Division

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