



Edwin M. Lee, Mayor  
Naomi M. Kelly, City Administrator



John Updike  
Director of Real Estate

November 12, 2015

**Department of Technology  
License for use of Property  
UnitedLayer - 200 Paul Avenue  
Assignment #6920**

Through Naomi Kelly,  
City Administrator

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

Dear Board Members:

Attached for consideration is a Resolution authorizing the renewal of an existing license at 200 Paul Avenue, for use by the Department of Technology (DT) with the UnitedLayer (UL or Licensor).

The facility at 200 Paul Ave. provides the City with two independent utility paths, ability to sustain 72-hour power outage (UPS and emergency generators), redundant cooling systems, redundant service providers, the ability to perform concurrent maintenance without downtime and high level of security. 200 Paul is also a major telecommunications and internet hub in the City. The City not only maintains 31 server cabinets and the City's mainframe at 200 Paul, but 200 Paul serves as the communications hub between (i) all City buildings served by the City's fiber loop, (ii) the City data centers at 1011 Turk and SFO and (iii) our back up disaster recovery facility at Rancho Cordova.

The City has leased server and mainframe space with services at 200 Paul Ave from UL for the past five years under a License dated February 1, 2011 (approved by Board Resolution 26-11). The License expires on January 31, 2016 and there are no further options to extend the term.

The equipment located at 200 Paul provides the City's (i) websites, (ii) email system, (iii) the Controller's FAMIS & payroll equipment and (iv) the City's access to State of California's CLETS, AFIS and JUSTIS equipment, among other City technology needs.

The 200 Paul facility is part of an integrated data hosting environment developed by the Department of Technology which includes additional data centers at 1011 Turk Street

(Department of Emergency Management), the San Francisco International Airport data center, and the State of California facility at Rancho Cordova.

The 200 Paul facility is the hub for the City's network and access to the internet. While more costly than other centers, 200 Paul has a higher level of remote backup capabilities (to Rancho Cordova), and a higher resiliency rating than DEM and Airport. The Department of Technology states that their strategic direction is to continue to consolidate and virtualize the City's data servers at the San Francisco International Airport or 200 Paul depending on connectivity and backup requirements, while evaluating the potential for other cloud-based solutions, to the extent they are cost-effective and can meet the City's needs.

The proposed lease would allow the City to reduce its footprint at 200 Paul Street by six racks from the current 31 without penalty. The proposed term is five (5) years, commencing upon February 1, 2016 and expiring on January 31, 2021. Under the proposed Resolution, the City would pay a Base Rent \$185,624.50 per month (a decrease of approximately 11% from the existing rent of \$208,954.45). The City also pays for separately metered electricity of approximately \$2,358.08 per month on a portion of the Premises. Under the proposed Resolution, the Base Rent continues to increase annually on each February 1 by four percent (4%). The proposed lease does not include a typical annual pass through of increases in the landlord's operating expenses.

The proposed extension continues the same option to add or remove six (6) server racks and also adds (i) a provision facilitating City's potential use of cloud services for those six racks and to eliminate the fifth floor portion of the Premises.

Attachment #1 provides a before and after comparison of the proposed license extension.

The Department of Technology recommends approval of the proposed lease. If you have any questions regarding this matter, please contact Charlie Dunn of our office at 554-9861.

Respectfully



John Updike  
Director of Real Estate

cc: Miguel Gamiño, Director, DT  
Ashley Amjad, DT  
David German, DT

Attachment #1  
200 Paul  
UL License

	<b>Current</b>	<b>Proposed</b>
Equipment	Cabinets, fiber, cross connects, cages, power and redundant power	Cabinets, fiber, cross connects, cage, power and redundant power
Base Rent	\$208,954.45 monthly	\$185,624.50 monthly
Base Rent Increase Date	Annually on February 1	Annually on February 1
Base Rent Increase Amount	4%	4%
Term	Through January 31, 2016	Through January 31, 2021
Options to Extend	None Remaining	None

Note: the City also pays separately metered electricity charges of approximately \$2,358 per month.