

1 [Real Property Lease Amendment - Spectrum Realty, L.P - 833 Mission Street]

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3 **Resolution authorizing the Municipal Transportation Agency to execute the lease**
4 **amendment (Third Amendment) to the retail lease dated February 18, 2004, with**
5 **Sprint Spectrum Realty L.P., for 2,152 sq. ft. retail space at the Fifth and**
6 **Mission/Yerba Buena Garage, located at 833 Mission Street; said amendment to**
7 **extend the retail lease for an additional five years beginning June 1, 2014, and**
8 **provide additional rent of \$689,049 plus provide a one five-year option that will, if**
9 **exercised, provide additional rent of \$798,813.**

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11 WHEREAS, Prior to December 31, 2012 the City and County of San Francisco
12 leased the garage to the San Francisco Downtown Parking Corporation (Corporation)
13 through a lease agreement, which was subsequently terminated on December 31, 2012,
14 (Lease); and

15 WHEREAS, Under the Lease, the Corporation managed the day-to-day operation of
16 the garage with oversight and policy direction from the SFMTA; and

17 WHEREAS, Effective January 1, 2013, the SFMTA assumed complete responsibility
18 for managing the garage as well as all retail leases and agreements; and

19 WHEREAS, The termination of the Corporation Lease had no material effect on
20 garage operations or on its tenants; and

21 WHEREAS, Sprint Spectrum Realty Company L.P. (tenant), has leased a tenant
22 space at this garage since February 2004 and wishes to continue its tenancy beyond current
23 termination date of May 31, 2014; and

24 WHEREAS, Staff negotiated a base rent increase of three percent commencing June
25 1, 2014, with a three percent annual increase during the five-year extension and five-year

1 renewal option period; and

2 WHEREAS, The extended five-year term will provide additional rent of \$689,049; and

3 WHEREAS, The five-year option, if exercised, will provide additional rent of
4 \$798,813; and

5 WHEREAS, No tenant improvement allowance or rent credits will be provided to
6 Tenant; and

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8 WHEREAS, On March 4, 2014, the SFMTA Board of Directors passed a resolution
9 authorizing the Director of Transportation to execute the Third Amendment and to forward to
10 the Board of Supervisors for final approval; now, therefore, be it

11 RESOLVED, That all actions heretofore taken by the officers of the City with respect
12 to the retail lease are hereby approved, confirmed and ratified; and, be it further

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

20 RESOLVED, That the Board of Supervisors authorizes the Director of Transportation
21 to approve the Third Amendment between the City and County of San Francisco and Sprint
22 Spectrum Realty Company L.P.; and, be it

23 FURTHER RESOLVED, That within thirty (30) days of the Third Amendment being
24 fully executed by all parties the SFMTA shall provide the final Third Amendment to the Clerk
25 of the Board for inclusion into the official file.