

1 [Real Property Lease Amendment - Autodesk, Inc. - Pier 9]

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3 **Resolution approving the Port Commission’s Third Amendment to Lease No. L-15169**
4 **with Autodesk, Inc., a Delaware corporation, for the lease of unimproved shed space at**
5 **Pier 9 in the Northern Waterfront with a 111 month term, to commence upon Board**
6 **approval.**

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8 WHEREAS, California Statutes of 1968, Chapter 1333 (the "Burton Act") and San
9 Francisco Charter, Sections 4.114 and B3.581, empower the San Francisco Port Commission
10 ("Port Commission") with the power and duty to use, conduct, operate, maintain, manage,
11 regulate and control the lands within Port Commission jurisdiction; and

12 WHEREAS, Autodesk, Inc., a Delaware corporation, ("Autodesk") is a San Francisco
13 based business currently located at Pier 9 pursuant to Port of San Francisco Lease No.
14 L-15169, with a 120-month lease for approximately 27,190 square feet, as approved by the
15 Port Commission on September 11, 2012, by Resolution 12-64 as amended by the First
16 Amendment (the "First Amendment"), and as amended by the Second Amendment (the
17 "Second Amendment") approved by the Port Commission on October 23, 2012, by Resolution
18 12-79 ("Lease"). The Second Amendment resulted in the Lease having an anticipated
19 revenue of one million dollars or more and a term of ten years. The Board of Supervisors
20 approved the Second Amendment by Board of Supervisors Resolution 007-13 (though the
21 Lease was erroneously called "Lease No. L-15150" in line 14 of Resolution 007-13); and

22 WHEREAS, Autodesk and Port staff have mutually agreed on terms and conditions of
23 a Third Amendment (the "Third Amendment") that will add approximately 3,400 square feet of
24 unimproved Pier 9 shed space to the leasehold. The term will not be extended. The initial

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1 monthly rent prior to any rent credit deduction is \$4,590 per month or \$1.35 per square foot
2 which is slightly higher than the Port Commission parameter rental rate for FY 2013/2014; and

3 WHEREAS, The Third Amendment requires Autodesk to make a significant capital
4 investment in Port property in the amount of \$2,040,500 or \$600 per square foot for base
5 building core and shell and tenant improvements. In consideration, the Third Amendment
6 provides a 180-day rent-abatement period for the purpose of constructing the improvements.
7 The Third Amendment also includes a one-time rent credit for base building core and shell
8 improvements only in the maximum amount of \$400,000 to be deducted in equal installments;
9 and

10 WHEREAS, A copy of the Lease, First Amendment, and Second Amendment are on
11 file with the Clerk of the Board in File No. 121170 and a copy of the Third Amendment is on
12 file with the Clerk of the Board in File No. 140309; and

13 WHEREAS, Pursuant to requirements under the California Environmental Quality Act
14 (CEQA), the environmental effects of the Third Amendment were reviewed and determined to
15 be exempt from CEQA under a General Rule Exclusion issued by the San Francisco Planning
16 Department to the Port, dated February 2, 2012, which allows the Port to lease and manage
17 property where there is no change or substantial intensification of the existing use; and

18 WHEREAS, San Francisco Charter Section 9.118 requires Board of Supervisors
19 approval of an amendment of a real property lease that, when first executed, had a term of ten
20 (10) or more years or an anticipated revenue to the City of One Million Dollars (\$1,000,000) or
21 more; now, therefore, be it

22 RESOLVED, That the Board of Supervisors approves the Third Amendment; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
24 Director of the Port (the "Executive Director") to execute the Third Amendment in substantially
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1 the form of the Third Amendment on file with the Clerk of the Board of Supervisors as
2 approved by the City Attorney; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
4 Director to enter into any additions, amendments or other modifications to the Lease
5 (including, without limitation, preparation and attachment of, or changes to, any or all of the
6 exhibits and ancillary agreements) that the Executive Director, in consultation with the City
7 Attorney, determines when taken as a whole, are in the best interest of the Port, do not
8 materially increase the obligations or liabilities of the Port or City or materially decrease the
9 public benefits accruing to the Port, and are necessary or advisable to complete the
10 transactions contemplated and effectuate the purpose and intent of this Resolution, such
11 determination to be conclusively evidenced by the execution and delivery by the Executive
12 Director of any such documents; and, be it

13 FURTHER RESOLVED, That within thirty (30) days of the Third Amendment being fully
14 executed by all parties, the Port Commission shall provide the Third Amendment to the Clerk
15 of the Board for inclusion into the official file.

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