

1 [Lease of Port Real Property - Pier 26 Annex]

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3 **Resolution approving Port Commission Lease No. L-14796 with IDEO, LLC for office**  
4 **space located at Pier 26 Annex within the Southern Waterfront with a sixty month term**  
5 **and a sixty month option.**

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

11 WHEREAS, IDEO, LLC has occupied premises at Pier 26 Annex for over fifteen years;  
12 and

13 WHEREAS, IDEO, LLC requested a lease renewal, which would increase its current  
14 lease premises, containing approximately 12,360 square feet, by the addition of approximately  
15 7,074 square feet of predominantly work shop and storage shed space that IDEO, LLC would  
16 renovate into office space at its sole expense; and

17 WHEREAS, The Port negotiated a lease renewal with an initial term of sixty (60)  
18 months with one sixty (60) month extension option wherein IDEO, LLC will renovate the 7,074  
19 square feet of expansion area into office space at its sole expense with the cost of renovation  
20 estimated in excess of \$900,000 (the "Lease"), a copy of which is on file with the Clerk of the  
21 Board In File No. \_\_\_\_\_; and

22 WHEREAS, The net lease has an initial monthly rent of \$32,136.00 (\$2.60 per sq. ft.)  
23 for the 12,360 square feet of existing lease premises and \$8,135.10 (\$1.15 per sq. ft.) for the  
24 7,074 square feet of expansion lease premises for a total monthly rent of \$40,271.10; and

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1           WHEREAS, San Francisco Charter Section 9.118 requires Board of Supervisors  
2 approval of real property leases with terms of ten (10) or more years, including extension  
3 options, or having anticipated revenue to the City of One Million Dollars (\$1,000,000.00) or  
4 more; and

5           WHEREAS, This Lease may have a lease term of ten (10) years and the revenue will  
6 exceed One Million Dollars (\$1,000,000.00); now, therefore, be it

7           RESOLVED, That the Board of Supervisors approves the Lease; and, be it

8           FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive  
9 Director of the Port (the "Executive Director") to execute the Lease in a form approved by the  
10 City Attorney and in substantially the form of the lease on file with the Clerk of the Board of  
11 Supervisors; and, be it

12           FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive  
13 Director to enter into any additions, amendments or other modifications to the Lease  
14 (including, without limitation, preparation and attachment of, or changes to, any or all of the  
15 exhibits and ancillary agreements) that the Executive Director, in consultation with the City  
16 Attorney, determines is in the best interest of the Port, do not alter the rent or the Port's  
17 projected income from the Lease, do not materially increase the obligations or liabilities of the  
18 Port or City or materially decrease the public benefits accruing to the Port, and are necessary  
19 or advisable to complete the transactions contemplated and effectuate the purpose and intent  
20 of this Resolution, such determination to be conclusively evidenced by the execution and  
21 delivery by the Executive Director of any such documents; and, be it

22           FURTHER RESOLVED, That the Board of Supervisors approves, and ratifies all prior  
23 actions taken by the officials, employees and agents of the Port Commission, or the City with  
24 respect to the Lease.

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