

1 [Lease Real Property - 10 Lombard Street, Roundhouse Two]

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3 **Resolution approving Port Commission Lease No. L-15150 with Ammunition, LLC, a**  
4 **California Limited Liability Company, for office space located at 10 Lombard Street,**  
5 **Roundhouse Two, in the Northern Waterfront with a 52 month term.**

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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, Ammunition, LLC a California Limited Liability Company, ("Ammunition") is  
12 a San Francisco based business currently located at Roundhouse One, 1500 Sansome  
13 Street; and

14 WHEREAS, The Port negotiated a lease, L-15150, with Ammunition for office space  
15 at 10 Lombard, Roundhouse Two with a term of sixty (52) months (the "Lease"), a copy  
16 of which is on file with the Clerk of the Board In File No. 120776; and

17 WHEREAS, The lease has an initial monthly rent of \$22,260.75 (\$2.31 per sq. ft.) for  
18 the approximately 9,652 square feet of office space. The lease provides a 150-day rent  
19 abatement period to allow Ammunition to construct tenant improvements in the amount of  
20 about \$289,560 which will immediately become part of the realty; and

21 WHEREAS, The lease provides for the right of first offer to extend the term of the  
22 existing premises for an additional 5-years subject to all necessary approvals; and

23 WHEREAS, Pursuant to requirements under the California Environmental Quality Act  
24 (CEQA), the environmental effects of the Lease were reviewed and determined to be exempt  
25 from CEQA under a General Rule Exclusion issued by the San Francisco Planning

1 Department to the Port, dated June 15 2012, which allows the Port to lease and manage  
2 property where there is no change or substantial intensification of the existing use or no new  
3 construction; and

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

8 WHEREAS, This Lease will have revenues that exceed One Million Dollars  
9 (\$1,000,000.00); now, therefore, be it

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

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

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

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

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