

1 [Lease of Real Property]

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3 **Resolution authorizing the lease of approximately 66,565 square feet of space at One**
4 **South Van Ness Avenue for the Municipal Transportation Agency and the City and**
5 **County of San Francisco's 311 Call Center.**

6

7 WHEREAS, The MTA, pursuant to authority given to it by Charter Section 8A.102,
8 executed a lease dated as of January 1, 2005 (the "Lease", a copy of which is on file with the
9 Clerk of the Board) with One South Associates, LLP (the "Landlord") for approximately 62,083
10 square feet on the third (3rd) floor of the building commonly known as One South Van Ness
11 Avenue (the "Building"); and,

12 WHEREAS, The Lease provides the City with multiple options to expand the premises
13 and extend the term, and it also provides the City with an option to purchase Building for the
14 Seventy-One Million Five Hundred Thousand Dollars (\$71,500,000) or approximately \$145
15 per square foot of rentable building area; now, therefore, be it

16 RESOLVED, That in accordance with the recommendation of the Executive Director of
17 the MTA, the Mayor, and the Director of Property, the Board of Supervisors hereby approves
18 an amendment to such lease on the terms and conditions set forth in the Lease Amendment
19 (a copy of which is on file with the Clerk of the Board), and authorizes the Director of Property
20 to take all actions, on behalf of the City and County of San Francisco as may be required in
21 furtherance of such amendment ; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors approves the following
23 provisions, as more particularly set forth in the Lease Amendment:

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1 (a) The commencement of the term shall be staggered based on Landlord's delivery
2 of three (3) sections of the Premises as shown in the Lease Amendment and shall terminate
3 on November 30, 2017;

4 (b) The monthly base rent when the entire Premises has been delivered shall be
5 \$133,130.00 (\$24 per sq. ft. annually), fixed for the term of the Lease. The base year for
6 operating expenses and real estate taxes shall be 2010;

7 (c) Landlord shall provide an allowance (the "Allowance") for the design and
8 construction of tenant improvements for the Premises in the amount of \$3,919,160;

9 (d) For the Premises, the City shall pay the portion of the tenant improvement costs
10 (estimated to be approx \$3,188,310) above the \$3,919,160 Landlord's allowance;

11 (e) City shall also pay for certain janitorial and utility services at an estimated
12 monthly cost of approximately \$26,458.42.

13 (f) The City shall also pay for the other typical tenant costs including data,
14 telecommunications, moving expenses and services provided outside of normal business
15 hours; and,

16 (g) The Landlord shall indemnify the City for Landlord's activities and any Landlord
17 defaults, and the City shall indemnify the Landlord for City's activities and any City defaults;
18 and, be it

19 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
20 Property to enter into any modifications to the Lease (including without limitation, the exhibits)
21 that the Director of Property determines, in consultation with the City Attorney, are in the best
22 interests of the City, do not increase the rent or otherwise materially increase the obligations
23 or liabilities of the City, are necessary or advisable to effectuate the purposes of the Lease or
24 this Resolution, and are in compliance with all applicable laws, including City's Charter; and,
25 be it

1 FURTHER RESOLVED, That the City shall occupy the entire leased premises for the
2 full term of the Lease unless funds for the City's rental payments are not appropriated in any
3 subsequent fiscal year, at which time City may terminate the Lease. The Lease shall be
4 subject to certification as to funds by the Controller, pursuant to Section 3.105 of the Charter.

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6 \$2,221,233.20 Available
7 Appropriation No. PT1008-750200
8 In Fiscal 06/07

9 \$1,506,120 Available
10 Appropriation No. 352-088
11 In Fiscal 06/07

12 \$828,331 Available
13 Appropriation No. 352-088
14 In Fiscal 07/08

15 Subject to the enactment of the Annual
16 Appropriation Ordinance for Fiscal Years
17 2006/2007 and 2007/2008

18 _____
19 Controller

20 RECOMMENDED:

21 _____
22 Executive Director
23 Municipal Transportation Agency

24 _____
25 Director, Department of Telecommunications
and Information Services

Director of Property
Real Estate Division

(Real Estate)

BOARD OF SUPERVISORS