

1 [Lease of Real Property]

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3 Resolution authorizing the renewal of a lease of 20,677 sq. ft. of space including related  
4 auxiliary spaces at One Market Plaza for the Department of Telecommunications and  
5 Information Services.

6 BE IT RESOLVED, That in accordance with the recommendation of the Director of the  
7 Department of Telecommunications and Information Services (DTIS) and the Director of  
8 Property, the Director of Property is hereby authorized to take all actions, on behalf of the City  
9 and County of San Francisco, as Tenant, to execute a written amendment to extend the lease  
10 (copy of which is on file with the Clerk of the Board, the "Amendment to Extend the Lease")  
11 and other related documents with CA-ONE MARKET LIMITED PARTNERSHIP ("Landlord"),  
12 for the building commonly known as One Market Plaza, Steuart Tower, San Francisco,  
13 California, for the existing premises which comprises an area of approximately 20,677 square  
14 feet including related auxiliary spaces and raceway license on the terms and conditions  
15 herein; and, be it

16 FURTHER RESOLVED, That the lease shall commence on the mutual execution and  
17 exchange of the Lease Amendment or February 1, 2006, whichever occurs later and  
18 terminate on January 31, 2008. The monthly base rent shall be \$53,331.29 and shall remain  
19 flat for the two year term. In addition to the base rent the City shall pay for its electricity use,  
20 its use of the building's chilled water and its pro rata share of any increases in the building  
21 expenses and real estate taxes above a base year of 2006; and, be it

22 FURTHER RESOLVED, That the City shall have two alternative options to extend the  
23 term. Option A is for a six month extension of the two year term at a base rental rate of  
24 \$57,299.99 per month. Option B which is exercisable during the first twelve months of the two  
25 year lease, shall extend the term until June 30, 2013 at an initial Base Rent of \$48,568.54 per

\*\*Real Estate Division\*\*

**BOARD OF SUPERVISORS**

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1 month for year 2 and escalated per the following schedule: Year 3, \$48,715.84 per month.  
2 Year 4, \$48,867.56 per month. Year 5 (first three months), \$49,023.83 per month (next nine  
3 months), \$52,992.79 per month. Year 6, \$53,153.75 per month. Year 7, \$53,319.54 per  
4 month. Year 8 (five months), \$53,490.30; and, be it

5 FURTHER RESOLVED, That the lease shall include a clause approved by the City  
6 Attorney, indemnifying and holding harmless the Landlord, from and agreeing to defend the  
7 Landlord against any and all claims, costs and expenses, including, without limitation,  
8 reasonable attorney's fees, incurred as a result of City's use of the premises, any default by  
9 the City in the performance of any of its obligations under the lease, or any acts or omissions  
10 of City or its agents, in, on or about the premises or the property on which the premises are  
11 located, excluding those claims, costs and expenses incurred as a result of the active gross  
12 negligence or willful misconduct of Landlord or its agents; and, be it

13 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City  
14 with respect to such lease are hereby approved, confirmed and ratified; and, be it

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

22 FURTHER RESOLVED, That the City shall occupy the entire Premises for the full term  
23 of the lease unless funds for the Department of Telecommunications and Information Services  
24 rental payments are not appropriated in any subsequent fiscal year at which time City may  
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1 terminate the lease with reasonable advance written notice to Landlord. Said Lease shall be  
2 subject to certification as to funds by the Controller, pursuant to Section 3.105 of the Charter.

3 \$266,656.40 Available  
4 Index No. 750052  
5 Sub Object 03011

6  
7 Controller

8 RECOMMENDED:  
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10 Department of Telecommunications and Information Services  
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12 Director of Property  
13 Real Estate Division  
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