

1 [Approval of Port Lease with Miller Kelly Architects, Inc. at the Roundhouse One Building.]

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3 **Resolution approving Lease between the San Francisco Port Commission and Miller**
4 **Kelly Architects, Inc., a California corporation, dba MK Think for the lease of the**
5 **Roundhouse One Building located at 150 Sansome Street, for a term of ten (10) years**
6 **and one hundred eighty (180) days with one (1) option to renew for an additional five (5)**
7 **years.**

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9 WHEREAS, San Francisco Charter Section B3.581 empowers the San Francisco Port
10 Commission (the "Port Commission") with the power and duty to use, conduct, operate,
11 maintain, manage, regulate and control the port area of the City and County of San Francisco
12 ("City"); and

13 WHEREAS, The Roundhouse One Building located at 1500 Sansome Street in the City
14 and County of San Francisco, is a general office building that is currently vacant and is within
15 the Port's jurisdiction; and,

16 WHEREAS, The Port Commission policy encourages competitive bidding of economic
17 opportunities unless impractical or impossible and Port staff issued a Request For Proposals
18 (the "RFP") for the lease of the Roundhouse One Building on December 17, 2003; and,

19 WHEREAS, The Port staff received one proposal to the RFP that the Port Commission,
20 on June 22, 2004, found to have insufficient economic return to the Port, a questionable use,
21 and an unrealistic lease term, by Resolution 04-52; and,

22 WHEREAS, The Port Commission subsequently directed Port staff to pursue potential
23 tenants through direct negotiations; and,

24 WHEREAS, San Francisco Administrative Code Section 2.6 provides that leases
25 should generally be offered to the public through competitive bidding; and,

1 WHEREAS, The Board of Supervisors finds that under the circumstances it was
2 impracticable to re-issue another RFP; and

3 WHEREAS, The Port staff has negotiated a Lease (the "Lease") at the Roundhouse
4 One Building with Miller Kelley Architects, Inc., dba MK Think ("MK Think") for general office
5 use for a term of ten (10) years and one hundred eighty (180) days with one (1) option to
6 renew for an additional five (5) years; and,

7 WHEREAS, The San Francisco Planning Department's Major Environmental Analysis
8 division issued to the Port a General Rule Exclusion, which satisfies environmental review
9 requirements under the California Environmental Quality Act ("CEQA"), for Port actions to
10 enter into new leases where there would be a continuation of an existing use with no
11 substantial physical changes to the site or substantial intensification of use; and,

12 WHEREAS, As the Roundhouse One Building is a designated City Landmark and
13 listed on the National Register of Historic Places, MK Think agrees to lease provisions
14 requiring any interior and exterior alterations to comply with the Secretary of the Interior's
15 Standards for Historic Rehabilitation, and to comply with any requirements, as determined by
16 the San Francisco Planning Department, for a Certificate of Appropriateness; and,

17 WHEREAS, At its public meeting of October 11, 2005, the Port Commission, by
18 Resolution 05-66, approved the Lease; and,

19 WHEREAS, San Francisco Charter Section 9.118 (c) requires Board of Supervisors
20 approval of leases of real property for a period of ten (10) or more years or having anticipated
21 revenue to the City of One Million Dollars (\$1,000,000.00) or more; now, therefore be it

22 RESOLVED, That the Board of Supervisors waives San Francisco Administrative Code
23 Section 2.6 with respect to the Lease; and, be it

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1 FURTHER RESOLVED, That the Board of Supervisors approves the Lease and the
2 transactions which the Lease contemplates (including without limitation the terms of any
3 exhibits and ancillary agreements to the extent incorporated or referenced in the Lease); and,
4 be it

5 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
6 Director of the Port (the "Executive Director") to execute the Lease upon satisfaction of the
7 conditions precedent set forth in the Lease in substantially the form presented to the Board of
8 Supervisors and in such final form as is approved by the Executive Director in consultation
9 with the City Attorney; and, be it

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

21 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
22 Director to execute and enter into any additional documents as she deems necessary or
23 appropriate, in consultation with the City Attorney, to consummate the transactions
24 contemplated hereby or to otherwise effectuate the purpose and intent of this resolution, such
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1 determination to be conclusively evidenced by the execution and delivery by the Executive
2 Director of any such documents; and, be it

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

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