

1 [Lease Agreement - IDEO, LP - Pier 26 - Initial Total Monthly Base Rent of
2 \$90,118.35]

3 **Resolution approving Lease No. L-16159 between IDEO, LP, and the Port for**
4 **approximately 26,901 square feet of office space located at Pier 26 Annex Building, for**
5 **a term of eight years to commence following Board approval, with an initial total**
6 **monthly base rent of \$90,118.35 subject to an annual 3% increase.**

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

12 WHEREAS, IDEO, LP, a Delaware Limited Partnership ("IDEO, LP"), a design and
13 innovation consultancy firm, wishes to consolidate and renew two Port office leases with
14 IDEO-affiliated companies at Pier 26 Annex into Port Lease No. L-16159 (the "Lease"), for
15 approximately 26,901 square feet for a 96-month lease ("Term"); and

16 WHEREAS, The Port Commission approved the Lease on May 9, 2017, under Port
17 Commission Resolution No. 17-18; and

18 WHEREAS, The Lease has an initial monthly rent of \$90,118.35 per month or \$3.35
19 per square foot which conforms to the monthly rental rate schedule adopted by the Port
20 Commission on July 12, 2016, as Port Resolution No. 16-27; monthly rent is subject to an
21 annual 3% increase; and

22 WHEREAS, A copy of the Lease is on file with Clerk of the Board of Supervisors in File
23 No. 170831; and

24 WHEREAS, The permitted use will be a continuation of the existing use and is not a
25 project subject to review under the California Environmental Quality Act; and

1 WHEREAS, Charter, Section 9.118 requires Board of Supervisors approval of a real
2 property lease with a term of ten or more years, or having anticipated revenue to the City of
3 \$1,000,000 or more when the Lease is executed; and

4 WHEREAS, Anticipated revenue from this Lease is \$9,997,477; and

5 WHEREAS, At the end of the Term, IDEO, LP shall have a one-time right to make a
6 written offer to extend or renew the Lease and such extension or renewal will be subject to
7 Port Commission and/or Board of Supervisors approval if it has a term of ten years or more,
8 or has anticipated revenues of \$1,000,000 or more; now, therefore, be it

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

10 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
11 Director of the Port or her designee (the "Executive Director") to execute the Lease as
12 approved by the City Attorney and in substantially the form on file with the Clerk of the Board
13 of the Supervisors in File No. 170831; and, be it

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

1 FURTHER RESOLVED, That within thirty (30) days of the Lease being fully executed
2 by all parties, the Port shall provide copies of the Lease to the Clerk of the Board for inclusion
3 into the official file.

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