

1 [Real Property Lease Amendment - PPF Paramount One Market Plaza Owner, L.P., One  
2 Market Street - \$185,709 Initial Year]

3 **Resolution authorizing and approving the Second Amendment to Lease between PPF**  
4 **Paramount One Market Plaza Owner, L.P., as landlord, and the City and County of San**  
5 **Francisco, as tenant, extending the Lease until May 31, 2020, plus two five-year**  
6 **options, for a portion of the roof and equipment room at One Market Street, for use by**  
7 **the Department of Technology and the Municipal Transportation Agency, at an initial**  
8 **annual rent of \$185,709 or the monthly base rent of \$15,475.75 with 3% annual**  
9 **adjustments thereafter, and two five-year options, to commence on June 1, 2019.**

10  
11 WHEREAS, The Department of Technology (“DT”) and the Municipal Transportation  
12 Agency (“SFMTA”) have occupied space and placed equipment on a portion of the roof of the  
13 building located at One Market Street, San Francisco, commonly known as the Spear Tower  
14 (“Building”), for City’s emergency and non-emergency communications systems since 1998  
15 under a commercial “Antenna Site Lease” (“Lease”), authorized by Resolution No. 805-97  
16 adopted by the Board on August 25, 1997; and

17 WHEREAS, The City is working to improve its program of public safety  
18 communications and in connection with such improvements, City desires to install new and  
19 additional equipment at the Building; and

20 WHEREAS, The upgrades and new equipment are necessary to complete the City’s  
21 larger 800mhz Emergency Telecommunications Project which will increase emergency radio  
22 and cellular coverage in the City for first responders; and

23 WHEREAS, The Lease between the City and PPF Paramount One Market Plaza  
24 Owner, L.P. (“Landlord”), has been on a month-to-month holdover during negotiations of the  
25 Second Amendment to Lease; and

1           WHEREAS, The Real Estate Division on behalf of DT and SFMTA has negotiated a  
2 Second Amendment to Lease (“Second Amendment”) to allow the installation of new and  
3 upgraded equipment in the current occupied space and in new space including Room #R101  
4 at the Building, a copy of which is on file with the Clerk of the Board of Supervisors in File No.  
5 190387 which is incorporated as if set forth fully herein; and

6           WHEREAS, The City and Landlord have negotiated a \$15,475.75 per month rent which  
7 the Director of Property has opined is equal or less than fair market rent for similar  
8 telecommunication space, considering all factors, occupied space on the roof and mezzanine,  
9 Room #R101, Room #AMZ98, and the placement of over 20 antennas and related cabling;  
10 and

11           WHEREAS, The amount of rent and occupied space does not necessitate an appraisal  
12 pursuant to Administrative Code, Chapter 23; and

13           WHEREAS, Under the Second Amendment, the base monthly rent of \$15,475.75 shall  
14 commence June 1, 2019, and is subject to annual adjustments of 3% thereafter; and

15           WHEREAS, The Second Amendment provides that the Lease Term shall be extended  
16 to May 31, 2020; and

17           WHEREAS, The Second Amendment provides for two five-year options, the first  
18 commencing on June 1, 2020; and

19           WHEREAS, All other terms remain the same as set forth in the original Lease  
20 agreement; now, therefore, be it

21           RESOLVED, That in accordance with the recommendation of the Director of the  
22 Department of SFMTA, the Director of Technology, the Director of Property and the Office of  
23 the City Attorney, the Director of Property on behalf of the City, as Tenant, be and is hereby  
24 authorized to take all actions necessary to execute the Second Amendment to Lease at One  
25

1 Market Street, extending the Lease term until May 31, 2020, and subject to two five-year  
2 options; and, be it

3 FURTHER RESOLVED, The monthly base rent for the extended Lease shall be  
4 \$15,475.75, subject to annual adjustments of 3%, exclusive of utilities, janitorial, and debris  
5 services estimated to be \$60,000 per year; and, be it

6 FURTHER RESOLVED, The Board of Supervisors approves the Second Amendment  
7 to Lease in substantially the form in the Board's File and authorizes the Director of Property to  
8 take all actions, on behalf of City, to enter into any amendments or modifications (including  
9 without limitation, the exhibits and exercising the additional extension options pursuant to the  
10 terms of the Lease) to the Lease that the Director of Property determines, in consultation with  
11 the Director of the Department of Technology and the Director of the Municipal Transportation  
12 Agency, and the Office of the City Attorney, are in the best interests of the City, do not  
13 materially increase the obligations or liabilities of the City, and are necessary or advisable to  
14 complete the transaction and effectuate the purposes and intent of this Resolution and are in  
15 compliance with all applicable laws, including City's Charter; and, be it

16 FURTHER RESOLVED, That any action heretofore taken by any City employee or  
17 official with respect to the exercise of the License as set forth herein is hereby approved,  
18 confirmed and ratified; and, be it

19 FURTHER RESOLVED, That within 30 days of the Second Amendment to Lease  
20 being fully executed by all parties, the Director of Property shall provide a copy of the Second  
21 Amendment to Lease to the Clerk of the Board to include into the official file.

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1 \$15,475.75 Available  
(Rent for June 1, 2019 – June 30, 2019)

2 Fund ID: 28070  
3 Department ID: 207933  
4 PS Project ID: 10024777  
5 Authority ID: 17582  
6 Account ID: 530000  
7 Activity ID: 0001

8 \_\_\_\_\_  
9 Controller  
10 Subject to the enactment of the 2019/2020  
11 Annual Appropriation Ordinance

11 RECOMMENDED:

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14 \_\_\_\_\_  
15 Linda Gerull, Director, CIO  
16 Department of Technology

16 RECOMMENDED:

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19 \_\_\_\_\_  
20 Andrico Q. Penick  
21 Director of Property  
22 Real Estate Division

21 RECOMMENDED:

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24 \_\_\_\_\_  
25 Edward D. Reiskin  
26 Director of Transportation  
27 Municipal Transportation Agency