

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.**

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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
2 (Rent for June 1, 2019 – June 30, 2019)

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

9 
10 _____
11 Controller
12 Subject to the enactment of the 2019/2020
13 Annual Appropriation Ordinance

14 RECOMMENDED:

15 

16 _____
17 Linda Gerull, Director, CIO
18 Department of Technology

19 RECOMMENDED:

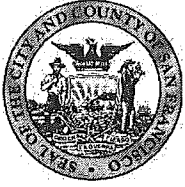
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21 _____
22 Andrico Q. Penick
23 Director of Property
24 Real Estate Division

25 RECOMMENDED:



Edward D. Reiskin
Director of Transportation
Municipal Transportation Agency



City and County of San Francisco

Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 190387

Date Passed: May 21, 2019

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

May 15, 2019 Budget and Finance Sub-Committee - RECOMMENDED

May 21, 2019 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

File No. 190387

I hereby certify that the foregoing
Resolution was ADOPTED on 5/21/2019 by
the Board of Supervisors of the City and
County of San Francisco.

for Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

5/31/19

Date Approved