

1 [Lease of Port Real Property - Pier 26 Annex]
2

3 **Resolution approving Port Commission Lease No. L-14796 with IDEO, LLC for office**
4 **space located at Pier 26 Annex within the Southern Waterfront with a sixty month term**
5 **and a sixty month option.**
6

7 WHEREAS, California Statutes of 1968, Chapter 1333 (the "Burton Act") and the San
8 Francisco Charter Section 4.114 and B3.581 empower the San Francisco Port Commission
9 ("Port Commission") with the power and duty to use, conduct, operate, maintain, manage,
10 regulate and control the lands within Port Commission jurisdiction; and

11 WHEREAS, IDEO, LLC has occupied premises at Pier 26 Annex for over fifteen years;
12 and

13 WHEREAS, IDEO, LLC requested a lease renewal, which would increase its current
14 lease premises, containing approximately 12,360 square feet, by the addition of approximately
15 7,074 square feet of predominantly work shop and storage shed space that IDEO, LLC would
16 renovate into office space at its sole expense; and

17 WHEREAS, The Port negotiated a lease renewal with an initial term of sixty (60)
18 months with one sixty (60) month extension option wherein IDEO, LLC will renovate the 7,074
19 square feet of expansion area into office space at its sole expense with the cost of renovation
20 estimated in excess of \$900,000 (the "Lease"), a copy of which is on file with the Clerk of the
21 Board In File No. 100692; and

22 WHEREAS, The net lease has an initial monthly rent of \$32,136.00 (\$2.60 per sq. ft.)
23 for the 12,360 square feet of existing lease premises and \$8,135.10 (\$1.15 per sq. ft.) for the
24 7,074 square feet of expansion lease premises for a total monthly rent of \$40,271.10; and
25

1 WHEREAS, San Francisco Charter Section 9.118 requires Board of Supervisors
2 approval of real property leases with terms of ten (10) or more years, including extension
3 options, or having anticipated revenue to the City of One Million Dollars (\$1,000,000.00) or
4 more; and

5 WHEREAS, This Lease may have a lease term of ten (10) years and the revenue will
6 exceed One Million Dollars (\$1,000,000.00); now, therefore, be it

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

8 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
9 Director of the Port (the "Executive Director") to execute the Lease in a form approved by the
10 City Attorney and in substantially the form of the lease on file with the Clerk of the Board of
11 Supervisors; and, be it

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

22 FURTHER RESOLVED, That the Board of Supervisors approves, and ratifies all prior
23 actions taken by the officials, employees and agents of the Port Commission, or the City with
24 respect to the Lease; and, be it

1 FURTHER RESOLVED, That the Board finds, pursuant to Section 2.6-1 of the San
2 Francisco Administrative Code, that competitive bidding of this property would be impractical
3 because there are other vacant properties adjacent to the property in question and the
4 advertised rent for those properties is lower than the rent involved in the transaction that is the
5 subject of this resolution.

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25



City and County of San Francisco

Tails
Resolution

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

File Number: 100692

Date Passed: October 19, 2010

Resolution approving Port Commission Lease No. L-14796 with IDEO, LLC for office space located at Pier 26 Annex within the Southern Waterfront with a sixty month term and a sixty month option.

October 13, 2010 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

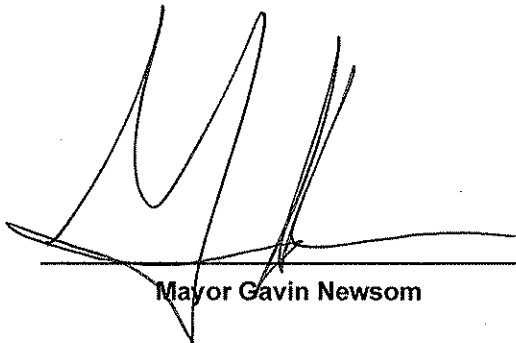
October 13, 2010 Budget and Finance Committee - RECOMMENDED AS AMENDED

October 19, 2010 Board of Supervisors - ADOPTED

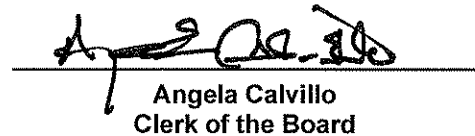
Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

File No. 100692

I hereby certify that the foregoing Resolution was ADOPTED on 10/19/2010 by the Board of Supervisors of the City and County of San Francisco.



Mayor Gavin Newsom



Angela Calvillo
Clerk of the Board

October 22, 2010
Date Approved