

4/30/14

FILE NO. 140309

RESOLUTION NO. 158-14

**[Real Property Lease Amendment - Autodesk, Inc. - Pier 9]**

**Resolution approving the Port Commission's Third Amendment to Lease No. L-15169 with Autodesk, Inc., a Delaware corporation, for the lease of unimproved shed space at Pier 9 in the Northern Waterfront with a 111 month term, to commence following Board approval through January 15, 2023.**

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

WHEREAS, Autodesk, Inc., a Delaware corporation, ("Autodesk") is a San Francisco based business currently located at Pier 9 pursuant to Port of San Francisco Lease No. L-15169, with a 120-month (now 111-month) lease for approximately 27,190 square feet, as approved by the Port Commission on September 11, 2012, by Resolution 12-64 as amended by the First Amendment (the "First Amendment"), and as amended by the Second Amendment (the "Second Amendment") approved by the Port Commission on October 23, 2012, by Resolution 12-79 ("Lease"); and

WHEREAS, The Second Amendment resulted in the Lease having an anticipated revenue of \$1,000,000 or more and a term of ten years; the Board of Supervisors approved the Second Amendment by Board of Supervisors by Resolution 0007-13 (though the Lease was erroneously called "Lease No. L-15150" in line 14 of Resolution 0007-13); and

WHEREAS, Autodesk and Port staff have mutually agreed on terms and conditions of a Third Amendment (the "Third Amendment") that will add approximately 3,400 square feet of unimproved Pier 9 shed space to the leasehold; and

1           WHEREAS, The term will not be extended, and the initial monthly rent prior to any rent  
2 credit deduction is \$4,590 per month or \$1.35 per square foot which is slightly higher than the  
3 Port Commission parameter rental rate for FY2013-2014; and

4           WHEREAS, The Third Amendment requires Autodesk to make a significant capital  
5 investment in Port property in the amount of \$2,040,500 or \$600 per square foot for base  
6 building core and shell and tenant improvements and in consideration, the Third Amendment  
7 provides a 180-day rent-abatement period for the purpose of constructing the improvements,  
8 and

9           WHEREAS, The Third Amendment also includes a one-time rent credit for base  
10 building core and shell improvements only in the maximum amount of \$400,000 to be  
11 deducted in equal installments; and

12           WHEREAS, A copy of the Lease, First Amendment, and Second Amendment are on  
13 file with the Clerk of the Board in File No. 121170 and a copy of the Third Amendment is on  
14 file with the Clerk of the Board in File No. 140309; and

15           WHEREAS, Pursuant to requirements under the California Environmental Quality Act  
16 (CEQA), the environmental effects of the Third Amendment were reviewed and determined to  
17 be exempt from CEQA under a General Rule Exclusion issued by the San Francisco Planning  
18 Department to the Port, dated February 2, 2012, which allows the Port to lease and manage  
19 property where there is no change or substantial intensification of the existing use; and

20           WHEREAS, San Francisco Charter, Section 9.118, requires the Board of Supervisors  
21 approval of an amendment of a real property lease that, when first executed, had a term of ten  
22 or more years or an anticipated revenue to the City of \$1,000,000.00 or more; and

23           WHEREAS, The Board of Supervisors finds that a competitive process for the 3,400  
24 square feet of unimproved shed space under the proposed Third Amendment of the subject  
25 lease is impractical; now, therefore, be it

1 RESOLVED, That the Board of Supervisors approves the Third Amendment; and, be it  
2 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive  
3 Director of the Port (the "Executive Director") to execute the Third Amendment in substantially  
4 the form of the Third Amendment on file with the Clerk of the Board of Supervisors as  
5 approved by the City Attorney on file with the Clerk of the Board in File No. 140309; and, be it

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

16 FURTHER RESOLVED, That within thirty (30) day of the Third Amendment being fully  
17 executed by all parties, the Port Commission shall provide the Third Amendment to the Clerk  
18 of the Board for inclusion into the official file.



City and County of San Francisco

Tails

Resolution

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

File Number: 140309

Date Passed: May 13, 2014

Resolution approving the Port Commission's Third Amendment to Lease No. L-15169 with Autodesk, Inc., a Delaware corporation, for the lease of unimproved shed space at Pier 9 in the Northern Waterfront with a 111 month term, to commence upon Board approval through January 15, 2023.

April 30, 2014 Budget and Finance Sub-Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

April 30, 2014 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

May 13, 2014 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140309

I hereby certify that the foregoing Resolution was ADOPTED on 5/13/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo  
Clerk of the Board

  
\_\_\_\_\_  
Mayor  
\_\_\_\_\_  
Date Approved