SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY BOARD OF DIRECTORS

RESOLUTION No. 180306-036

WHEREAS, The original lease with Thomas F. Murphy and Martina Murphy, as Trustees of the Murphy Trust Under Declaration of Trust dated October 3, 2003, and Christopher J. Harney (Landlord) for 505 7th and 899 Bryant Street commenced March 1, 2008 and expired on January 31, 2018 and is currently on a month-to-month holdover status. The site provides the necessary buildings and parking to accommodate the SFMTA Parking Enforcement Section's general offices and Parking Control Officers' vehicle parking; and,

WHEREAS, A new lease for 505 7th Street has been negotiated with the Landlord for an initial annual rent of \$672,000 with 3% annual increases. The lease is for a five-year term and will commence upon the Landlord's substantial completion of certain building improvements and includes four one-year options to extend the term; and,

WHEREAS, During the optional extension terms, SFMTA may terminate the lease for any reason by providing Landlord with 180 days advance written notice; and,

WHEREAS, The Landlord will make tenant improvements, including window replacement and upgrades to energy efficient LED lighting, roof repairs, and replace many endof-life fixtures such as HVAC units, entrance doors, and the existing emergency backup generator; and,

WHEREAS, The proposed lease is subject to the California Environmental Quality Act (CEQA); CEQA provides an exemption from environmental review for operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination as defined in Title 14 of the California Code of Regulations Section 15301; and,

WHEREAS, On February 9, 2018, the Planning Department determined that the proposed lease is categorically exempt from CEQA, pursuant to Title 14 of the California Code of Regulations Section 15301; and

WHEREAS, The proposed action is an Approval Action as defined by Chapter 31 of the San Francisco Administrative Code; and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and is incorporated herein by reference; and now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute a lease agreement with Thomas F. Murphy and Martina Murphy, as Trustees of the Murphy Trust Under Declaration of Trust dated October 3, 2003, and Christopher J. Harney, as landlord, for the two buildings, commonly known as 505 7th Street and 899 Bryant Street, including the adjacent paved parking area in San Francisco, in the amount of \$6,826,919.32, for a five-year term with four additional one-year options to extend.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of March 6, 2018.

<u>Reproved</u> Secretary to the Board of Directors San Francisco Municipal Transportation Agency