

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 190716-091

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) entered into a lease dated June 15, 2011, with Yosemite Investment, LLC, and DLAI Investment, LLC (Landlord) for an approximately 39,118 square foot portion of a building designated as 1528-1538 Yosemite Avenue and 1509-1577 Wallace Avenue (Premises) in San Francisco, on Block 4830, Lot 016, which provides the necessary building and facilities to efficiently accommodate the SFMTA Paint Shop and Sustainable Streets vehicles, and is scheduled to terminate on December 15, 2020; and,

WHEREAS, A new lease (Lease) for the Premises has been negotiated with the Landlord to assure for long term occupancy and potential future ownership at an initial annual base rent of \$774,536, with annual operating expenses estimated to cost the SFMTA \$59,916 for the initial year, a five-year term with one four-year extension option, an option to purchase the Premises, and a right of first offer to lease and purchase the remainder of the building; and,

WHEREAS, The Lease base rent would increase annually by three percent and is considered fair market value based on current market conditions and comparable properties; and,

WHEREAS, If the SFMTA exercises its option to extend the term of the Lease, it can exercise an option to purchase the Premises at the appraised fair market value as long as the SFMTA Board of Directors and City's Board of Supervisors approve that purchase by the eighth anniversary of the Lease commencement date; and,

WHEREAS, The Lease will secure a long term, safe, and secure space for the SFMTA Paint Shop operations, and parking Sustainable Streets vehicles, storing equipment, and adequately housing staff with minimal disruption; and,


WHEREAS, On May 28, 2019, the SFMTA, under authority delegated by the Planning Department, determined that the proposed Lease is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Section 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, 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 new Industrial Lease (Lease) between Yosemite Investment, LLC, and DLAI Investment, LLC (Landlord), as landlord, and the San Francisco Municipal Transportation Agency (SFMTA), as tenant, for a portion of a building designated as 1528-1538 Yosemite Avenue and 1509-1577 Wallace Avenue (Premises) in San Francisco, on Block 4830, Lot 016, for the SFMTA Paint Shop's operations, and Sustainable Streets vehicles, equipment,

materials, and staff, at an initial annual rent of \$774,536 with three percent annual increases and initial annual operating expenses estimated at \$59,916, for a five-year term with a four-year extension option and an option to purchase the Premises and a right of first offer to lease or purchase the remainder of the building.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of July 16, 2019.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency