



**San Francisco
County Transportation
Authority**

BD061025

RESOLUTION NO. 25-49

RESOLUTION APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A 20-YEAR LEASE WITH TWO FIVE-YEAR OPTIONS TO EXTEND, WITH THE CITY AND COUNTY OF SAN FRANCISCO'S REAL ESTATE DEPARTMENT FOR OFFICE SPACE LOCATED AT 1455 MARKET STREET, IN AN AMOUNT NOT TO EXCEED \$1,126,597 FOR THE FIRST YEAR, PLUS OPERATING AND OTHER LEASE RELATED EXPENSES, AND ANNUAL 3% RENT INCREASES; AND TO NEGOTIATE LEASE PAYMENT TERMS AND NON-MATERIAL TERMS AND CONDITIONS

WHEREAS, The Transportation Authority's 13-year office lease at 1455 Market Street on the 22nd Floor is set to expire on June 30, 2025, and costs \$40.00 per rentable square feet; and

WHEREAS, Under direction from the Chair and Vice Chair, Transportation Authority staff worked with realtors to determine if remaining or vacating the current office location at \$66.00 per rentable square feet was a better option, including considering various properties located near City Hall and the Financial District; and

WHEREAS, The San Francisco Board of Supervisors (Board of Supervisors) former President (and former Transportation Authority Commissioner) Aaron Peskin introduced at the Board of Supervisors meeting a proposal for the City and County of San Francisco (City) to lease the building already occupied by the Transportation Authority; and

WHEREAS, In April 2024, the Board of Supervisors passed Resolution No. 192-24 authorizing its Director of Property, on behalf of multiple City Departments, to enter into a lease agreement with Hudson 1455 Market Street, LLC; and

WHEREAS, In May 2025, the Board of Supervisors passed Resolution No. 194-25 authorizing its Director of Property, on behalf of the Transportation Authority to remain in the office space and for two other city agencies to take additional office space for the next 20 years from July 1, 2025 and through April 30, 2045 at \$41.20 per rentable square feet for the first year, plus operating and other related expenses



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and annual 3% rent increases, with two five-year options to extend; and

WHEREAS, The City's rentable square feet rate of \$41.20 is significantly lower than the offers received and staff recommended remaining in the current office space as it is the best advantage with respect to cost, space requirements, proximity to partner agencies in the area and to Board members at City Hall; and

WHEREAS, The lease will be funded with Prop L sales tax operating funds, and the proposed Fiscal Year 2025/26 budget includes sufficient funds to accommodate the recommended action; and

WHEREAS, At its May 28, 2025, meeting, the Community Advisory Committee considered the item and unanimously adopted a motion of support for the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby approves and authorizes the Executive Director to execute a 20-year lease with two five-year options to extend, with the City and County of San Francisco's Real Estate Department for office space located at 1455 Market Street, in an amount not to exceed \$1,126,597 for the first year, plus operating and other lease related expenses, and annual 3% rent increases; and be it further

RESOLVED, That the Executive Director is hereby approved and authorized to negotiate contract payment terms and non-material contract terms and conditions; and be it further

RESOLVED, That for the purposes of this resolution, "non-material" shall mean contract terms and conditions other than provisions related to the overall contract amount, terms of payment, and general scope of services; and be it further

RESOLVED, That notwithstanding the foregoing and any rule or policy of the Transportation Authority to the contrary, the Executive Director is expressly authorized to execute agreements and amendments to agreements that do not cause the total agreement value, as approved herein, to be exceeded and that do not expand the general scope of services.



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The foregoing Resolution was approved and adopted by the San Francisco County Transportation Authority at a regularly scheduled meeting thereof, this 24th day of June 2025, by the following votes:

Ayes: Commissioners Chen, Dorsey, Engardio, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill, and Walton (10)

Absent: Commissioner Chan (1)

DocuSigned by:

C3882B7D874248C... 7/26/2025
Myrna Melgar Date
Chair

ATTEST:

DocuSigned by:

FFD2528AB8BE49B... 7/28/2025
Tilly Chang Date
Executive Director