



MEMORANDUM

June 6, 2025

TO: MEMBERS, PORT COMMISSION
Hon. Gail Gilman, President
Hon. Stephen Engblom, Vice President
Hon. Willie Adams
Hon. Steven Lee
Hon. Ken McNeely

FROM: Elaine Forbes
Executive Director

SUBJECT: Request approval of a proposed new lease (renewal), retroactive to February 1, 2025 with Autodesk, Inc., a Delaware corporation ("Autodesk"), for approximately 34,950 square feet of office and shed space located at Pier 9 for a term of 36-months with one 12-month option to extend, subject to Board of Supervisor's approval.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 25-32

EXECUTIVE SUMMARY

Autodesk has three leases at Pier 9: L-16848¹ (office R&D and workshop), L-16611 (general office), and L-16711 (storage) that all expired January 31, 2025, and Port and Autodesk will combine these three leases into Lease L-17256 (the "Lease").

Lease L-17256 is a 36-month lease with one 12-month option to extend the expiration date with terms as described and outlined below. Effective Date and Rent Commencement Date of the Lease is retroactive to February 1, 2025.

The Lease is being brought to the Port Commission because the Lease will generate more than \$1 million (~\$5.4 million) in Rent for the initial 36-month term with a total estimated Rent equaling ~\$7.27 million if the extension is exercised.

¹ Lease L-16848 includes a Public Access parcel with 6,594 square feet between Pier 9 and Pier 15 with the barnacle sculptures. Autodesk pays Port \$3,000 per month for maintenance, repairs and cleaning. Also included is a solar license for solar panels above Autodesk premises in Pier 9 (no charge). Both are included in Lease L-17256 with no change in terms.



Pier 9 – Autodesk Main Entrance

STRATEGIC PLAN ALIGNMENT

Economic Recovery:

The Autodesk renewal supports the Port's economic recovery by avoiding the time and cost needed to release almost 35,000 square feet of space in Pier 9. The renewal generates new, stable income for the Port by a tenant rated by Moody's as A3 (medium investment grade).

Economic Growth:

The Autodesk renewal provides almost \$5.4 million over the three-year term and if the extension option is exercised total rent paid increases to almost \$7.3 million. Port is not required to pay for tenant improvements or make other investments to secure this income.

Engagement and Public Awareness:

Autodesk at Pier 9 offers a variety of workshops and classes to the public focused on digital fabrication and design. These include CNC machining, woodworking, metalworking, 3D printing, laser cutting, and electronics among others. The Lease maintains these uses for the public.

TENANT BACKGROUND

Autodesk is an American multinational corporation that focuses on 3D design software for use in the architecture, engineering, construction, manufacturing, media, and entertainment industries.

Autodesk was founded in 1982 by John Walker, a co-author of the first version of the company's flagship CAD software product. Autodesk software has been used in the

design of everything from the New York Freedom Tower to Tesla electric cars.

Autodesk has been a Port tenant in Pier 9 since 2012 and spent more than \$3 million on improvements to its Premises. Autodesk enclosed unimproved shed space to construct a workshop, including installation of non-permeable floors, wall construction, installation of floor-to-ceiling windows, replacement of doors and windows, installation of new HVAC and electrical and data systems, installation of an elevator, and ADA upgrades.

Autodesk Financials

Autodesk's balance sheet as of January 31, 2025, shows \$10.8 billion in assets with liabilities totaling \$8.2 billion with \$2.6 billion in equity.

On April 9, 2022, Moody's Investor Service upgraded Autodesk's senior unsecured rating to A3, up from Baa2, and said their outlook is "stable". A3 is a "medium" investment grade credit rating.

Autodesk's strong financial statements, investment grade credit rating, and Port good payment history indicate a low risk of a financial default.

The Pier 9 premises is one of four "Technology Centers" Autodesk operates with sister facilities in Boston, Toronto, and Birmingham, UK. Each has a particular focus and San Francisco has a wide range of advanced manufacturing equipment, robotics, hybrid metal additives, and workspaces to explore new ideas around traditional manufacturing.



Representative Photo

Autodesk pays rent as agreed under its Port leases and generally in advance.

STAFF ANALYSIS

Lease L-17256 encompasses the Office, Research and Development, and Workshop space, plus the Solar License and the Maintenance Agreement for the Public Access Parcel, and two storage areas under one Lease, eliminating the need to administer multiple agreements. The Rent is a continuation of the last combined rents under the three Pier 9 leases and is increased by 2% per year, including the extension period if exercised.

Autodesk, Inc., with an “investment grade” credit rating, will continue occupancy in Pier 9 producing approximately \$5.4 million in stable rent over the initial three-year term. This revenue is critical for Port’s economic recovery and growth.

The Lease is being brought before the Port Commission because the total rent paid will exceed \$1 million over the lease term. This lease also requires approval by the City’s Board of Supervisors under Charter Section 9.118 due to the 10-year lease term and anticipated rent revenue exceeding \$1 million over the term of the Lease.

Retroactivity

Since Lease L-16848 expired on January 31, 2025, Port staff are seeking to commence Lease L-17256 as of February 1, 2025.

Cross Default

Autodesk will have one other lease with the Port, L-17259 with 6,383 square feet of storage space in Pier 19. This lease is also being renewed under new Lease L-17529. Both leases contain a cross-default provision so a default under one lease is a default for the other.

Proposed Lease Terms

The chart below provides a summary of the important terms and conditions of the renewal Lease L-17526.

<i>Tenant:</i>	Autodesk, Inc. a Delaware corporation
<i>Lease Number:</i>	L-17256
<i>Premises, Solar License Area, and Public Access Area:</i>	<p><u>Parcel A, Parcel B, and Parcel C:</u> Approximately 30,590 square feet of contiguous Office, R&D, and Workshop space.</p> <p><u>Parcel D and Parcel E:</u> Approximately 2,692 square feet of separate two-story office space.</p> <p><u>North and South Storage Areas:</u> Approximately 1,668 square feet of shed space.</p> <p><u>Public Access Parcel:</u> 6,594 square feet on the</p>

	<p>marginal wharf located between Pier 9 and Pier 15.</p> <p><u>Solar License</u>: Approx. 6,622 rentable square feet of roof space on the facility.</p>
<i>Term:</i>	36 months except for Solar License which is month-to-month.
<i>Option to Extend Term:</i>	One option to extend for an additional 12 months.
<i>Permitted Use:</i>	<p><u>Parcels A, B, and C</u>: Office, research and development, and workshop uses. The workshop space use shall include the placement and operation of machinery.</p> <p><u>Parcels D and E</u>: General office use.</p> <p><u>North and South Storage Areas</u>: Storage of machinery and equipment.</p> <p><u>Public Access Parcel</u>: Approximately 6,594 square feet on the marginal wharf located between Pier 9 and Pier 15 with large barnacles and educational programming.</p> <p><u>Solar License</u>: Approx. 6,622 rentable square feet of roof space on the facility for solar panels, including associated activities.</p>
<i>Lease and Rent Commencement Date:</i>	February 1, 2025, subject to Port Commission and Board of Supervisors approval.
<i>Monthly Rent:</i>	<p>The Rent for the Premises is:</p> <p>Year 1: \$147,018/month</p> <p>Year 2: \$149,964/month</p> <p>Year 3: \$152,910/month</p> <p>Extended Term: \$155,968/month</p> <p>No Charge for Solar License</p>
<i>Security Deposit:</i>	\$305,820
<i>Cross Default:</i>	<p>A default under the following agreements is a default under the Lease:</p> <p>Lease L-17259 dated February 1, 2025, for storage space in Pier 19.</p>
<i>Termination of Existing Agreements:</i>	<p>As of the Commencement Date, the following leases will be terminated:</p> <p>Lease No. L-16848 dated February 24, 2023</p> <p>Lease No. L-16711 dated January 21, 2021</p> <p>Lease No. L-16611 dated May 29, 2020</p>

A copy of the proposed Lease No. L-17256 is on file with the Port Commission Secretary.

RECOMMENDATION

Port staff recommend that the Port Commission approve the attached resolution authorizing the Executive Director to enter proposed Lease No. L-17526 with Autodesk, Inc., a Delaware corporation, and authorize the Executive Director to forward the Lease to the Board of Supervisors for approval and upon the effectiveness of such approval, authorize the Executive Director or designee to execute the Lease.

Prepared by: Don Kavanagh, Senior Property Manager
Real Estate and Development

For: Scott Landsittel
Deputy Director Real Estate and Development

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 25-32

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate, and control the Port area of the City and County of San Francisco; and
- WHEREAS, Autodesk, Inc. is a tenant in good standing under its current leases located at Piers 9 and 19, in the City and County of San Francisco; and
- WHEREAS, Port Staff has negotiated the terms of a new 36-month lease with one (1) 12-month option to extend the term for space at Pier 9 consisting of approximately 33,282 square feet of office, research and development, and workshop space; approximately 1,688 square feet of shed space, and including a license for approximately 6,622 square feet of roof space and a license for approximately 6,594 square feet on the marginal wharf located between Pier 9 and Pier 15, for collective use as office, research and development, and workshop space and public art display and public access as described in the Memorandum to the Port Commission dated June 6, 2025; and
- WHEREAS, The use is a continuation of existing and related uses and is therefore not a project subject to review under the California Environmental Quality Act; and
- WHEREAS, Port staff recommend approval of a proposed new lease with Autodesk which will generate revenues of approximately \$147,018 per month; and
- WHEREAS, The proposed terms for Lease No. L-17256 ("Lease") for Autodesk at Pier 9 are described in the staff report accompanying this Resolution and set forth in the Lease, a copy of which is on file with the Port Commission Secretary; now, therefore be it
- RESOLVED, That the Port Commission hereby approves the terms of proposed Lease L-17256 with Autodesk, Inc. for a 36-month lease with one (1) 12-month option to extend the term for approximately 33,282 square feet of shed space, approximately 1,688 square feet of shed space for storage, approximately 6,622 licensed square feet of roof space and approximately 6,594 licensed square feet on the marginal wharf located between Pier 9 and Pier 15 for use as office, research and development, workshop space and public access as described above and authorizes the Executive Director or her designee to forward the Lease to the Board of Supervisors ("Board") for approval, pursuant to the Board's authority under Charter Section 9.118, and upon the effectiveness of such approval, to execute the Lease; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director or her designee, to enter into any additions, amendments, or other modifications to the Lease that the Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligations or liabilities of the Port or materially decrease the public benefits accruing to the Port, and are necessary and advisable to complete the transaction and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of any such documents.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 10, 2025.

Secretary