File No. 120385

Committee Item No. 8
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee **Date:** May 2, 2012

Board of Supervisors Meeting **Date** _____

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OTHER **(Use back side if additional space is needed)**

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Completed by: Victor Young **Date:** April 27, 2012
Completed by: Victor Young **Date:** _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

[Real Property Lease Amendment - Sixth Street Baldwin House, LLC - 72-6th Street]

Resolution authorizing the lease amendment with Sixth Street Baldwin House, LLC, of approximately 1,932 rentable square feet of ground space located at 72-6th Street for the San Francisco Police Department.

WHEREAS, The San Francisco Police Department is a law enforcement agency committed to the protection of life and property and the prevention of crime; and

WHEREAS, The Real Estate Division previously entered into a lease with Sixth Street Baldwin House, LLC, for 1,932 rentable square feet at 72-Sixth Street (the "Premises") which accommodates a San Francisco Police Department substation within the South of Market Redevelopment Project Area; and

WHEREAS, In accordance with the recommendation of the Chief of Police and the Director of Property, the Director of Property was authorized to take all actions, on behalf of the City and County of San Francisco ("City"), as tenant, to execute a lease (the "Lease") with Sixth Street Baldwin House, LLC as Landlord ("Landlord"), for the Premises through Board of Resolution No. 519-11 adopted December 6, 2011, on file with the Clerk of the Board of Supervisors in File No. 111193; and

WHEREAS, In accordance with the recommendation of the Chief of Police and the Acting Director of Property, the Director of Property is authorized to take all actions, on behalf of the City, as tenant, to execute a Lease Amendment with the Landlord, for the Premises on file with the Clerk of the Board of Supervisors in File No.120385; and

WHEREAS, The initial term of the Lease shall remain three years with an estimated commencement date of December 1, 2012, following the substantial completion of the

leasehold improvements and acceptance by City's Director of Property (the "Commencement Date"); and

WHEREAS, The Landlord has agreed to a modification of the monthly base rent of the Lease to $1,449 per month which represents a credit of fifty (50) percent of the original monthly base rent and such rent shall be adjusted annually using the Consumer Price Index, however in no event shall the monthly base rent be less than 1.5% or more than 3% of the monthly base rent in effect for the last full month immediately prior to the adjustment date; and

WHEREAS, The Lease shall provide three extension options of two years each; and,

WHEREAS, The original Lease contemplated the use of Redevelopment Agency funds to effect substantial leasehold improvements; and

WHEREAS, Due to the dissolution of the Redevelopment Agency, an alternative source of funds is necessary to implement the leasehold improvements; and

WHEREAS, The Landlord shall allow City to construct substantial leasehold improvements at City's sole cost pursuant to construction documents approved by City and Landlord as more particularly described in the Lease Amendment; and

WHEREAS, The Director of Planning Department, by letter dated September 23, 2011, found that the Lease was consistent with the City's General Plan and with the Eight Priority Policies of City Planning Code Section 101.1, and is categorically exempt from Environmental Review, a copy of these findings is on file with the Clerk of the Board of Supervisors under File No. 111193 and are incorporated herein by reference, now, therefore, be it

RESOLVED, That the Lease be amended to reflect the reduction in monthly base rent for the initial term and City's obligation to construct tenant improvements, and, be it,

FURTHER RESOLVED, That the Lease Amendment shall include a clause approved by the City Attorney, indemnifying and holding harmless the Landlord from and agreeing to

defend the Landlord against any and all claims, costs and expenses, including, without limitation, reasonable attorney's fees, incurred as a result of City's use of the Premises, any default by the City in the performance of any obligations under the Lease, any negligent acts or omissions of City or its agents or invitees, in, on or about the Premises or the property on which the Premises are located, excluding those claims, costs and expenses incurred as a result of the active gross negligence or willful misconduct of Landlord or its agents, or any breach of City's representations or warranties under the Lease; and, be it

FURTHER RESOLVED, That in accordance with the recommendation of the Chief of Police and Director of Property, the Board of Supervisors hereby approves the Lease Amendment and the transaction contemplated thereby in substantially the form of such agreement presented to the Board and authorizes the Director of Property to execute the Lease Amendment; and, be it

FURTHER RESOLVED, That all actions heretofore taken by any employee or official of the City with respect to this Lease Amendment are hereby approved, confirmed and ratified; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Property to enter into any amendments or modifications to the Lease or Lease Amendment or Consent that the Director of Property determines, in consultation with the City Attorney, are in the best interest of the City, do not increase the rent or otherwise materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the Lease and Consent and are in compliance with all applicable laws, including City's Charter.

$775,000.00

Index Code: PWB281GGFAAP

Controller

Subject to enactment of an Annual Appropriation Ordinance for FY2012-2013

Recommended:

Chief of Police
San Francisco Police Department

Acting Director of Property

Item 8 File 12-0385	Departments: Police Department, Real Estate Division

EXECUTIVE SUMMARY

Legislative Objective

The proposed resolution would authorize an amendment to an existing lease between the City, as tenant, and Sixth Street Baldwin House, LLC, as landlord for the Police Substation at 72 Sixth Street.

Key Points

- The Board of Supervisors previously approved a 1,932 square foot lease for a three-year period beginning June 1, 2012 through May 31, 2015, with three two-year options to extend between the City and the Sixth Street Baldwin House, LLC to rent ground floor space for the Sixth Street Police Substation. Under the existing lease, the San Francisco Redevelopment Agency (SFRA) was to forgive a loan of $500,000 to Sixth Street Baldwin House, LLC, who in return would construct $500,000 in tenant improvements to the Sixth Street Police Substation.
- Due to the dissolution of the SFRA, the forgivable loan is no longer a funding source for the construction of the tenant improvements. Therefore, the City is proposing to construct the tenant improvements, using the City's General Fund to pay for such improvements. In exchange, the landlord has agreed to reduce the previously approved rent of $2,898 per month ($1.50 per square foot per month) by $1,449 per month to $1,449 per month ($0.75 per square foot per month).
- The proposed amended lease is for three years, beginning with the estimated completion of construction of tenant improvements in approximately July 2012. The amended lease provides for three two-year options to extend the lease, for a total of nine years.
- According to Mr. John Updike, Acting Director of Real Estate, the proposed lease amendment revises the rent terms of the original lease, by (a) reducing the monthly rent by 50 percent from $2,898 to $1,449, and (b) deferring the annual Consumer Price Index (CPI) adjustment of not less than 1.5 percent and not more than 3.0 percent for the initial three-year term of the lease. If the City exercises the option to extend the term of the lease in the fourth year, the rent would be increased to the original base rent of $2,898, plus any CPI adjustments that had accrued during the initial three-year term.

Fiscal Impact

- The City will pay $1,449 per month or $17,388 annually in rent for the leased space at 72 Sixth Street. Over the three-year term of the lease, the City will pay total rent of $52,164.
- The City will incur estimated costs for constructing tenant improvements of $775,000. Funding sources to pay for these costs, which are General Fund costs, include (1) $125,000 in the FY 2011-12 SFPD budget, which according to the Mayor's Budget Office, will be re-allocated to the proposed project through a surplus transfer; and (2) $650,000 in the Real Estate Facilities Management Special Revenue Fund.

- Because the proposed amended lease requires $775,000 to be paid by the City's General Fund to construct the needed tenant improvements for the Sixth Street Police Substation, and because under the original lease such improvements as described in Attachment II of this report would have been paid for by the SFRA forgivable loan to the landlord of $500,000, the Budget and Legislative Analyst considers approval of the proposed resolution to be a policy decision for the Board of Supervisors.

Recommendations

Approval of the proposed resolution is a policy decision for the Board of Supervisors.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

In accordance with Section 23.27 of the City's Administrative Code, except for specified short-term leases, leases, in which the City is the tenant, are subject to Board of Supervisors approval.

Background

History of the South of Market Redevelopment Project Area

On June 11, 1990, the Board of Supervisors approved the South of Market Redevelopment Project Area[1](Ordinance 234-90) to redevelop the South of Market neighborhood by repairing buildings damaged in the 1989 Loma Prieta Earthquake in order to create additional affordable housing units. Attachment I to this report is a map identifying the boundaries of the South of Market Redevelopment Project Area.

On December 6, 2005, the Board of Supervisors approved an ordinance (Ordinance 265-05) broadening the initial housing goals of the South of Market Redevelopment Project Area to include attracting more small businesses in order to revitalize the overall South of Market Redevelopment Project Area, and identifying the Sixth Street Corridor, from Market Street to Harrison Street, as an area that needed significant investment.

History of the Police Department's Substation

Since 2009, the San Francisco Police Department (SFPD) worked with the San Francisco Redevelopment Agency (SFRA)to find a location for a SFPD Substation[2] to further the City's goals of community policing, and help efforts at revitalizing the South of Market by providing a visual deterrent to crime along the Sixth Street Corridor.

According to SFPD Deputy Chief Kevin Cashman, a SFPD Substation in the South of Market area is intended to allow police officers working in the area on foot patrols or on bicycles, to use the Substation to check in and write reports, as opposed to returning to Southern Station at 850 Bryant Street in the Hall of Justice. As of the writing of this report, a staffing plan has not been finalized but, according to Deputy Chief Cashman, the SFPD Substation would consist of staff

[1] The South of Market Redevelopment Project Area was originally titled The South of Market Earthquake Recovery Redevelopment Project Area.

[2] Currently, the City has ten District Police Stations throughout the City. In addition, the Police Department has two satellite facilities, one each in the Bayview and Ingleside Housing Projects, which are used for report writing, breaks, and occasionally for community events. The proposed SFPD Substation would be the first of its kind in the City.

from the Southern Station and would require no additional personnel. In addition, with the Southern Station moving to a new Mission Bay Police Headquarters in 2014, Deputy Chief Cashman advises that the proposed Police Substation would allow police officers working in the South of Market to be closer to the community on a regular basis.

On December 6, 2011 the Board of Supervisors approved a resolution (Resolution 0519-11) authorizing a new three-year lease between the City and County of San Francisco, on behalf of the SFPD, as tenant, and Sixth Street Baldwin House, LLC, as landlord, for 1,932 square feet of ground floor office space at 72 Sixth Street to be used as a new Police Department Substation for the three-year period from June 1, 2012 through May 31, 2015, with three two-year options to extend the lease, for a total maximum term of nine years, or through May 31, 2021.

Although not approved within Resolution 0519-11, the SFRA was to grant a forgivable loan of up to $500,000 to the landlord, Sixth Street Baldwin House, LLC. Under the agreement with SFRA, in consideration for forgiving the loan, the landlord was to pay for the necessary tenant improvements to the subject premises for the new Police Department Substation, estimated to cost up to $500,000.

According to Mr. John Updike, the City's Acting Director of Real Estate, as a result of the dissolution of the SFRA on February 1, 2012, the SFRA funding source for the tenant improvements is no longer available.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would amend the existing three-year lease between the City, as tenant, and Sixth Street Baldwin House, LLC, as landlord, for 1,932 square feet of ground floor office space at 72 Sixth Street to be used as a new Police Department Substation. Table 1 compares the existing lease terms to the proposed amended lease terms.

Table 1
Comparison of Original and Proposed Amended Lease Terms

	Original Lease Terms	Proposed Amended Lease Terms
Commencement Date	June 1, 2012	No later than December 1, 2012
Initial Term	3 years	3 years
Options to Extend	Three 2-year options	Three 2-year options
Total Term	Up to 9 years	Up to 9 years
Square Feet	1,932	1,932
Rent per Square Foot per Month	$1.50	$0.75
Total Rent per Month	$2,898	$1,449
Annual Consumer Price Index (CPI) Adjustments	1.5% to 3.0%	None
Tenant Improvements	To be paid for by a SFRA forgivable loan	To be paid from the City's General Fund

- The proposed resolution specifies a lease commencement date of December 1, 2012. However, according to Mr. Updike, the 'lease commencement date' as defined in the

proposed lease amendment, is the date upon which the City completes the base tenant improvements and the SFPD is able to occupy the space. If the City is able to complete the improvements in July 2012, then the lease will commence upon notice from the City to Sixth Street Baldwin House, LLC.[3] The City's right to enter the property and start work on the tenant improvements begin 10 days after legislative approval and the Director of Real Estate's signature on the lease.

- Under the original lease, the landlord was to construct the tenant improvements, with an estimated cost of $500,000, in exchange for loan forgiveness from the SFRA, as noted above. Since the SFRA has been dissolved, the City's General Fund will pay for the construction of tenant improvements (discussed below). Because the City's General Fund will now be paying for the tenant improvements, the landlord, Sixth Street Baldwin House, LLC, under the proposed amended lease, has agreed to reduce the monthly rent payable by the City from $2,898 to $1,449, a reduction of $1,449 or 50 percent.

Rent Adjustments

According to Mr. John Updike, Acting Director of Real Estate, the proposed lease amendment revises the rent terms of the original lease, by (a) reducing the monthly rent by 50 percent from $2,898 to $1,449, and (b) deferring the annual Consumer Price Index (CPI) adjustment of not less than 1.5 percent and not more than 3.0 percent for the initial three-year term of the lease. If the City exercises the option to extend the term of the lease in the fourth year, the rent would be increased to the original base rent of $2,898, plus any CPI adjustments that had accrued during the initial three-year term (see Fiscal Impact section below).

Tenant Improvements

The proposed Lease Amendment stipulates that the City would be responsible for completing the necessary tenant improvements to transform the existing ground floor vacant storefront space into a Police Substation prior to the commencement of the lease. The improvements are described in Attachment II as provided by the City's Real Estate Division (RED). The total cost estimate for such improvements payable by the City's General Fund is $775,000, which is an increase of $225,000 over the previously estimated cost of $500,000 discussed in December 2011 with the approval of Resolution 0519-11.

According to Bill Barnes, Office of the City Administrator, at the time of the Board of Supervisor's approval of the Resolution 0519-11, construction bids had been solicited but were not yet due, and as a result, the original cost estimate for the improvements, provided by Asian Neighborhood Design, a non-profit organization, did not include architectural or engineering soft costs and was unsupported by the construction bids that were ultimately submitted. Additionally, Mr. Barnes reports that the SFRA separately funded Urban Solutions as construction manager for this project through a separate agreement, in addition to the forgivable loan[4] of up to $500,000, from the SFRA to the lessor, Sixth Street Baldwin House, LLC, to make the needed tenant improvements.

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[3] According to John Updike, Acting Director of Real Estate, there is no specific date in the Lease Amendment as to commencement - it is predicated upon completion of the work to the space to meet the City's needs. Lease Commencement is the term of art used to describe when a tenant must begin paying rent owed.

[4] Prior to the dissolution of the SFRA, forgivable loans were granted to rehabilitate privately owned ground-floor spaces on Sixth Street.

Mr. Barnes reports that the City has elected to proceed with a blended approach using the Department of Public Works (DPW) and outside contractors. DPW consulted with the SFPD to identify specific materials and labor needs to deliver the project. According to Douglas Legg, DPW Finance and Budget Manager, the cost of using this approach is comparable to bidding the entire project and DPW will be able to deliver the project more quickly than if the City relied on an outside contractor, which will mitigate some of the delay caused by the dissolution of the SFRA. Additionally, as seen in Attachment II, scope reductions were made by DPW in consultation with SFPD to decrease the Substation project's construction cost including less expensive finishes and adjusted security features.

FISCAL IMPACT

The City will pay $1,449 per month in rent or $17,388 annually for the leased space at 72 Sixth Street. Over the 3-year term of the base lease period, the City will pay total rent of $52,164. According to Mr. Updike, the original monthly base rent of $2,898, as previously approved by the Board of Supervisors in Resolution 0591-11, was determined to be the fair market value based on comparable rents in the neighborhood. Mr. Updike reports that the proposed amended lease's monthly base rent of $1,449, results in a 50 percent rental reduction that was negotiated with the landlord because the City's General Fund will now be paying for $750,000 in tenant improvements to the SFPD Substation.

The proposed lease amendment defers the annual CPI adjustment to the base rent of not less than 1.5 percent and not more than 3.0 percent for the initial three-year term of the lease. However, according to Mr. Updike, if the City exercises the option to extend the lease in the fourth year, (a) the base rent returns to the original lease amount of $2,898 per month; and (b) the CPI adjustments accrue over the initial three-year term, resulting in CPI adjustments in the fourth year of not less than 4.5 percent and not more than 9.0 percent. If the City exercises the option to extend the lease, the rent will be adjusted annually beginning in the fifth year by the CPI, but not less than 1.5 percent and not more than 3.0 percent.

As shown in Table 2 below, total estimated rent to be paid by the City to the Sixth Street Baldwin House, LLC over the nine-year term of the lease, if the three two-year options are exercised, is up to $297,355.

Table 2:
Estimated Annual Rent for 1,932 Square Feet during the Nine Year Term of Lease

	Annual Rent Based on:	
	1.5 Percent Annual Increase, after the initial term of 3 years	**3 Percent Annual Increase, after the initial term of 3 years**
Year 1	$17,388	$17,388
Year 2	17,388	17,388
Year 3	17,388	17,388
Subtotal, Initial Term	**52,164**	**52,164**
Year 4	36,341	37,906
Year 5	36,886	39,043
Year 6	37,439	40,214
Year 7	38,001	41,421
Year 8	38,571	42,663
Year 9	39,149	43,943
Total	**$278,552**	**$297,355**

The proposed amended lease would be funded from General Fund monies requested as part of the SFPD's annual budget beginning with the FY 2012-13 budget. All rental expenditures would be subject to annual appropriation approval by the Board of Supervisors.

The City's General Fund sources for the $775,000 in 72 Sixth Street tenant improvements include:

- $125,000 in the FY 2011-12 SFPD budget, which according to the Mayor's Budget Office, will be re-allocated to the proposed project through a surplus transfer; and
- $650,000 in the Real Estate Facilities Management Special Revenue Fund.[5]

Although Attachment II shows a listing of the expected tenant improvements, as of the writing of this report, RED has not been able to provide cost details of the estimated tenant improvement costs of $775,000.

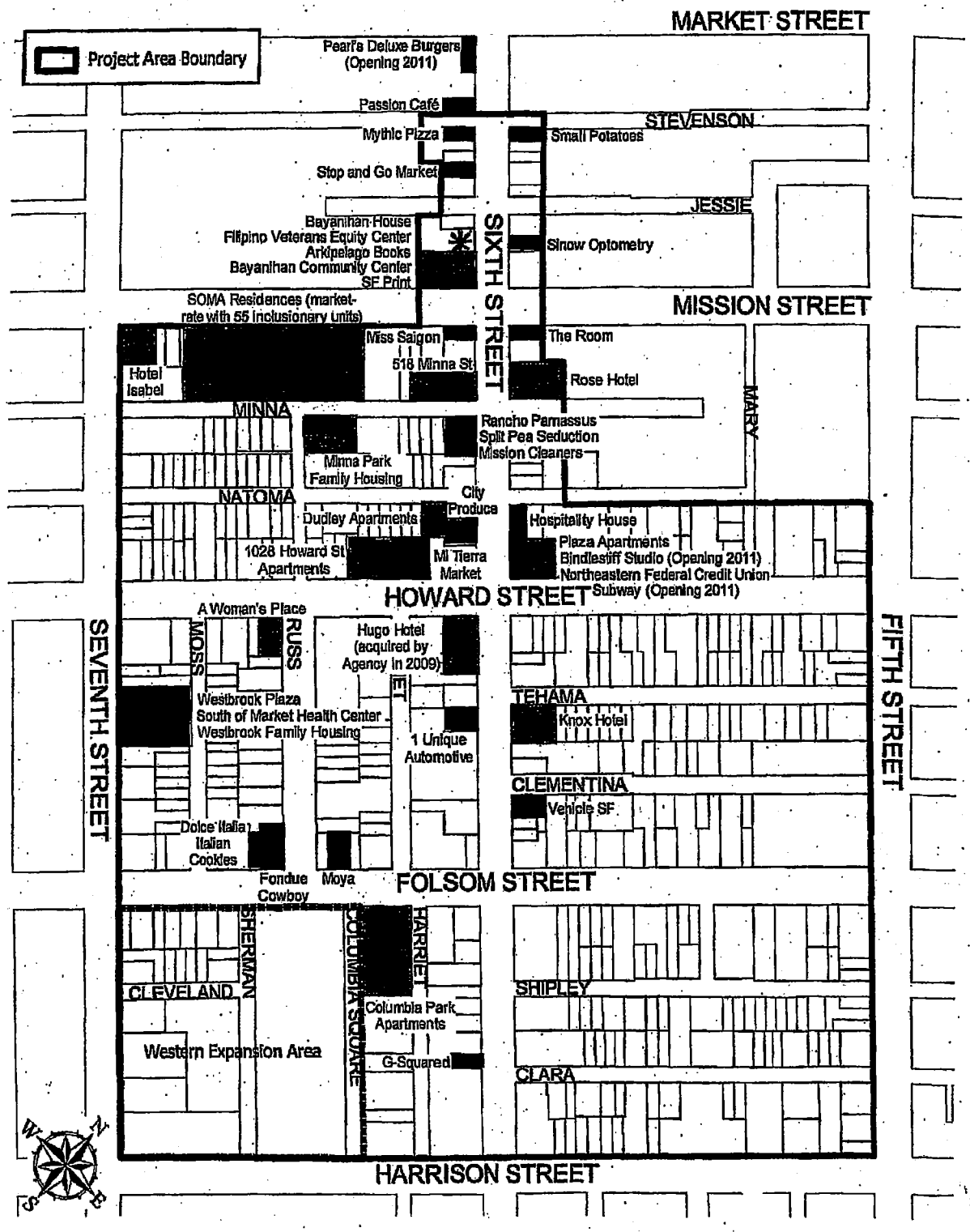
Because the proposed amended lease requires $775,000 to be paid by the City's General Fund to construct the needed tenant improvements for the Sixth Street Police Substation, and because under the original lease such improvements as described in Attachment II of this report would have been paid for by a SFRA forgivable loan of $500,000 to the landlord, the Budget and Legislative Analyst considers approval of the proposed resolution to be a policy decision for the Board of Supervisors.

[5] The Real Estate Facilities Management Special Revenue Fund is funded by the General Fund and other revenues.

RECOMMENDATION

Approval of the proposed resolution is a policy decision for the Board of Supervisors.

South of Market Redevelopment Project Area
Affordable Housing and Economic/Community Development Projects



SFPD NEW SUBSTATION - 72 6TH ST., SF

	LOCATION	ITEM ON PLAN	PROPOSED SUBSTITUTE
1.	Basement ceiling	Install Ballistic panels on Basement ceiling joists	Install Ballistic panels on top of 1st Fl. subfloor
2.	Basement ceiling	Install cotton batt insullation on basement ceiling joists	Delete insullation on basement ceiling joists
	Bathroom	2- showers, 1-toilet,1- floor drain,	N/A Deleted
3.	Water supply lines	Install water lines in 1st Fl. ceiling crawl space and down wall bays	Install water lines in basement ceiling and up wall bays
4.	Rest rooms, shower rooms, Mechanical rm.	9ft ceiling height	Reduce ceiling height to 8'-0"
5.	Lt. Office, hallway ceilings	11ft. ceiling height	Reduce ceiling height to 8'-0"
6.	HVAC runs	Rectangular ducts with fiberglass insullation	Round duct with bubble wrap insullation
7.	Storefront Clerestory Windows	Install Ballistic Level3 Lam. Glass	Install Fibergalss "omnipanel" backed by Ballistic fiberglass panel Level3
8.	Men's & Women's Accessible Showers	Install cultured granite shower surround	Install Corian (solid panel) shower surround
9.	Kitchenette	Install granite countertop and backsplash	Install plastic laminate countertop and backsplash
10.	Offices	Install granite countertops	Install plastic laminate countertops
11.	Lt. Office and hallway ceilings	Install wood slat dropped ceiling system	Install t-bar dropped ceiling with 2X4 acoustical tiles 8'-0" height
	Entire building (except) service room	Ceiling coverings, sheet rock and other.	Install t-bar dropped ceiling with 2X4 acoustical tiles to 8'-0" height
	Hallway and locker room bathroom	Reframe walls	To new proposed floor plan
12	Lt. Office ceiling and Kitchenette walls	Install Flush wood paneling	Delete wood paneling
13.	Lt. Office and hallway ceilings	Install recessed florescent light cans in ceiling	Install drop-in 2X2 T5 florescent lights where ceiling changed to t-bar.
14	Mechanical Room		Re name Bike room
16.	Restroom and Locker Room floors	Install ceramic tile floors and tile base	Install sheet vinyl on floors & cove
17.	FLOOR MTLS: Lt. Office/ Hallway/ Gun Locker/ Kitchenette/ Offies/ Service Rm.	Install Armstrong Luxury Solid Vinyl Tile	Install Armstrong Vinyl Composition Tile (VCT)
	Delete upper cabinets at kitchen and gun cabinet	Cabinets	Shelves above both
18.	R/Rms exhaust ducting	Run separate exhaust ducts from (2) exhaust fans	Join (2) exhaust ducts into (1) duct

John Updike
Acting Director of Real Estate

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2012 APR 17 PM 4:05
RBC

City and County of San Francisco
REAL ESTATE DIVISION

April 3, 2012

Mr. Sam Devdhara
Sixth Street Baldwin House, LLC
1761 University Avenue
Berkeley, CA 94703

RE: 72 -6th Street Lease Agreement Amendment

Dear Mr. Devdhara:

Attached are three copies of the lease agreement amendment between the City and County of San Francisco (City) and Sixth Street Baldwin House, LLC for the property located at 72-6th Street. Please sign and return all three copies. A fully-executed copy will be delivered to you upon approval of the Board of Supervisors and Mayor.

Please feel free to contact me at 415-554-9865 if you have any concerns or questions.

Sincerely yours,

Marta A. Bayol
District General Manager
Real Estate Division

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Office of the Director of Real Estate • 25 Van Ness Avenue, Suite 400 • San Francisco, CA 94102
(415) 554-9850 • FAX: (415) 552-9216

LEASE AMENDMENT

THIS LEASE AMENDMENT (this "**Amendment**") is made as of March 28, 2012, by and between SIXTH STREET BALDWIN HOUSE, LLC, a California limited liability company ("**Landlord**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**").

RECITALS

THIS AMENDMENT is made with reference to the following facts and circumstances:

A. City and Landlord have previously entered into an Office Lease dated as of August 15, 2011 (the "**Original Lease**"), for the lease of approximately 1,932 rentable square feet of ground floor space located at 72 Sixth Street, San Francisco, California (the "**Premises**").

B. The parties now desire to modify the Original Lease to provide for City's installation of certain leasehold improvements on the terms and conditions as set forth herein, and the Original Lease and this Amendment shall be referred to together as the "**Lease**".

AGREEMENT

ACCORDINGLY, in consideration of the matters described in the foregoing Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the City and Landlord agree as follows:

1. Term.

(a) Deletion of Original Lease Language. Article 3 of the Original Lease is hereby deleted in its entirety.

(b) Term of Lease. The Premises are leased for an initial term (the "**Initial Term**") commencing on the date (the "**Delivery Date**") that is tenth (10th) business day immediately following the Approval Date (as defined in Section 9). The Initial Term shall end on the date (the "**Expiration Date**") that is the third (3rd) anniversary of the date (the "**Commencement Date**") that City substantially completes the Base Improvements (as defined in Section 3(b)), or such earlier date on which the Lease terminates pursuant to the provisions of the Lease, provided that City shall have the right to extend the Initial Term pursuant to Section 1(c). The word "**Term**" as used in the Lease shall refer to the Initial Term and any Extended Term (as defined in Section 1(d)) if City exercises any of the Extension Options (as defined in Section 1(d)).

(c) Delivery of Possession. Landlord shall deliver possession of the Premises to City on the Approval Date.

(d) Extension Option. City shall have the right, but not the obligation, to extend the Term of the Lease (an "**Extension Option**") for three (3) additional independent terms of two (2) years each (each, an "**Extended Term**"). Such Extension Options shall be on all of the terms and conditions contained in the Lease. City may exercise an Extension Option, if at all, by giving written notice to Landlord no later than ninety (90) days prior to expiration of the Initial Term or, if applicable, an Extended Term, provided, however, if City is in material default under the Lease on the date of giving such notice and fails to cure such default as provided in the Lease, Landlord may reject such exercise by delivering written notice thereof to City promptly after such failure to cure. City's exercise of an Extension Option for one Extended Term shall not obligate City to exercise an Extension Option for another Extended Term.

** Complete copy of document is located in

File No. 120385

OFFICE LEASE

between

Sixth Street Baldwin House, LLC,
as Landlord

and

CITY AND COUNTY OF SAN FRANCISCO,
as Tenant

Sixth Street Substation - 72 Sixth Street, San Francisco, California

August 15, 2011

** Complete copy of document is located in

File No. 120385

File No. 120385

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information *(Please print clearly.)*	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information *(Please print clearly.)*	
Name of contractor: SIXTH STREET BALDWIN HOUSE, LLC	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. ***Use additional pages as necessary.*** Shailendra Devdhara, Managing Member – 100% ownership interest	
Contractor address: 1761 University Avenue - Berkeley, CA 94703	
Date that contract was approved: *Subject to Board of Supervisors' and Mayor's approval*	Amount of contract: $52,164 over a 3 year term
Describe the nature of the contract that was approved: Lease Amendment	
Comments:	

This contract was approved by (check applicable):

☐the City elective officer(s) identified on this form

☑ a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

☐ the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

_____
Print Name of Board

Filer Information *(Please print clearly.)*	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer) — Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk) — Date Signed