

1 [Leases of Real Property]

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3 **Resolution authorizing the amendment of four existing leases (at 729 Filbert Street, 650**  
4 **Fifth Street, 160 South Van Ness Avenue, and 109 New Montgomery Street) to reduce**  
5 **the rent and extend the lease term for the Department of Public Health, Human Services**  
6 **Agency, and the Department of Child Support Services.**

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8 WHEREAS, The City and County of San Francisco, a municipal corporation as Tenant  
9 and William J. Piedmonte, an individual, as Landlord, executed a lease dated July 1, 2003,  
10 authorized by Resolution 379-03 for Premises consisting of 11,067 sq. ft. at the property  
11 commonly known as the entire three story building at 729 Filbert Street for the Department of  
12 Public Health; and

13 WHEREAS, The City currently pays \$290,614.32 per year (approximately \$26.26 psf)  
14 in monthly payments of \$24,217.86 as Base Rent for the 729 Filbert Street Premises; and

15 WHEREAS, The current Lease for 729 Filbert Street expires on June 30, 2013; and

16 WHEREAS, The City and County of San Francisco, a municipal corporation as Tenant  
17 and Townsend Associates, LLC, a California limited liability company, as Landlord, executed  
18 a lease dated June 1, 2007, authorized by Resolution 423-07 for Premises consisting of 3,060  
19 sq. ft. at the property commonly known as suite 307 -309 at 650 Fifth Street for the  
20 Department of Public Health; and

21 WHEREAS, The City currently pays \$83,700.00 per year (approximately \$27.35 psf) in  
22 monthly payments of \$6,975.00 as Base Rent for the 650 Fifth Street Premises; and

23 WHEREAS, The current Lease for 650 Fifth Street expires on June 30, 2012; and

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1           WHEREAS, The City and County of San Francisco, a municipal corporation as Tenant  
2 and Stuart B. and Myrna J. Aronoff Revocable Trust and Trudy Cohn, as Tenants in Common,  
3 collectively as Landlord, executed a lease dated July 31, 2009, authorized by Resolution 305--  
4 09 for Premises consisting of 15,000 sq. ft. at the building commonly known as 160 South Van  
5 Ness Avenue for the Human Services Agency; and

6           WHEREAS, The City currently pays \$360,975.96 per year (approximately \$24.07 psf)  
7 in monthly payments of \$30,081.33 for Base Rent through August 31, 2013 and beginning  
8 September 1, 2013 is scheduled to pay \$370,000.32 per year (approximately \$24.67 psf) in  
9 monthly payments of \$30,833.36 through the end of the term for Base Rent for 160 South Van  
10 Ness Avenue Premises; and

11           WHEREAS, The current Lease for 160 South Van Ness Ave. expires on August 31,  
12 2016; and

13           WHEREAS, The City and County of San Francisco, a municipal corporation as Tenant  
14 and Edward J. Conner and Douglas G. Moore, Co-Trustees Under the Conner Children Trust  
15 No. 2, collectively as Landlord, executed a lease dated December 19, 1994 which has been  
16 subsequently extended with the last extension authorized by Resolution 438-07 for Premises  
17 consisting of 33,998 sq. ft. at the building commonly known as 109 New Montgomery Street  
18 and also known as 617 Mission Street for the Department of Child Support Services; and

19           WHEREAS, The City currently pays \$952,968.00 per year (approximately \$28.03 psf)  
20 in monthly payments of \$79,414.00 for Base Rent for 109 New Montgomery Street Premises;  
21 and

22           WHEREAS, The current Lease for 109 New Montgomery St. expires on July 31, 2012;  
23 and

24           WHEREAS, The Mayor instituted the Helping SF program which solicited a reduction in  
25 City costs from vendors of the City to help reduce the budget deficit; and

1           WHEREAS, The Real Estate Division instituted a similar program which solicited a  
2 reduction in City rents from Landlords of City leases; and

3           WHEREAS, The Landlords at 729 Filbert St., 160 South Van Ness Ave., and 109 New  
4 Montgomery are willing to modify their existing lease agreements; and

5           WHEREAS, The amendment of the above leases of real property is subject to  
6 enactment of a resolution by the Board of Supervisors and the Mayor, in their respective sole  
7 and absolute direction, approving and authorizing such amendment; now, therefore, be it

8           RESOLVED, That in accordance with the recommendation of the Directors of the  
9 Department of Public Health, Human Services Agency and the Department of Child Support  
10 Services and the Director of Property, the Director of Property is hereby authorized to take all  
11 actions on behalf of the City and County of San Francisco, as tenant, to amend the leases for  
12 the buildings commonly known as 729 Filbert Street, 650 Fifth St., 160 South Van Ness Ave.,  
13 and 109 New Montgomery Street, San Francisco, California (copies of the lease amendments  
14 are on file with the Clerk of the Board) with each Landlord, on the terms and conditions set  
15 forth herein, and on a form approved by the City Attorney; and, be it

16           FURTHER RESOLVED, That the Lease amendment for 729 Filbert St. shall reduce the  
17 current monthly Base Rent from \$24,217.86 (approximately \$2.19 per square foot) to  
18 \$23,006.97 per month (approximately \$2.08 per square foot) (an approximate 5% rent  
19 reduction) and extend the term of the Lease from June 30, 2013 to June 30, 2018 (a 5 year  
20 extension); and, be it

21           FURTHER RESOLVED, That the Lease amendment for 650 Fifth St. shall reduce the  
22 current monthly Base Rent from \$6,975.00 (approximately \$2.28 per square foot) to \$6,626.25  
23 per month (approximately \$2.17 per square foot) (an approximate 5% rent reduction) and  
24 extend the term of the Lease from June 30, 2012 to June 30, 2013 (a 1 year extension); and,  
25 be it

1 FURTHER RESOLVED, That the Lease amendment for 160 South Van Ness Ave.  
2 shall reduce the monthly Base Rent from \$30,081.33 (approximately \$2.01 per square foot) to  
3 \$28,500.00 (approximately \$1.90 per square foot) until August 31, 2013 and then from  
4 \$30,833.36 (approximately \$2.06 per square foot) to \$29,300.00 (approximately \$1.95 per  
5 square foot) from September 1, 2013 to the new lease expiration of August 31, 2017 (an  
6 approximate 5% rent reduction) and extend the term of the Lease from August 31, 2016 to  
7 August 31, 2017 (a 1 year extension); and, be it

8 FURTHER RESOLVED, That the Lease amendment for 109 New Montgomery St. shall  
9 reduce the monthly Base Rent from \$79,414.00 (approximately \$2.34 per square foot) to  
10 \$75,443.30 per month (approximately \$2.22 per square foot) (an approximate 5% rent  
11 reduction) and extend the term of the Lease from July 31, 2012 to December 31, 2014 (a 2  
12 1/2 year extension); and, be it

13 FURTHER RESOLVED, That the Leases shall continue to include the lease clause,  
14 indemnifying, holding harmless, and defending Landlord and its agents from and against any  
15 and all claims, costs and expenses, including without limitation, reasonable attorneys' fees,  
16 incurred as a result of any default by the City in the performance of any of its material  
17 obligations under the Lease, or any negligent acts or omissions of the City or its agents, in,  
18 on, or about the Premises or the property on which the Premises are located, excluding those  
19 claims, costs and expenses incurred as a result of the negligence or willful misconduct of the  
20 Landlord or its agents; and, be it

21 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City  
22 with respect to such Lease amendments are hereby approved, confirmed and ratified; and, be  
23 it

24 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
25 Property to enter into any amendments or modifications to the Lease amendments (including,

1 without limitation, the exhibits) that the Director of Property determines, in consultation with  
2 the City Attorney, are in the best interest of the City, do not increase the rent or otherwise  
3 materially increase the obligations or liabilities of the City, are necessary or advisable to  
4 effectuate the purposes of the Lease renewal or this resolution, and are in compliance with all  
5 applicable laws, including the City Charter; and, be it

6 FURTHER RESOLVED, That the City shall continue to occupy the entire Premises for  
7 the full term of each of the Leases unless funds for each of the Departments' rental payments  
8 are not appropriated in any subsequent fiscal year at which time the City may terminate the  
9 Lease with advance notice to Landlord. Said Lease shall be subject to certification as to  
10 funds by the Controller, pursuant to Section 6.302 of the City Charter.

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12 RECOMMENDED:

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14 Department of Public Health

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16 Human Services Agency

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19 Department of Child Support Services

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21 Director of Property  
22 Real Estate Division

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