

1 [Real Property Lease Option]

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3 **Resolution authorizing the exercise of an extension option at 875 Stevenson Street for**  
4 **various City departments.**

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6 WHEREAS, The City and County of San Francisco (“City”) entered into a lease (the  
7 “Original Lease”) with the Western Mart Company, a California limited partnership, dba San  
8 Francisco Mart (predecessor-in-interest to current landlord, Western Mart Company, L.P., a  
9 California limited partnership) to accommodate several different City departments and the  
10 lease, a copy of which is on file with the Clerk of the Board of Supervisors, was approved by  
11 the Board of Supervisors on March 21, 1994; and

12 WHEREAS, The Board of Supervisors approved the first amendment to the Original  
13 Lease (the “First Amendment”) on November 4, 1996, a copy of which is on file with the Clerk  
14 of the Board of Supervisors, and the First Amendment provides that City may exercise any  
15 and/or all Extension Options, extending the lease term for the entire premises for one (1) six  
16 month period, two (2) one year periods, or one (1) five year period; and,

17 WHEREAS, It has been determined that a five (5) year extension of the Original Lease,  
18 as amended by the First Amendment, collectively, (the “Lease”) at \$22.00 per square foot per  
19 year without rent increase during the term of the extension will provide needed office space  
20 for various City departments; now, therefore, be it

21 RESOLVED, That in accordance with the recommendation of the Director of Property,  
22 the Director of Property is hereby authorized to exercise the Extension Option by executing a  
23 written lease extension notice (“Lease Extension Notice”) that extends the term of the Lease  
24 with Western Mart Co., L.P., dba San Francisco Mart, as Landlord, for a term of five (5) years  
25 for the premises located at 875 Stevenson Street, San Francisco, California, comprising an

1 area of 158,442 square feet on the terms and conditions contained herein and on a form  
2 approved by the City Attorney; and, be it

3 FURTHER RESOLVED, That the Lease Extension Notice shall include the terms and  
4 conditions contained herein and be in a form approved by the City Attorney; and, be it

5 FURTHER RESOLVED, That the base rent for the fully serviced lease area, net of  
6 janitorial service, security service and electricity from December 1, 2002 through November  
7 30, 2007 shall be \$3,485,724.00 per year (\$22.00 per square foot per year), unless funds for  
8 rental payments are not appropriated in any subsequent City fiscal year, at which time the City  
9 may terminate the lease with advance notice to the Landlord; and, be it

10 FURTHER RESOLVED, That all actions heretofore taken by the City with respect to  
11 said Extension Option are hereby approved, confirmed and ratified, and that the Director of  
12 Property is hereby authorized and directed to do any and all things to execute and deliver the  
13 Lease Extension Notice and all other documents in addendum to the Lease Extension, which  
14 the Director of Property or the City Attorney may deem necessary or achievable to effectuate  
15 the purpose of intents of this transaction.

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18 RECOMMENDED:

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Director of Property

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