

1 [Lease of Real Property]

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3 **Resolution authorizing extension of a lease of real property at**
4 **617 Mission Street and 101 New Montgomery Street for the Department of Child**
5 **Support Services.**

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7 WHEREAS, The Department of Child Support Services entered into a lease, which
8 commenced on March 1, 1995 and expired on July 31, 2002, for a portion of the ground
9 floor plus the entire second, third and fourth floors, and certain basement storage space as
10 shown on Exhibit A to the Lease; and

11 WHEREAS, The Lease provided an option to extend the term for another five years
12 from August 1, 2002 until July 31, 2007 and the Department of Child Support Services
13 exercised their option by Resolution 112-02, which was approved on March 10, 2002; and

14 WHEREAS, The letter agreement dated February 11, 2002, which was used to
15 exercise the extension Option also provided terms for a further option to extend the term for
16 five years commencing August 1, 2007; now, therefore, be it

17 RESOLVED, In accordance with the recommendation of the Director of the
18 Department of Child Support Services that the Director of Property is hereby authorized on
19 behalf of the City and County of San Francisco as Tenant, to extend for an additional
20 period of five years the lease at 617 Mission Street and 101 New Montgomery Street, with
21 EDWARD J. CONNER and DOUGLAS G. MOORE, Co-Trustees Under the Conner
22 Children's Trust No. 2, as Landlord, for the premises at 617 Mission Street and 101 New
23 Montgomery Street, San Francisco, comprising an approximate area of 33,998 rentable
24 square feet on the ground floor and the entire second, third and fourth floors plus basement
25 storage space; and, be it

1 FURTHER RESOLVED, The lease extension shall commence on August 1, 2007
2 and expire on July 31, 2012, and, be it

3 FURTHER RESOLVED, That the base rent will be \$75,220 per month (\$26.55 per
4 square foot per year) with additional charges for City's percentage share of increases in
5 operating expenses and real estate taxes above a new 2007 base year and City shall
6 continue to pay its electrical costs; and, be it

7 FURTHER RESOLVED, That the base rent will increase to \$79,414 per month
8 (\$28.03 per square foot per Year) commencing February 1, 2010; and, be it

9 FURTHER RESOLVED, That Landlord shall at Landlord's sole cost (1) replace up to
10 one third of the floor area of the Premises with carpet or other floor covering, in high use
11 areas, as directed by City (2) provide flood lighting to illuminate the Minna Street entrance
12 to the building (3) repair or replace baseboards as necessary on the first floor and repaint
13 doors where the paint has deteriorated (4) check and repair the Mission Street stairwell
14 doors on the second and third floors which have not been closing properly; and, be it

15 FURTHER RESOLVED, That City agrees to indemnify, defend and hold harmless
16 Landlord and its agents from and against any and all claims, costs and expenses,
17 including, without limitation, reasonable attorneys' fees, incurred as a result of (a) City's use
18 of the premises, (b) any default by City in the performance of any of its obligations under
19 this lease, or (c) any negligent acts or omissions of City or its agents, in, on or about the
20 premises or the property; provided, however, City shall not be obligated to indemnify
21 Landlord or its agents to the extent any claim arises out of the active negligence or willful
22 misconduct of Landlord or its agents; and, be it

23 FURTHER RESOLVED, That any action taken by any City employee or official with
24 respect to this lease is hereby ratified and affirmed; and, be it

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1 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
2 Property to enter into any amendments or modifications to the Lease (including without
3 limitation, the exhibits) that the Director of Property determines, in consultation with the City
4 Attorney, are in the best interest of the City, do not increase the rent or otherwise materially
5 increase the obligations or liabilities of the City, are necessary or advisable to effectuate the
6 purposes of the Lease or this resolution, and are in compliance with all applicable laws,
7 including City's Charter; and, be it

8 FURTHER RESOLVED, Said lease shall be in a form approved by the City Attorney
9 and City shall occupy said premises for the entire lease term expiring on July 31, 2012
10 unless funds for rental payments are not appropriated in any subsequent fiscal year, at
11 which time City may terminate this lease with written notice to Landlord, pursuant to
12 Section 3.105 of the Charter of the City and County of San Francisco; and

13 RECOMMENDED: \$827,420.00 Available
14 Index No. 170016 Sub Object 03011
15 Index No. 170009 Sub Object 03011
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17 _____
Director of Property

18 _____
Controller

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20 _____
Director
21 Department of Child Support Services
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