

1 [Lease of Real Property at 1360 Mission St., Suite 401]

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3 **Resolution authorizing the Director of Property to exercise an Extension Option for a**
4 **three-year term for the lease of real property located at 1360 Misison Street, Suite**
5 **401, for the Department of Public Health retroactively to January 1, 2008.**

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7 WHEREAS, The City, on behalf of the Department of Public Health, entered into a
8 lease for an initial 5-year term with Mercy Commercial California and Mercy Housing, Inc.,
9 as Landlord, for the premises comprising 6,300 square feet located 1360 Mission Street,
10 Suite 401, which expired 12/31/07; and

11 WHEREAS, An additional 5-year option term was included in the lease agreement
12 subject to enactment of a resolution by the Board of Supervisors and Mayor, and

13 WHEREAS, The Real Estate Division at the request of the Department of Public
14 Health negotiated the reduction of the 5-year option term to three years at the fully serviced
15 fair market rent rates of \$12,285 for the 2008 calendar year retroactive to 1/1/08, \$12,776
16 for the 2009 calendar year and \$13,287 for the 2010 calendar year; now, therefore, be it

17 RESOLVED, That in accordance with the recommendation of the Director of the
18 Department of Public Health and the Director of Property, that the Director of Property is
19 hereby authorized to take all actions, on behalf of the City and County of San Francisco, as
20 Tenant, to exercise the Extension Option for a 3-year term commencing 1/1/08 and
21 terminating 12/31/10 and other related documents with the Landlord for the premises at
22 1360 Mission Street, San Francisco, Suite 401, on the terms and conditions herein, and, be
23 it

24 FURTHER RESOLVED, That the fully serviced monthly rent for the 3-year option
25 term shall be \$12,285 (or \$1.95 per square foot) for calendar year 2008 retroactive to

1 January 1, 2008, \$12,776 (or \$2.03 per square foot) for calendar year 2009, and \$13,287
2 (or \$2.11 per square foot) for calendar year 2010; and, be it

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

11 FURTHER RESOLVED, That any action taken by any City employee or official with
12 respect to the exercise of the option provision contained in the lease is hereby ratified and
13 affirmed.

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

21 FURTHER RESOLVED, That City shall occupy said premises for the 3-year option
22 term commencing January 1, 2008, and expiring on December 31, 2010, unless funds for
23 rental payments are not appropriated in any subsequent fiscal year, at which time City may
24 terminate this lease with written notice to Landlord, pursuant to Section 3.105 of the
25 Charter of the City and County of San Francisco.

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RECOMMENDED:

\$73,710 Available
Index No. HCHPDSTDSVGF, Subobject 3011
Index No. HCHPDHIVSVGR, Subobject 3011

Director of Property

Controller

Director,
Department of Public Health