

1 [Lease of Real Property]

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3 **Resolution authorizing extension and amendment of a lease of real property at**
4 **1145 Market Street for the Department of Human Resources.**

5

6 WHEREAS, The Department of Human Resources entered into a lease, which
7 commenced on February 14, 1997 and expires on December 31, 2001, for the entire
8 second floor and a portion of the seventh floor at 1145 Market Street for its Health Service
9 System and Workers' Compensation Division; and

10 WHEREAS, The Health Service System required additional space to house
11 increased staff in its claims division; and

12 WHEREAS, To provide additional space for the Health Service System the Workers'
13 Compensation Division moved to 30 Van Ness Avenue in August 2000 and vacated its
14 prior premises on portions of the second and seventh floors at 1145 Market Street; and

15 WHEREAS, The Health Service System occupied the vacated second floor
16 premises and the Municipal Transportation Agency occupied the vacated seventh floor
17 premises; and

18 WHEREAS, An amendment to lease ("First Amendment to Lease") was drafted,
19 which addresses the extension of the Health Service System lease, reduction of the
20 rentable area, determination of a new base rent and base year for expense pass throughs
21 and provides City with a right of termination after three years, was approved by Landlord;
22 now, therefore, be it

23 RESOLVED, In accordance with the recommendation of the Director, Department of
24 Human Resources and the Director of Property, that the Mayor and the Clerk of the Board
25 of Supervisors, on behalf of the City and County of San Francisco, as Tenant, be and they

1 are hereby authorized to execute a First Amendment to Lease substantially in the form on
2 file with the Clerk of the Board of Supervisors in File No. _____, with
3 the Sangiacomo Trust, as Landlord, for the entire second floor premises at 1145 Market
4 Street, San Francisco, comprising an approximate area of 13,576 rentable square feet for
5 the Department of Human Resources' Health Service System; and, be it

6 FURTHER RESOLVED, The First Amendment to Lease shall commence on
7 January 1, 2002 and expire on December 31, 2006, and, be it

8 FURTHER RESOLVED, That the base rent will be \$40,728 per month (\$3.00 per
9 square foot per month) with additional charges for City's percentage share of increases in
10 operating expenses and real estate taxes above the 2002 base year; and, be it

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

19 FURTHER RESOLVED, Said lease shall be in a form approved by the City Attorney
20 and with the exception of City exercising its right of termination, effective on or after
21 January 1, 2005, City shall occupy said premises for the entire lease term expiring on
22 December 31, 2006 unless funds for rental payments are not appropriated in any
23 subsequent fiscal year, at which time City may terminate this lease with written notice to
24 Landlord, pursuant to Section 3.105 of the Charter of the City and County of San Francisco;
25 and

1 FURTHER RESOLVED, That any action taken by any City employee or official with
2 respect to this lease is hereby ratified and affirmed.

3
4
5 RECOMMENDED:

\$244,368.00 Available
Appropriation No.
IGAGSAA 335020

6
7
8 _____
9 Director of Property

10 Controller

11 _____
12 Director
13 Department of Human Resources