

1 [Lease of Real Property - Choo Laguna, LLC - 258A Laguna Honda Boulevard - Initial
2 Monthly Rent \$3,500]

3 **Resolution retroactively authorizing the lease of real property for five years for**
4 **approximately 1,800 square feet of space at 258A Laguna Honda Boulevard, with Choo**
5 **Laguna, LLC, for use by the Office of the Public Defender at the initial monthly rent of**
6 **\$3,500 from estimated commencement date of July 1, 2014, through June 30, 2019.**

7

8 WHEREAS, The City and County of San Francisco (City) presently leases premises
9 located at 258A Laguna Honda Boulevard (Premises) on a month-to-month basis for use by
10 the Office of the Public Defender (OPD) in providing legal services for clients at the Juvenile
11 Justice Center; and

12 WHEREAS, The Real Estate Division, at the request of OPD, negotiated a lease
13 agreement for the Premises with the property owner, Choo Laguna LLC (Landlord), a copy of
14 which is on file with the Clerk of the Board of Supervisors in File No. 140701 (the Lease
15 Agreement); and

16 WHEREAS, The Lease Agreement will be for an initial term of approximately five years
17 (Initial Term), with one option for the City to extend the term for an additional five years
18 (Extended Term) on the same terms and conditions, except the base rent for the first year of
19 any Extended Term shall be adjusted to equal 95% of the prevailing market rate for space of
20 comparable size, quality, and location to the Premises, and Landlord will have the right to
21 terminate the Lease Agreement during the Extended Term on 365 days written notice if
22 certain conditions are met; and

23 WHEREAS, The Initial Term monthly base rent will be \$3,500 per month
24 (approximately \$23.28 per square foot per year or \$1.94 per square foot per month) for Year
25 1, \$3,605 per month (approximately \$24.00 per square foot per year or \$2.00 per square foot

1 per month) for Year 2, \$3,713.15 per month (approximately \$24.72 per square foot per year or
2 \$2.06 per square foot per month) for Year 3, \$3,824.54 per month (approximately \$25.44 per
3 square foot per year or \$2.12 per square foot per month) for Year 4, and \$3,939.28 per month
4 (approximately \$26.28 per square foot per year or \$2.19 per square foot per month) for Year
5 5, with Landlord providing janitorial services at City's cost, not to exceed \$625 per month,
6 subject to annual increases that are not to exceed 10% with supporting documentation of any
7 increase, and City directly paying providers for electricity, water, sewer, and trash pick-up
8 services to the Premises; and

9 WHEREAS, The Director of Property has determined that the proposed rental rate set
10 forth in the Lease Agreement is equal to or less than fair market rent for the Premises; now,
11 therefore, be it

12 RESOLVED, That, in accordance with the recommendation of the OPD and the
13 Director of Property, the Board of Supervisors hereby approves the Lease Agreement and the
14 Director of Property is hereby authorized to take all actions on behalf of the City and County of
15 San Francisco, as tenant, to execute the Lease Agreement on the terms and conditions set
16 forth herein; and, be it

17 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
18 with respect to such Lease Agreement are hereby approved, confirmed, and ratified; and, be it

19 FURTHER RESOLVED, That within 30 days of the Lease being fully executed by all
20 parties the Director of Property shall provide the Lease to the Clerk of the Board for inclusion
21 in the official file; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
23 Property to enter into any amendments or modifications to the Lease Agreement (including,
24 without limitation, the exhibits) that the Director of Property determines, in consultation with
25 the City Attorney, are in the best interest of the City, do not increase the rent or otherwise

1 materially increase the obligations or liabilities of the City, are necessary or advisable to
2 effectuate the purposes of the Lease Agreement or this resolution, and are in compliance with
3 all applicable laws, including the City Charter; and, be it

4 FURTHER RESOLVED, That the City shall have the right to lease the Premises as
5 described in the Lease Agreement for the Initial Term, subject to the appropriation of sufficient
6 funds to pay for City's lease obligations by the Board of Supervisors and Mayor in their sole
7 and absolute discretion, and if such funds are not appropriated in any subsequent fiscal year,
8 City may terminate Lease Agreement at no cost with written notice to Landlord.

9

10 RENT

11 \$42,000 Available

12 Fund Type: 1G

13 Fund: AGF

14 Subfund: AAA

15 Index code: 055002

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Controller
Subject to the enactment of the Annual Appropriation
Ordinance for FY 2014/2015

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RECOMMENDED:

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Office of the Public Defender

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Director of Property