

1 [Real Property Lease - BC Capp, LLC - 165 Capp Street - \$240,500 Annual Base Rent]

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3 **Resolution authorizing the lease of approximately 6,500 square feet at 165 Capp Street**
4 **with BC Capp, LLC, a California limited liability company, for a five year term**
5 **commencing upon approval by the Board of Supervisors and the Mayor, with two**
6 **options to extend for five years, at the monthly base rent of \$20,041.67 for a total**
7 **annual base rent of \$240,500.**

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9 WHEREAS, The Human Services Agency (the "HSA") currently operates a
10 neighborhood homeless drop-in and referral center with administrative offices at 165 Capp
11 Street providing valuable services to the community since 2000; and

12 WHEREAS, The Real Estate Division on behalf of the HSA has negotiated a new lease
13 substantially the form on file with the Clerk of the Board of Supervisors in File No. 160409,
14 which is hereby declared to be a part of this resolution as if set forth fully herein (the "Lease")
15 to continue the HSA services at the site comprising approximately 6,500 square feet; and

16 WHEREAS, The term of the Lease shall be for five (5) years commencing upon
17 approval by the Board of Supervisors and Mayor; and

18 WHEREAS, The City shall have two (2) additional five (5) year option terms to extend
19 the Lease at 95% of the then prevailing fair market rent, subject to the enactment of a
20 resolution by the Board of Supervisors and the Mayor, in their respective sole and absolute
21 discretion, approving and authorizing the same; and

22 WHEREAS, The base monthly rent of \$20,041.67 is subject to annual adjustments of
23 three (3%) percent; and

24 WHEREAS, The City shall continue to pay for its janitorial, pest, debris, and utility costs
25 in addition to operating expenses estimated to be \$2,500 per year; now, therefore, be it

1 RESOLVED, That in accordance with the recommendation of the Director of the
2 Human Services Agency and the Director of Property, the Director of Property is hereby
3 authorized to take all actions, on behalf of the City and County of San Francisco as Tenant to
4 enter into the Lease; and, be it

5 FURTHER RESOLVED, The monthly base rent for the initial five year term shall be
6 \$20,041.67 (approximately \$3.08 per square foot), subject to annual adjustments of three
7 (3%) percent, exclusive of utilities, janitorial, pest and debris services and additional operating
8 expenses estimated to be \$2,500 per year; and, be it

9 FURTHER RESOLVED, The City shall have two (2) additional option terms of five (5)
10 years each at 95% of the then prevailing fair market rent subject to the enactment of a
11 resolution by the Board of Supervisors and the Mayor, in their respective sole and absolute
12 discretion, approving and authorizing the same; and, be it

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

21 FURTHER RESOLVED, That any action heretofore taken by any City employee or
22 official with respect to the exercise of the lease as set forth herein is hereby approved,
23 confirmed and ratified; and, be it

24 FURTHER RESOLVED, The Board of Supervisors approves the lease in substantially
25 the form in the Board's File and authorizes the Director of Property to take all actions, on

1 behalf of City, to enter into any amendments or modifications (including without limitation, the
2 exhibits) to the lease on the terms and conditions herein and form approved by the City
3 Attorney that the Director of Property determines, in consultation with the City Attorney, are in
4 the best interest of the City, do not increase the rent or otherwise materially increase the
5 obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of
6 the lease and are in compliance with all applicable laws, including City's Charter; and, be it

7 FURTHER RESOLVED, The City shall occupy the entire Premises for the full term of
8 the lease unless funds for the City's rental payments are not appropriated in any subsequent
9 fiscal year at which time City may terminate the lease with reasonable advance written notice
10 to Landlord. Such termination shall then be effective upon surrender of the Premises. Said
11 lease shall be subject to certification of funds by the Controller pursuant to Section 3.105 of
12 the Charter of the City and County of San Francisco; and, be it

13 FURTHER RESOLVED, That within thirty (30) days of the lease agreement being fully
14 executed by all parties the Director of Property shall provide a copy of the Lease agreement to
15 the Clerk of the Board to include into the official file.

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1 RECOMMENDED:

2 \$60,125.01 Available
3 Index Code No. 45HLOH

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5 _____
6 Controller
7 Fiscal Year 2015-2016

8 RECOMMENDED:

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11 Trent Rhorer, Executive Director
12 Human Services Agency

13 RECOMMENDED:

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16 John Updike
17 Director of Property
18 Real Estate Division

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