

[Real Property Lease Expansion – Mattison Family Trust – 555 Polk Street]

**Resolution 1) approving the exercise of a lease expansion of approximately 9,000 square feet at 555 Polk Street with the Mattison Family Trust at a base rent of \$16,100 per month, for use by the Department of Public Health as a Community Justice Center, and 2) authorizing other actions in furtherance of this Resolution.**

WHEREAS, Since 1991, the City has leased approximately 9,000 square feet of ground floor space at 575 Polk Street for additional Superior Court court rooms and administrative offices (575 Polk Street Court Facility) under a lease dated as of December 3, 1990 (575 Polk Street Lease) and,

WHEREAS, By companion legislation, the Board is considering the renewal of the 575 Polk Street Lease through July 31, 2021; and,

WHEREAS, The City subleased approximately 9,000 square feet of second floor space with an entrance off Polk Street which is commonly known as 555 Polk Street from the California Culinary Academy, LLC (the 555 Polk Street Facility) under the jurisdiction of the Department of Public Health (DPH) for use as a Community Justice Center working with the Superior Court functions already located on the ground floor under a sublease dated as of March 13, 2008 (555 Polk Street Sublease) pursuant to Board of Supervisors Resolution 348-08; and,

WHEREAS, The Community Justice Center at the 555 Polk Street Facility works in conjunction with the Superior Court functions at the 575 Polk Street Facility to provide essential public services; and

WHEREAS, The 555 Polk Street Sublease expires March 15, 2013 and there are no further options to extend the sublease; and,

1           WHEREAS, The Real Estate Division has negotiated an option to add the 555 Polk  
2 Street facility to the proposed 575 Polk Street Lease, which would make the lease expirations  
3 for the two functions co-terminus.

4           WHEREAS, The proposed expansion option retains the current rental of \$16,100.00  
5 (approximately \$1.79 per square foot) per month without increase for the next eight years,  
6 four months (from March 31, 2013 through July 31, 2021) on the terms and conditions set  
7 forth in the form of the lease (the "New 575 Polk Lease") on file with the Clerk of the Board of  
8 Supervisors in File No. 120040, which is incorporated herein by reference; and,,

9           WHEREAS, The exercise of the option to add the 555 Polk Street facility to the 575  
10 Polk Street Lease is subject to Board approval, therefore, be it

11           RESOLVED, That the Director of Property is hereby authorized to exercise the option  
12 to expand the New 575 Polk Street Lease subject to Board ratification no later than March 1,  
13 2013, to include the Premises known as 555 Polk Street and enter into any amendments or  
14 modifications to such Lease (including without limitation, the exhibits), that the Director of  
15 Property determines, in consultation with the City Attorney, are in the best interest of the City,  
16 do not materially increase the rent or other obligations or liabilities of the City or materially  
17 reduce the benefits to City, are necessary or advisable to effectuate the purposes of the  
18 Lease, and this Resolution, and are in compliance with all applicable laws, including City's  
19 Charter; and, be it

20           FURTHER RESOLVED, That all actions heretofore taken by the officers of the City  
21 with respect to the New Lease, the Sublease and the Transfer Agreement Amendment are  
22 hereby approved, confirmed and ratified; and, be it

23           FURTHER RESOLVED, That the Director of Property shall provide to the Board, no  
24 later than February 1, 2013, a report indicating all potential alternative uses of the Premises;  
25 and be it

1 FURTHER RESOLVED, That the expansion of the Lease shall be subject to  
2 certification as to funds by the Controller, pursuant to Section 3.105 of the Charter.

3 Available: \$48,300.00  
4 (Base Rent for April 1, 2013  
5 to June 30, 2013)

6  
7 \_\_\_\_\_  
8 Controller  
9 Subject to enactment of an Annual  
10 Appropriation Ordinance for Fiscal Year  
11 2012/2013

12 RECOMMENDED:

13 \_\_\_\_\_  
14 Director  
15 Department of Public Health

16 \_\_\_\_\_  
17 Acting Director of Property  
18 Real Estate Division