

1 [Lease of Real Property]

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3 **Resolution authorizing the renewal and expansion of a lease of 79,950 sq. ft. of space**
4 **at 1380 Howard Street for the Department of Public Health.**

5 WHEREAS, The City has occupied 1380 Howard Street since October 1988 for the
6 Community Behavioral Health Services Division of the Department of Public Health; and,

7 WHEREAS, The Department of Parking and Traffic is moving to One South Van Ness
8 Avenue shortly after it's ground floor lease at 1380 Howard Street expires on June 30,2006;
9 and,

10 BE IT RESOLVED, That in accordance with the recommendation of the Director of the
11 Department of Public Health and the Director of Property, the Director of Property is hereby
12 authorized to take all actions, on behalf of the City and County of San Francisco, as Tenant,
13 to execute a written Lease Amendment (a copy of which is on file with the Clerk of the Board,
14 the "Lease Amendment") and other related documents with the Cort Family Trust ("Landlord"),
15 for the building commonly known as 1380 Howard Street, San Francisco, California, which
16 comprises an area of approximately 79,950 square feet on the terms and conditions herein
17 and on a form approved by the City Attorney; and, be it

18 FURTHER RESOLVED, That the lease for 70,300 square feet on a portion of the
19 ground floor and floors two through five shall commence on the mutual execution and
20 exchange of the Lease Amendment or July 1, 2006, whichever occurs later. The additional
21 premises of 9,650 square feet on the ground floor shall commence upon substantial
22 completion of improvements therein. The lease for the entire area (79,950 square feet) shall
23 terminate on December 31, 2012; and, be it

24 FURTHER RESOLVED, That the City shall also have the option to terminate the lease
25 after December 31, 2011 with one hundred and eighty (180) days advance written notice; and,

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1 be it

2 FURTHER RESOLVED, That the monthly base rent shall be \$116,593.75 upon
3 occupancy of the additional 9,650 square feet (\$17.50 per square foot per year). The base
4 rent shall be flat for the six year term. City shall continue to pay for its utilities, janitorial, water
5 and sewer, security guards, refuse and recycling; and, be it

6 FURTHER RESOLVED, That the City shall have two (2) options to renew for five (5)
7 years each. In each case, the rent for the option period shall be based on 95% of the then fair
8 market value. Exercise of said options shall require approval by the Board of Supervisors;
9 and, be it

10 FURTHER RESOLVED, That the lease shall include a clause approved by the City
11 Attorney, indemnifying and holding harmless the Landlord, from and agreeing to defend the
12 Landlord against any and all claims, costs and expenses, including, without limitation,
13 reasonable attorney's fees, incurred as a result of City's use of the premises, any default by
14 the City in the performance of any of its obligations under the lease, or any acts or omissions
15 of City or its agents, in, on or about the premises or the property on which the premises are
16 located, excluding those claims, costs and expenses incurred as a result of the active gross
17 negligence or willful misconduct of Landlord or its agents; and, be it

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

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

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1 purposes of the Lease or this resolution, and are in compliance with all applicable laws,
2 including City's Charter; and, be it

3 FURTHER RESOLVED, That the City shall occupy the entire Premises for the full term
4 of the lease unless funds for the Department of Public Health rental payments are not
5 appropriated in any subsequent fiscal year at which time City may terminate the lease with
6 reasonable advance written notice to Landlord. Said Lease shall be subject to certification as
7 to funds by the Controller, pursuant to Section 3.105 of the Charter.

8 \$1,399,125 Available
9 Index No. HMHMCC730515
10 Sub Object 03000

11 _____
12 Controller

13 RECOMMENDED:

14 _____
15 Department of Public Health

16 _____
17 Director of Property
18 Real Estate Division

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Real Estate Division

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