

1 [Lease of Real Property at 25 Van Ness, Lower Level, to New Conservatory Theatre Center]

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3 **Resolution authorizing the lease of approximately 12,792 rentable square feet of space**
4 **to New Conservatory Theatre Center, a California non-profit corporation, in the lower**
5 **level of 25 Van Ness, San Francisco.**

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7 WHEREAS, 25 Van Ness, Block 0834, Lot 004, City and County of San Francisco, is a
8 building owned and operated by the City and County of San Francisco (“City”); and,

9 WHEREAS, The lower level of 25 Van Ness contains space that is designed for a
10 theatrical use and is ADA-compliant; and,

11 WHEREAS, The New Conservatory Theatre Center, a California non-profit corporation
12 (“NCTC” or “Tenant”), has been providing quality live entertainment from the lower level of 25
13 Van Ness since 1984, and City desires to have the NCTC continue its operations in that
14 location; and,

15 WHEREAS, The Real Estate Division has completed negotiations with the NCTC for a
16 new five year lease within the lower level of 25 Van Ness at a fair market rental rate with
17 consideration for occasional water intrusion issues resulting from the proximity to Hayes
18 Creek; now, therefore, be it

19 RESOLVED, That in accordance with the recommendation of the Director of Property,
20 the Director of Property is hereby authorized to take all actions, on behalf of the City, as
21 Landlord, to execute a lease with the NCTC, as Tenant, for the lower level of 25 Van Ness,
22 San Francisco, California (the “Lease”), substantially in the form on file with the Clerk of the
23 Board of Supervisors in File No. 081273; and, be it

24 FURTHER RESOLVED, That the initial term of the Lease shall be five years with a
25 termination date of September 30, 2013; and, be it

1 FURTHER RESOLVED, That the monthly base rent shall be \$7,036.00 upon
2 commencement, full service, and such rent shall remain the same through the initial term of
3 the Lease; and, be it

4 FURTHER RESOLVED, That the Lease shall contain two 5-year options for renewal by
5 Tenant at a rental rate to be adjusted at the beginning of each extension term in accordance
6 with the increase in the Consumer Price Index, subject to a minimum increase of 3% per year
7 and a maximum increase of 8% per year, as more particularly described in the Lease; and, be
8 it

9 FURTHER RESOLVED, That the Lease shall contain contingencies regarding any
10 intrusions of water into the space (resulting from acts of nature) which shall limit the financial
11 liability of the City and the NCTC in a mutually satisfactory manner and clearly set forth the
12 responsibilities and obligations of the City and the NCTC in protecting the quality of the lower
13 level space at 25 Van Ness while in occupancy; and, be it

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

22 FURTHER RESOLVED, That all actions heretofore taken by any employee or official of
23 the City with respect to this Lease are hereby approved, confirmed and ratified; and, be it

24 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
25 Property to enter into any amendments or modifications to the Lease that the Director of

1 Property determines, in consultation with the City Attorney, are in the best interest of the City,
2 do not materially reduce the rent or otherwise materially increase the obligations or liabilities
3 of the City, are necessary or advisable to effectuate the purposes of the Lease and are in
4 compliance with all applicable laws, including City's Charter.

5 RECOMMENDED:
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9 Amy L. Brown
10 Director of Property
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