



Amy L. Brown
Director of Real Estate



March 10, 2010

**Department of Children, Youth
and their Families
Renewal of Lease of Real Property
1390 Market Street
Assignment #6439**

Through Edwin Lee,
City Administrator

Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Board Members:

Attached for consideration is a Resolution authorizing the renewal of a lease at 1390 Market Street, for use by the Department of Children, Youth and their Families (DCYF).

According to the Department of Children, Youth & their Families, DCYF works with a variety of partners to provide various children and youth services. Each year, the department provides funding to community-based organizations, City departments, and the San Francisco Unified School District to provide direct services in the areas of early child care and education, family support, health and wellness, out-of-school time, violence prevention and intervention, youth empowerment, and youth workforce development. In addition to partnership coordination and funding, DCYF also provides citywide leadership, information and analysis, policy development, and programmatic coordination in support of children, youth, and families living in San Francisco.

DCYF has leased space at Fox Plaza (1390 Market St) for the past 15 years. The existing Lease expires on November 30, 2010. DCYF leases approximately 9,397 sq ft.

The proposed renewal term is for five (5) years, commencing upon December 1, 2010 and will expire on November 30, 2015. The Base Rent for the proposed renewal averages \$26.50 per square foot annually, fully serviced for the length of the Lease. The proposed

renewal rents are as follows:

		<u>Monthly Rent</u>	<u>PSF</u>
Dec.1, 2010- Nov. 30, 2011	(Yr 1)	\$19,185.54	(Approx. \$24.50 PSF)
Dec.1, 2011- Nov. 30, 2012	(Yr 2)	\$19,968.63	(Approx. \$25.50 PSF)
Dec.1, 2012- Nov. 30, 2013	(Yr 3)	\$20,751.71	(Approx. \$26.50 PSF)
Dec.1, 2013- Nov. 30, 2014	(Yr 4)	\$21,534.79	(Approx. \$27.50 PSF)
Dec.1, 2014- Nov. 30, 2015	(Yr 5)	\$22,317.88	(Approx. \$28.50 PSF)

The proposed renewal does not include the typical annual pass through of increases in operating expenses.

The City is currently paying base rent at \$20,321.02 per month (or approximately \$25.95 per square foot annually). Thus, the proposed renewal will provide DCYF a small rent reduction of approximately \$7,948.36 in Fiscal 2010/2011 over its rent in Fiscal 2009/2010 (\$1,135.48 per month for 7 months),

DCYF reports that the funding source for 1390 Market Street rent is the Children's Fund which pursuant to Prop D (the Children's Amendment which became effective July1, 2001) is dedicated revenue from property tax collections.

We recommend approval of the proposed lease renewal. If you have any questions regarding this matter, please contact Charlie Dunn of our office at 554-9861.

Very Truly Yours,

Amy Brown
Director of Property

cc. Maria Su, Director, DCYF
Taras Madison, DCYF