

1 [Lease of Real Property]
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3 **Resolution authorizing a new lease of real property at 2712 Mission Street on behalf of**
4 **the Department of Public Health, Community Mental Health Services.**
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6 RESOLVED, That in accordance with the recommendation of the Director of the
7 Department of Public Health, the Director of Property on behalf of the City and County of San
8 Francisco, as Tenant, is hereby authorized to execute a written lease substantially in the form
9 on file with the Clerk of the Board of Supervisors in File No. _____

10 with 2712 Mission Partners, L. P., as Landlord, for the entire premises located at 2712
11 Mission Street, San Francisco, California, comprising a total area of approximately 32,000
12 rentable square feet and otherwise on the terms and conditions contained herein; and, be it

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14 FURTHER RESOLVED, That the term of this lease shall begin on upon substantial
15 completion of the improvements (Expected to be October 1, 2001), expiring on September
16 30, 2011 (Approximately ten years) and containing three options, each to extend for an
17 additional five year term at ninety five percent of the then fair market value; and, be it

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19 FURTHER RESOLVED, That the base rent will be \$90,933.33 per month (\$2.84 per
20 square foot per month) for the first twenty four months with adjustments scheduled on
21 October 1 of the projected second, fourth, sixth and eighth years of the term. The adjustment
22 will reflect any percentage increase of the Consumer Price Index for All Urban Consumers for
23 the San Francisco-Oakland-San Jose area, published by The United States Department of
24 Labor, Bureau of Statistics, for the preceding two-year period. In no event will any increase
25 be more than 10 percent of the base rent in effect at the time of the adjustment; and, be it

(REAL ESTATE)
BOARD OF SUPERVISORS

1 FURTHER RESOLVED, City shall be responsible for the property operating costs
2 including utilities, janitorial services and products, security and alarm services, disposal
3 services, maintenance and repair of the premises; and, be it

4 FURTHER RESOLVED, That the City has an Option to Purchase the Property at
5 \$12,500,000 by exercising its Option prior to January 1, 2004. The exercise of the Option to
6 Purchase shall be subject to authorizing Legislation by the Board of Supervisors and the
7 Mayor; and, be it

8 FURTHER RESOLVED, That the Lease shall include a clause (substantially in the
9 form on file with the Clerk of the Board of Supervisors and approved by the Director of
10 Property and the City Attorney) indemnifying and holding harmless the Landlord from, and
11 agreeing to defend the Landlord against, any and all claims, costs and losses, including
12 without limitation, reasonable attorneys' fees, incurred as a result of City's use of the
13 premises, any default by the City in the performance of any of its obligations under the Lease,
14 or any acts or omissions of City, its agents or its invitees in, on or about the premises or the
15 property on which the premises are located; and, be it

16 FURTHER RESOLVED, That the Director of Property be authorized to enter into any
17 additions, amendments or other modifications to the Lease (including, without limitation, the
18 exhibits) that the Director of Property determines, in consultation with the Department of
19 Public Health and the City Attorney, are in the best interests of the City, do not materially
20 increase the obligations or liabilities of the City, and are necessary or advisable to complete
21 the transaction contemplated herein and effectuate the purpose and intent of this resolution,
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1 such determination to be conclusively evidenced by the execution and delivery by the Director
2 of Property any amendments thereto; and, be it

3 FURTHER RESOLVED, That the City shall occupy the Premises for the entire term of
4 the lease unless funds for the Community Mental Health Services rental payments are not
5 appropriated in any subsequent fiscal year at which time City may terminate the lease with
6 advance written notice to Landlord, pursuant t Section 6.302 of the Charter; and, be it

7 FURTHER RESOLVED, That any action taken by any City employee or official with
8 respect to the Lease is hereby ratified and affirmed.
9

10 RECOMMENDED:

11 \$1,063,200.00 Available 2001-2002 Fiscal
12 Year

13 _____
14 Director of Property

HMHMCC 730515
Appropriation Number - DPH

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16 _____
17 Controller

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19 Director, Department of Public Health
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