

1 [Lease of Real Property]

2 **Resolution authorizing the exercise of an option to extend an approximate 68,783**
3 **square foot lease at 1390 Market Street for use by the City Attorney.**
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5 WHEREAS, The City Attorney has occupied space at 1390 Market Street since the
6 1980's; and

7 WHEREAS, The current lease of 62,814 square feet for the City Attorney expires
8 December 31, 2007; and

9 WHEREAS, The building at 1390 Market St. provides good proximity to the City
10 Attorney's office at City Hall and to other City Departments; and

11 WHEREAS, Over the past seven years, enterprise departments, have requested more
12 assistance from the City Attorney and leasing an additional 5,969 square feet will allow for
13 appropriate areas for case management, attorney offices, meeting and deposition space for
14 such work; and

15 WHEREAS, Relocating leased facilities to other leased facilities is costly and
16 disruptive; and

17 WHEREAS, The Director of Property believes the proposed renewal transaction
18 represents Fair Market Rent; and

19 WHEREAS, A portion of those leased facilities are used by Marin Day School for use
20 as Infant Care facilities which provide valuable services to the City; and, now, therefore, be it

21 **RESOLVED**, That in accordance with the recommendation of the City Attorney and the
22 Director of Property, the Director of Property is hereby authorized to take all actions, on behalf
23 of the City and County of San Francisco, as Tenant, to execute an amendment (copy of which
24 is on file with the Clerk of the Board, the "Amendment") and other related documents with API
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1 Fox Plaza, LLC ("Landlord") or its successors in interest, for approximately 68,783 square feet
2 in the building commonly known as 1390 Market Street, San Francisco, California, on the
3 terms and conditions herein and on a form approved by the City Attorney; and, be it

4 FURTHER RESOLVED, That the lease renewal shall commence upon January 1, 2008
5 for the existing premises and substantial completion of the improvement for the 5,969 of
6 expansion space and terminate on December 31, 2012. The monthly base rent for the
7 extended term shall be \$172,952.33 (or approximately \$30.17 per square foot per year) and
8 except as provided below, shall remain flat for the five year term; and, be it

9 FURTHER RESOLVED, That the City shall pay for typical tenant expenses including
10 for its prorata share of operating expenses over a 2008 Base Year and for other typical tenant
11 expenses; and, be it

12 FURTHER RESOLVED, That the City shall continue to use a portion of the Premises
13 for provision of childcare services by Marin Day School, a California non profit corporation for
14 \$1 per year; and, be it

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

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

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1 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
2 Property to enter into any amendments or modifications to the Lease (including without
3 limitation, the exhibits) that the Director of Property determines, in consultation with the City
4 Attorney, are in the best interest of the City, do not increase the rent or otherwise materially
5 increase the obligations or liabilities of the City, are necessary or advisable to effectuate the
6 purposes of the Lease or this resolution, and are in compliance with all applicable laws,
7 including City's Charter; and, be it

8 FURTHER RESOLVED, That the City shall occupy the entire Premises for the full term
9 of the lease unless funds for the City Attorney's rental payments are not appropriated in any
10 subsequent fiscal year at which time City may terminate the lease with reasonable advance
11 written notice to Landlord. Such termination shall then be effective upon surrender of the
12 Premises. In the event of termination for non-appropriation, City agrees that it will not
13 appropriate funds for the purpose of renting similar premises in a non-City building to conduct
14 City Attorney operations for at least a year from such Termination Date. Said Lease shall be
15 subject to certification as to funds by the Controller, pursuant to Section 3.105 of the Charter.

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17 \$1,037,713.98 Available
(Rent 1/1/08 to 6/30/08)

18 Index No. 1G-AGF-AAA-CAT-CATO1-FC2
19 035004

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21 _____
22 Controller
23 Subject to the enactment of the 2007/2008
24 Annual Appropriation Ordinance

25 RECOMMENDED:

City Attorney

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Director of Property
Real Estate Division