

1 [Real Property Lease Renewal - 755 and 759 South Van Ness Avenue - \$2,333,248]

2 **Resolution authorizing the renewal lease of approximately 13,545 square feet of**
3 **space at 755 and 759 South Van Ness Avenue, with AIM TWO, as Landlord, for use**
4 **by the Department of Public Health at the monthly cost of \$38,738.70 for a five year**
5 **term for an approximate total of \$2,333,248 to commence following Board approval,**
6 **including an additional 3,675 square feet parking area at no further cost.**
7

8 WHEREAS, The Department of Public Health has occupied the 13,545 square foot
9 Premises at 755 and 759 South Van Ness Ave. and adjacent 3,675 square foot parking lot
10 since 2001, and currently operates its Community Behavior Health Services programs at
11 the site; and

12 WHEREAS, The Real Estate Division at the request of the Department of Public
13 Health negotiated the renewal of the lease at 755 and 759 South Van Ness Ave. for an
14 initial 5-year term commencing upon the City's Mayor and Board of Supervisors approval
15 of the transaction contemplated by the lease, in their respective sole and absolute
16 discretion, with one additional 4-year option term at 95% of the prevailing market rent
17 subject to enactment of a resolution by the Board of Supervisors and the Mayor, in their
18 respective sole and absolute discretion, approving and authorizing the same, within sixty
19 (60) days after the date such notice of exercise is given; and

20 WHEREAS, The fair market rent for the initial term shall be \$38,738.70 (\$2.86 per
21 square foot) including janitorial services and the adjoining 3,675 square foot parking area at
22 no additional charge subject to annual CPI adjustments of no less than 3% and no more
23 than 5%; now, therefore, be it
24
25

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

9 FURTHER RESOLVED, That the initial fair market monthly rent for the 5-year term
10 shall be \$38,738.70 (\$2.86 per square foot) subject to annual CPI adjustments of no less
11 than 3% and no more than 5%; and, be it

12 FURTHER RESOLVED, That the City agrees to indemnify, defend, and hold
13 harmless Landlord and its agents from and against any and all claims, costs, and
14 expenses, including, without limitation, reasonable attorneys fees, incurred as a result of (a)
15 City's use of the Premises, (b) any default by City in the performance of any of its
16 obligations under the lease, or (c) any negligent acts or omissions of City or its agents, in,
17 on, or about the Premises or the property, provided, however, City shall not be obligated to
18 indemnify Landlord or its agents to the extent any claim arises out of the negligence of
19 willful misconduct of Landlord or its agents; and, be it

20 FURTHER RESOLVED, That any action taken by any City employee or official with
21 respect to the exercise of the lease as set forth herein is hereby ratified and affirmed; and,
22 be it

23 FURTHER RESOLVED, That City shall occupy the Premises as described in the
24 lease for an initial 5-year term with one additional 4-year option term at 95% of the
25 prevailing market rent, upon approval by the Board of Supervisors and Mayor, in their

1 respective sole and absolute discretion, unless funds for rental payments are not
2 appropriated in any subsequent fiscal year, at which time City may terminate the lease with
3 written notice to Landlord pursuant to Section 3.105 of the Charter of the City and County
4 of San Francisco.

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

\$391,179.60 Available
Index Code: HMHMCB731943

Controller

RECOMMENDED:

Director of Property

Director,
Department of Public Health