

1 [Office Lease - 796 Brannan Street, LLC - 796 Brannan Street, Second Floor - \$40,675.96
2 Initial Annual Base Rent with 3% Annual Increases]

3 **Resolution approving and authorizing the Director of Property, on behalf of the**
4 **Department of Public Health, to execute an Office Lease for the continued use of office**
5 **space located at 796 Brannan Street, floor 2 with 796 Brannan Street, LLC, as Landlord,**
6 **effective upon approval of this Resolution by the Board of Supervisors and the Mayor**
7 **and upon execution of the Office Lease by the Director of Property, with an estimated**
8 **commencement date of July 1, 2026, through June 30, 2031, with two five-year**
9 **extension options, the initial term starting at a monthly base rent of \$3,389.66, for a**
10 **total annual base rent of \$40,675.96 with annual 3% increases; and authorizing the**
11 **Director of Property to take other actions with respect to the Office Lease, including**
12 **entering into amendments or modifications and exercising the extension options, or**
13 **taking other actions with respect to the Office Lease that the Director of Property**
14 **deems to be in the best interest of the City, and do not materially increase the**
15 **obligations or liabilities of the City, do not materially decrease the benefits of the City,**
16 **are necessary or advisable to effectuate the purposes of the Office Lease or this**
17 **Resolution, and are in compliance with all applicable laws, including the City’s Charter.**

18
19 WHEREAS, The Department of Public Health (“DPH, through Jail Health Services,
20 operates an office site on the second floor of 796 Brannan Street (the “Office”) to provide
21 office and administrative space for medical and clinical staff in support of the delivery of
22 medical and behavioral health care services to individuals housed in the jails of the City and
23 County of San Francisco (“City”), including services associated with inmate intake and
24 release; and

25

1 WHEREAS, The City originally entered into a month-to-month lease commencing July
2 1, 1991, with a predecessor-in-interest to 796 Brannan Street, LLC (“Landlord”), the current
3 owner of the Office; and

4 WHEREAS, The City’s Real Estate Division, in consultation with DPH and the Office of
5 the City Attorney, negotiated a new Office Lease Agreement (“Office Lease”) with the
6 Landlord for the Office; and

7 WHEREAS, The Office Lease proposes (i) an initial five-year term with two options to
8 extend the term for five years each, the initial term starting at a monthly base rent of
9 \$3,389.66, for a total annual base rent of \$40,675.96 (or \$41.17 per square foot), increasing
10 annually at 3%; (ii) with all utilities included except for trash pick-up for which the City shall
11 pay an additional \$200 monthly without any annual increase; and (iii) the right to use two
12 parking stalls on the property’s parking facilities, in common with other tenants, at all times. A
13 copy of the proposed Office Lease is on file with the Clerk of the Board in File No.
14 _____; and

15 WHEREAS, In accordance with Section 23.27 of the San Francisco Administrative
16 Code, an appraisal is not required because the annual base rent is less than \$45 per square
17 foot, and the Director of Property has determined the base rent is at or below fair market
18 value; now, therefore, be it

19 RESOLVED, That, in accordance with the recommendation of the Director of the DPH,
20 and the Director of Property, the Board of Supervisors hereby approves the Office Lease and
21 the Director of Property is hereby authorized to take all actions on behalf of the City, as
22 tenant, to execute the Office Lease on the terms and conditions set forth herein, to enter into
23 any additions, amendments or other modifications (including without limitation, the exhibits) to
24 the Lease that the Director of Property determines, in consultation with the Director of DPH,
25 are in the best interests of the City, do not materially increase the obligations or liabilities of

1 the City, do not materially decrease the benefits to the City and are necessary or advisable to
2 effectuate the purposes of the Office Lease or this Resolution, and are in compliance with all
3 applicable laws, including City's Charter; and, be it

4 FURTHER RESOLVED, That the Office Lease contains language indemnifying and
5 holding harmless the Landlord from, and agreeing to defend the Landlord against any and all
6 claims, losses, damages, costs and expenses, including reasonable attorney's fees
7 (collectively, "Claims"), incurred as a result of the City's use of the Office, or any negligent
8 acts or omissions of the City or its agents, employees, officers, and contractors (collectively,
9 "Agents") in, on, or about the Office or the property; except those Claims arising out of the
10 negligence or willful misconduct of Landlord or its Agents; and, be it

11 FURTHER RESOLVED, That within 30 days of the Office Lease being fully executed
12 by all parties, the Director of Property shall provide the fully executed copy to the Clerk of the
13 Board for inclusion into the official file and, be it

14 FURTHER RESOLVED, That the City shall have the right to lease the Office as
15 described in the Office Lease, subject to the appropriation of sufficient funds to pay for the
16 City's lease obligations by the Board of Supervisors and Mayor in their sole and absolute
17 discretion, and if such funds are not appropriated in any subsequent fiscal year, the City may
18 terminate the Office Lease at no cost with written notice to Landlord.

19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

RECOMMENDED:

/s/ _____
Jenny Louie
Chief Operating Officer for
Department of Public Health

RECOMMENDED:

_____/s/ _____
Sarah R. Oerth
Director of Property
Real Estate Division