

1 [Real Property Lease Renewal - 1145 Market LP - 1145 Market Street - San Francisco Law  
2 Library - \$1,180,000 Initial Annual Base Rent]

3 **Resolution authorizing the exercise of an option to extend the term of a Lease for**  
4 **approximately 20,000 square feet consisting of a portion of the second floor and entire**  
5 **fourth floor at 1145 Market Street, for the San Francisco Law Library, with 1145 Market**  
6 **Street LP, a California limited partnership, for five years, subject to City's right to**  
7 **terminate, for the period of July 1, 2018 to June 30, 2023, at a monthly base rent of**  
8 **\$98,333.33 for a total annual base rent of 1,180,000 in the initial year with 3% annual**  
9 **increases.**

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11 WHEREAS, The 1870 Act of California requires all Counties to provide a Law Library  
12 for public use; and

13 WHEREAS, The 1870 Act established the Law Library as a legal entity, separate from  
14 the City and County, and requires the Board of Supervisors to appropriate General Fund  
15 monies for "fuel, lights and stationary and all necessary conveniences and care, rooms  
16 convenient and accessible to the Courts, sufficient for the use and accommodation of said law  
17 library and those who have occasion for its use;" and

18 WHEREAS, Charter, Section 8.103 is consistent with the 1870 Act and states that the  
19 City must provide "suitable" and "sufficient" accommodations for the Law Library as well as  
20 free access to the legal community and the general public; and

21 WHEREAS, The Charter also requires the City to pay for the salaries of three positions  
22 in the Law Library budget including a Librarian, Assistant Librarian, and 3) Bookbinder; and,

23 WHEREAS, The San Francisco Law Library currently occupies space at 1145 Market  
24 Street under a lease authorized by Resolution No. 196-13; and

25 WHEREAS, The current lease expires on June 30, 2018; and

1           WHEREAS, Under the existing lease, the City has an option to extend the term for an  
2 additional five years at 95% of fair market rent; and,

3           WHEREAS, Pursuant to the terms of such option, the Real Estate Division and the  
4 Landlord have negotiated such 95% of fair market rental, considering all factors; and

5           WHEREAS, The proposed annual rent of \$1,180,000 (approximately \$59.00 per  
6 square foot) was determined to be at or less than 95% of fair market rent by an independent  
7 MAI appraisal as required by Administrative Code, Chapter 23; and

8           WHEREAS, That the Law Library shall commit to execute a plan to relocate as many of  
9 the acceptable materials from Brooks Hall as can be accommodated in the remaining unused  
10 shelving on the 2<sup>nd</sup> floor of 1145 Market Street, and shall commence the plan by no later than  
11 February 1, 2018, and complete the plan by no later than December 31, 2018; and

12           WHEREAS, That should the Law Library be unable to execute the plan noted herein by  
13 the dates so indicated, the Director of Real Estate shall populate unused portions of the 2<sup>nd</sup>  
14 floor of 1145 Market Street with office uses serving city staff needs from other departments,  
15 consistent with the terms and conditions of the Lease; now, therefore, be it

16           RESOLVED, That the Director of Property is hereby authorized to take all actions, on  
17 behalf of the City and County of San Francisco, as tenant, to extend the Lease, a copy of  
18 which is on file with the Clerk of the Board of the Board of Supervisors in File No. 171077, (the  
19 "Lease") and other related documents with 1145 Market Street LP, a California limited  
20 partnership, ("Landlord"), for approximately 20,000 rentable square feet consisting of the  
21 entire fourth (4<sup>th</sup>) floor and a portion of the second (2<sup>nd</sup>) floor of the building commonly known  
22 as 1145 Market Street; and, be it

23           FURTHER RESOLVED, The annual base rent for the period from July 1, 2018 to  
24 June 30, 2019, shall be \$1,180,000 (approximately \$59.00 per square foot per year and the  
25 base rent shall increase annually at a rate of 3% annually on each July 1; and, be it

1 FURTHER RESOLVED, As set forth in the Lease, the City shall continue to pay for its  
2 (i) its separately sub-metered electricity and Saturday ventilation (estimated to add  
3 approximately \$2,021.18 per month, (ii) prorata share of operating expenses over a 2018  
4 base year and (iii) for other typical tenant expenses; and, be it

5 FURTHER RESOLVED, That all actions heretofore taken by the offices of the City with  
6 respect to the Lease are hereby approved, confirmed and ratified; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
8 Property to enter into any amendments or modifications to the Lease (including without  
9 limitation, the exhibits) that the Director of Property determines, in consultation with the City  
10 Attorney, are in the best interest of the City, do not materially increase the obligations or  
11 liabilities of the City, do not materially decrease the benefits to the City, or are necessary or  
12 advisable to effectuate the purposes of the Lease or this resolution, and are in compliance  
13 with all applicable laws, including City's Charter; and, be it

14 FURTHER RESOLVED, That the City shall occupy the entire Premises for the full term  
15 of the Lease unless funds for the City's rental payments are not appropriated in any  
16 subsequent fiscal year at which time City may terminate the Lease with reasonable advance  
17 written notice to Landlord; and, be it

18 FURTHER RESOLVED, Such termination shall then be effective upon surrender of the  
19 Premises; and, be it

20 FURTHER RESOLVED, Said Lease shall be subject to certification as to funds by the  
21 Controller, pursuant to Charter, Section 3.105; and, be it

22 FURTHER RESOLVED, That within thirty (30) days of the execution of the extension,  
23 the Director of Property shall provide a copy to the Clerk of the Board for the Board's file.  
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\$1,180,000.00\_Available

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Controller  
Subject to enactment of the 2018/2019 Annual  
Appropriation Ordinance

RECOMMENDED:

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Marcia R. Bell  
San Francisco Law Library

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John Updike  
Director of Real Estate