

File No. 120934

Committee Item No. 5

Board Item No. 16

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date 10/10/2012

Board of Supervisors Meeting

Date October 16, 2012

#### Cmte Board

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|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Analyst Report                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER

(Use back side if additional space is needed)

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Completed by: Victor Young Date October 5, 2012

Completed by: Victor Young Date 10-11-12

[Ratification of Prior Action - Lease Option at 555-575 Polk St]

**Resolution ratifying an option for the lease of 9,000 square feet at 555-575 Polk with Mattison Family Trust.**

WHEREAS, The Board of Supervisors enacted Resolution 68-12 for the continued lease of approximately 9,000 square feet at 555 Polk Street (the "Premises") for use by the Community Justice Center through the exercise of an option to expand the new 575 Polk Street lease (the "Option"); and

WHEREAS, Resolution 68-12 required the Director of Property to provide a report to the Board of Supervisors of alternative uses of the Premises and the Director of Property has done so; and

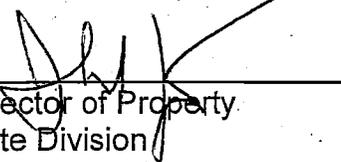
WHEREAS, Resolution 68-12 authorized the Director of Property to exercise the option subject to ratification prior to March 31, 2013; now, therefore, be it

RESOLVED, That Board of Supervisors hereby ratifies the Director of Property's exercise of the Option; and, be it

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

RECOMMENDED:

  
\_\_\_\_\_  
Director  
Department of Public Health

  
\_\_\_\_\_  
Acting Director of Property  
Real Estate Division



*John Updike*  
*Acting Director of Real Estate*

September 12, 2012

Through Naomi Kelly,  
City Administrator

**Community Justice Center**  
**555 Polk Street**  
**DPH**  
**Assignment #6554**

Honorable Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Carlton B. Goodlett Place  
San Francisco, CA 94102

Dear Board Members:

Attached for your consideration is a Resolution ratifying prior actions of the Board of Supervisors which authorized the continued lease of approximately 9,000 sq. ft. at 555 Polk Street for the Department of Public Health (DPH) for use as the Community Justice Center.

On February 28, 2012, the Board of Supervisors unanimously approved Resolution 68-12 authorizing the Director of Property to exercise an option to lease 555 Polk Street, subject to further Board ratification. Resolution 68-12 also requires the Director of Property to report potential alternative uses of the premises to the Board of Supervisors. The attached Resolution and this cover letter are intended to satisfy both of these requirements.

If ratified, the rent at 555 Polk Street is fixed at \$21.47 per sq. ft. annually for the entire term (approximately eight (8) years). According to the 2nd quarter market report from CBRE, the average asking rate in the Civic Center area is \$32.93 per sq. ft. In addition, most leases today escalate annually by some factor. The rent under the proposed lease does not escalate. A below market rent at 555 Polk Street space could make the site financially attractive for future alternative uses.

The City's future potential space needs include the Department of Public Health's Weights and Measures Division, the Law Library and the Treasurer-Tax Collector. In addition, 555 Polk Street is located 1/2 block north of the new PUC Headquarters Building at 525 Golden Gate. Should the 555 Polk Street space become available for other uses, PUC is another potential user. PUC will continue to lease approximately 13,098 sq. ft. on Market Street with a termination right anytime during the term with 180 days advance written notice.

Finally, the City leases more than 400,000 sq. ft. of other space in the Civic Center area and some of these existing leases, upon renewal, may also be backfill candidates for 555 Polk Street.

Since the Board has previously approved the terms of the transaction, rental funds have been appropriated in DPH's FY/13 budget, and there appears to be alternative City uses for the space, the Real Estate Division recommends ratification of Board Resolution 68-12 through the legislation we have submitted.

Respectfully,



John Updike  
Acting Director of Real Estate

cc. Barbara Garcia, Director, DPH  
Greg Wagner, DPH  
Tyrone Navarro, DPH

**FORM SFEC-126:  
NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
<b>Contractor Information</b> <i>(Please print clearly.)</i>	
Name of contractor: <b>Mattison Family Trust, A California Trust</b>	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i> J. Stanley Mattison and Christine A. Mattison, Trustees No person has more than 1% interest in the Mattison Family Trust	
Contractor address: c/o JS Mattison + Co., Inc. 50 California St., Suite 1500, San Francisco, CA 94111	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contracts: \$ NA
Describe the nature of the contract that was approved: Lease of Real Property at 555-75 Polk	
Comments: Ratification of prior action of the Board of Supervisors. (Resolution No. 68-12)	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors  
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

<b>Filer Information</b> <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

\_\_\_\_\_  
Signature of City Elective Officer (if submitted by City elective officer)

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

\_\_\_\_\_  
Date Signed

