

1 [Lease of Real Property - Speyer and Schwartz - 1663 Mission Street - \$208,551 Per Year in
2 Base Rent]

3 **Resolution approving and authorizing the Director of Property, on behalf of the City’s**
4 **Department of Emergency Management, to lease real property located at 1663 Mission**
5 **Street from Speyer and Schwartz, at a rent of \$208,551 per year with 3% annual**
6 **increases for an initial term of ten years, with an anticipated commencement date of**
7 **November 1, 2020, and two five-year options to extend; authorizing the Director of**
8 **Property to execute documents, make certain modifications and take certain actions in**
9 **furtherance of the Lease and this Resolution; finding the proposed transaction is in**
10 **conformance with the General Plan, and the eight priority policies of Planning Code,**
11 **Section 101.1; and adopting findings under the California Environmental Quality Act.**

12
13 WHEREAS, The Department of Emergency Management (“DEM”) is the fiscal agent
14 for the federally funded program known as the Urban Areas Security Initiative (“UASI”) and
15 the Bay Area UASI Management Team consists of City employees who fall under the
16 Department of Emergency Management; and

17 WHEREAS, DEM and UASI are charged with protecting and promoting the safety of all
18 San Franciscans by providing a wide range of strategic disaster preparedness and response
19 services; and

20 WHEREAS, UASI currently operates under a lease at the office building located at 711
21 Van Ness Avenue in San Francisco (“711 Van Ness Lease”), which expires on December 30,
22 2020; and

23 WHEREAS, The other City departments under the 711 Van Ness Lease will be
24 relocated to existing City owned and leased space; and

1 WHEREAS, The Real Estate Division (“RED”), through DEM and UASI, and in
2 consultation with the Office of the City Attorney, negotiated a lease (the proposed “Lease”)
3 with Speyer & Schwartz, a California corporation (“Landlord” or “Owner”), for an initial term of
4 ten years (the “Initial Term”), and two additional options to extend the term for five years each
5 (the “Optional Terms”) (the Initial Term plus any Optional Terms are collectively, the “Term”),
6 of approximately 5,057 rentable square feet of office space at 1663 Mission Street in Suites
7 304 and 320 (“Premises”), a copy of the form of Lease is on file with the Clerk of the Board in
8 File No. _____; and

9 WHEREAS, The Premises were determined to be the best site to relocate UASI
10 because of geographic proximity to Civic Center, availability of sufficient space with flexibility
11 to configure in accordance with new space planning standards resulting from the COVID-19
12 emergency, and Landlord’s willingness to pay for work required to accommodate UASI within
13 the Premises (“Tenant Improvements”); and

14 WHEREAS, Landlord, at Landlord’s sole cost, will perform the Tenant Improvements;
15 and

16 WHEREAS, The Initial Term will commence upon substantial completion of the Tenant
17 Improvements, which is expected to occur on or around November 1, 2020 (estimated
18 “Commencement Date”); and

19 WHEREAS, Under the Lease, rent payable by City will be \$208,551 per year (\$41.24
20 per sq. ft.), payable in monthly installments, with 3% annual increases, abated for the first two
21 months of the Initial Term; and

22 WHEREAS, Throughout the Term, City is obligated to pay for its own janitorial services
23 within the Premises, and otherwise, Landlord will be responsible for all other operating
24 expenses and taxes under the Lease; and

1 WHEREAS, Throughout the Term, Landlord at its cost, will, amongst other things: (1)
2 repair and replace major building systems; and (2) maintain the exterior, structure, and roof of
3 the Property; and

4 WHEREAS, The Director of Property determines the rent negotiated in the Lease to be
5 at or below fair market rental value; and

6 WHEREAS, The Planning Department, in a letter (“Planning Letter”) made
7 determinations regarding the Lease under the California Environmental Quality Act (“CEQA”)
8 (the “CEQA Determination”), and found the proposed Lease is consistent with the General
9 Plan, and the eight priority policies of Planning Code, Section 101.1 (the “General Plan
10 Findings”); now, be it

11 RESOLVED, That in accordance with the recommendation of the Director of DEM, the
12 Director of UASI, and the Director of Property, the Board of Supervisors approves the Lease
13 in substantially the form presented to the Board, and authorizes the Director of Property, to
14 take all actions necessary to execute the Lease and any other documents that are necessary
15 or advisable to effectuate the purpose of this Resolution; and, be it

16 FURTHER RESOLVED, This Board affirms and adopts the General Plan Findings and
17 CEQA Determination, for the reasons set forth in the Planning Letter; and be it

18 FURTHER RESOLVED, That beginning on the actual Commencement Date, City is
19 authorized to obtain janitorial services to the Premises at commercially reasonable rates; and,
20 be it

21 FURTHER RESOLVED, That under the Lease, City shall indemnify and hold harmless
22 the Landlord from, and agree to defend the Landlord against, any and all claims, costs and
23 expenses, including without limitation, reasonable attorneys’ fees, incurred as a result of
24 City’s use of the premises or any negligent acts or omissions of City, its agents or invitees in,
25 on or about the Property; and, be it

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

3 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
4 Property to enter into any extensions, amendments or modifications to the Lease (including
5 without limitation, the exhibits, notwithstanding, the Extension Options will be subject to future
6 approval by the Board of Supervisors) that the Director of Property determines, in consultation
7 with the Director of DEM, the Director of UASI, and the Office of the City Attorney, are in the
8 best interest of the City, do not increase the rent or otherwise materially increase the
9 obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of
10 the Lease or this Resolution, and are in compliance with all applicable laws, including City's
11 Charter; and, be it

12 FURTHER RESOLVED, That within thirty (30) days of the Lease being fully executed
13 by all parties, RED shall provide the final Lease to the Clerk of the Board for inclusion into the
14 official file.

Available: \$104,276

Fund ID:	13560
Department ID:	285644
Project Authority ID:	10032508
Account ID:	581650
Activity ID:	0001

/s/

Ben Rosenfield
Controller

Funding for Fiscal Year 2020/2021 is subject to the enactment of the Annual Appropriation Ordinance for Fiscal Year 2020/2021.

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RECOMMENDED:

/s/
Department of Emergency Management
Authorized Signatory

/s/
Bay Area Urban Areas Security Initiative
Authorized Signatory

/s/
Andrico Q. Penick
Real Estate Division
Director of Property