

AMENDED IN COMMITTEE

5/22/13

FILE NO. 130295

RESOLUTION NO.

1 [Lease Renewal and Amendment - Real Property at 1390 Market Street - BRCP 1390 Market,
2 LLC - \$82,818.07 monthly]

3 **Resolution authorizing the five-year renewal and amendment of a lease of**
4 **approximately 27,826 square feet of space at 1390 Market Street with BRCP 1390**
5 **Market, LLC, as Landlord for use by the Department of Public Health at the monthly**
6 **cost of \$82,818.07 for the period of ~~November 30, 2013~~ December 1, 2013, through**
7 **November 30, 2018.**

8
9 WHEREAS, The Department of Public Health - Environmental Health Section (DPH -
10 EHS) has occupied space since 1997 at the building commonly known as Fox Plaza, 1390
11 Market Street (Premises), San Francisco pursuant to a lease with Calfox, Inc. dated
12 September 9, 1996, authorized by Resolution No. 699-96; and

13 WHEREAS, BRCP 1390 Market, LLC, is successor in interest to Calfox; and

14 WHEREAS, The current lease term for DPH - EHS was extended through November
15 30, 2013, by Resolution No. 74-08 for Premises consisting of 25,939 sq. ft.; and

16 WHEREAS, The DPH - EHS, over the past five years of the current lease term, has
17 taken on new responsibilities for its Automated Point of Sale Inspection Program pursuant to
18 Board of Supervisors Ordinance No. 195-10, and added 5 full time employees to conduct
19 price verification inspections to test the point-of-sale systems to verify the accuracy of the
20 transactions; and

21 WHEREAS, The DPH - EHS, over the past five years of the current lease term, has
22 also added 7 other full time employees for additional regulatory responsibilities, including 3
23 employees in the Healthy Housing Program to comply with new local legislation, 1 employee
24 as requested by Supervisor Chu to increase inspections to deter illegal activity in massage
25 businesses, 1 employee to enforce new local tobacco legislation, 1 employee for enforcing

1 federal standards around menu labeling, and 1 employee for inspections and issues around
2 bed bugs; and

3 WHEREAS, Such additional staff at DPH - EHS are currently scattered throughout
4 Premises and DPH - EHS desires to consolidate and co-locate the additional staff into
5 cohesive units for better teamwork, supervision and other operational efficiencies.

6 WHEREAS, The Real Estate Division and the Landlord have negotiated the renewal of
7 the lease for five additional years through November 30, 2018, and the expansion of the
8 Premises by 1,887 sq. ft.; and

9 WHEREAS, Such terms for extension and expansion are subject to enactment of a
10 resolution by the Board of Supervisors and the Mayor, in their respective sole and absolute
11 discretion; now, therefore, be it

12 RESOLVED, That in accordance with the recommendation of the Director of the
13 Department of Public Health and the Director of Property, Real Estate Division, the Director of
14 Property is hereby authorized to take all actions on behalf of the City and County of San
15 Francisco, as tenant, to extend and expand the Lease (copy of lease amendment on file in
16 File No. 130295 with the Clerk of the Board) with BRCP 1390 Market, LLC ("Landlord"), for
17 the building commonly known as Fox Plaza, 1390 Market Street, San Francisco, California,
18 for the area of approximately ~~27,846~~ 27,826 sq. ft., on the terms and conditions set forth
19 herein, and on a form approved by the City Attorney; and, be it

20 FURTHER RESOLVED, That the Lease extension shall be for a term of five years
21 through November 30, 2018, for Premises consisting of 27,826 sq. ft. at a monthly rental of
22 \$82,818.07, (approximately \$35.72 per sq. ft. annually), fully serviced except that City shall
23 continue to pay for separately metered electricity on approximately 14,549 sq. ft. while the
24 Landlord shall pay for the other utilities, janitorial services, building maintenance, and repairs;

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1 City shall also pay for the typical tenant expenses including standard operating expense
2 increases over a 2013 Base Year; and, be it

3 FURTHER RESOLVED, That in the event Substantial Completion of the Tenant
4 Improvements for the expansion Premises consisting of 1,887 sq. ft., occurs prior to
5 November 30, 2013, (expected to be August 1, 2013) the expansion premises shall be added
6 to the existing Lease at the additional monthly rental of \$6,006.95 (approximately \$38.20 per
7 sq. ft. annually), so that after the addition of expansion Premises and beginning December 1,
8 2103 the base monthly rent shall be a total of \$82,818.07 or approximately \$35.72 per sq.ft.
9 annually on the total premises of 27,826 sq. ft.; and, be it

10 FURTHER RESOLVED, That the Lease shall continue to include the lease clause,
11 indemnifying, holding harmless, and defending Landlord and its agents from and against any
12 and all claims, costs and expenses, including without limitation, reasonable attorneys' fees,
13 incurred as a result of any default by the City in the performance of any of its material
14 obligations under the Lease, or any negligent acts or omissions of the City or its agents, in,
15 on, or about the Premises or the property on which the Premises are located, excluding those
16 claims, costs and expenses incurred as a result of the negligence or willful misconduct of the
17 Landlord or its agents; and, be it

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

20 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
21 Property to enter into any amendments or modifications to the Lease (including, without
22 limitation, the exhibits) that the Director of Property determines, in consultation with the City
23 Attorney, are in the best interest of the City, do not increase the rent or otherwise materially
24 increase the obligations or liabilities of the City, are necessary or advisable to effectuate the

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1 purposes of the Lease renewal or this resolution, and are in compliance with all applicable
2 laws, including the City Charter; and, be it

3 FURTHER RESOLVED, That the City shall occupy the entire Premises for the full term
4 of the Lease unless funds for the Department of Public Health's rental payments are not
5 appropriated in any subsequent fiscal year at which time the City may terminate the Lease
6 with advance notice to Landlord. Said Lease shall be subject to certification as to funds by
7 the Controller, pursuant to Section 6.302 of the City Charter.

8 \$954,064.29 Available
9 (1 month @\$70,062.00)
10 (4 months at \$76,068.95)
11 (7 months @\$82,818.07)
12 HCHPBADMINGF

13 _____
14 Controller

15 Subject to the enactment of the Annual Appropriation
16 Ordinance for Fiscal Year 2013/2014.

17 RECOMMENDED:

18 _____
19 Department of Public Health

20 _____
21 Director of Property
22 Real Estate Division

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