

1 [Lease of Real Property - BRCP 1390 Market, LLC - 1390 Market Street - \$479,031.70 in
2 Initial Year]

3 **Resolution authorizing the exercise of a five-year option to extend the lease with BRCP**
4 **1390 Market, LLC, as Landlord, for approximately 10,846 square feet of space at 1390**
5 **Market Street at \$47,903.17 monthly in the initial year, with the Base Rent for the first**
6 **two months abated, for a total rent of \$479,031.70 in the initial year, for use by the**
7 **Department of Children, Youth, and their Families from December 1, 2015, through**
8 **November 30, 2020.**

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10 WHEREAS, The City and API Fox Plaza, LLC., Landlord, executed a lease dated
11 March 6, 2006, authorized by Resolution No. 840-05 for Premises commonly known as Suites
12 900, 902, and 903 consisting of 9,397 square feet at the building commonly known as Fox
13 Plaza, 1390 Market Street for use by Department of Children, Youth, and their Families
14 (DCYF); and

15 WHEREAS, BRCP 1390 Market, LLC, is successor in interest to API Fox Plaza, LLC.;

16 and

17 WHEREAS, Such Lease was extended by Board of Supervisor's Resolution No.
18 197-10 and expires on November 30, 2015; and

19 WHEREAS, Such Lease contains a further option to extend the terms for another five
20 years on the same terms and conditions except that the Base Monthly Rental is to be adjusted
21 to 95% of the market rental value; and

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

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1 WHEREAS, Such terms for the option are subject to enactment of a resolution by the
2 Board of Supervisors and the Mayor, in their respective sole and absolute direction, approving
3 and authorizing such exercise; and

4 WHEREAS, In 2007, at the request of DCYF, the City under Administrative Code,
5 Section 23.26 leased Suite 906 at 1390 Market Street, consisting of approximately 1449
6 square feet, on a month to month basis for the operational needs of the DCYF; and

7 WHEREAS, DCYF requests that the Premises under the month to month lease be
8 incorporated into the Suite 900, 902, and 903 lease such that the total square feet under the
9 Lease would be 10,846 square feet; now, therefore, be it

10 RESOLVED, That in accordance with the recommendation of the Director of the
11 Department of Children, Youth, and their Families and the Director of Property, the Director of
12 Property is hereby authorized to take all actions on behalf of the City and County of San
13 Francisco, as tenant, to extend the Lease (copy of original lease on file with the Clerk of the
14 Board of Supervisors in File No. 150342) with BRCP 1390 Market, LLC ("Landlord"), for the
15 building commonly known as Fox Plaza, 1390 Market Street, San Francisco, California, for
16 the area of approximately 10,846 square feet (the "Premises") on the terms and conditions set
17 forth herein, and on a form approved by the City Attorney; and, be it

18 FURTHER RESOLVED, That the Lease extension shall be for a term of 5 years at a
19 Base Rent of \$47,903.17 per month, (approximately \$53.00 per square feet annually) with the
20 Base Rent for the first 2 months of the term abated; and, be it

21 FURTHER RESOLVED, Beginning December 1, 2016, the Base Rent shall be annually
22 increased by \$903.83 per month (approximately \$1.00 psf per year); and, be it

23 FURTHER RESOLVED, The Landlord shall pay for utilities, janitorial services, and
24 building maintenance and repairs; and, be it

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

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

11 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
12 Property to enter into any amendments or modifications to the Lease (including, without
13 limitation, the exhibits) that the Director of Property determines, in consultation with the City
14 Attorney, are in the best interest of the City, do not increase the rent or otherwise materially
15 increase the obligations or liabilities of the City, are necessary or advisable to effectuate the
16 purposes of the Lease renewal or this resolution, and are in compliance with all applicable
17 laws, including the City Charter; and, be it

18 FURTHER RESOLVED, That the City shall occupy the entire Premises for the full term
19 of the Lease unless funds for the Department of Children, Youth and their Families' rental
20 payments are not appropriated in any subsequent fiscal year at which time the City may
21 terminate the Lease with advance notice to Landlord; and, be it

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

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1 FURTHER RESOLVED, That within thirty (30) days of the agreements being fully
2 executed by all parties, the Director of Real Estate shall provide the agreements to the Clerk
3 of the Board for inclusion into the official file.

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\$351,105.25 Available
(5 mos. @ \$22,317.88 plus
5 mos. @ \$47,903.17)
Children's Fund 235002

Controller

Subject to the enactment of the Annual Appropriation Ordinance for Fiscal Year 2015/2016.

RECOMMENDED:

Director
Department of Children, Youth and their Families

Director of Property
Real Estate Division