

1 [Real Property Lease - Evans Investment Partners, LLC - 752 Vallejo Street - \$40,125 Rent in
2 the Base Year - Estimated \$66,750 Tenant Improvements Cost]

3 **Resolution authorizing the Director of Property, on behalf of the Police Department, to**
4 **execute a lease of 750 rentable square feet at 752 Vallejo Street, with Evans Investment**
5 **Partners, LLC, for an initial term of five years plus one five-year option to extend, at an**
6 **initial base-rent of \$40,125 per year; and construction of tenant improvements costing**
7 **the City an estimated \$66,750.**

8 WHEREAS, The San Francisco Police Department’s (“SFPD”) Central Station is
9 located at 766 Vallejo Street (“Station”); and

10 WHEREAS, The SFPD’s investigative unit had been quartered at the Station in the
11 basement area since April 2016 when the Department of Public Health (“DPH”) investigating a
12 complaint determined the basement space was uninhabitable as a work environment; and

13 WHEREAS, The investigative unit was relocated to the squad room in temporary
14 cubicles until another space could be located; and

15 WHEREAS, 752 Vallejo Street is adjacent to the Station, across Emery Lane had 750
16 square feet of space available to lease; and

17 WHEREAS, The City’s Real Estate Division negotiated a lease between the City and
18 County of San Francisco and Evans Investment Partners, LLC (“Landlord”) dated
19 July, 1 2017, (the “Lease”) for the lease of 750 rentable square feet of retail space
20 (“Premises”) at the property located at 752 Vallejo Street for an initial term of five years (“Initial
21 Term”), a copy of which is on file with the Clerk of the Board of Supervisors in File
22 No. 170745, which is hereby declared to be a part of this resolution as if set forth fully herein;
23 and
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1 WHEREAS, Base rent during the initial term is \$3,345 per month (\$40,125 per year)
2 increasing each year by the San Francisco-Oakland-San Jose CPI index over the prior 12-
3 month period, at a rate not lower than 3% and not higher than 5%; and WHEREAS, Upon
4 expiration of the initial term, City has one five-year (5 years each) options to extend the Lease
5 at “fair market rent” at the time of each extension; and

6 WHEREAS, City requires tenant improvements for the City’s lawful occupancy of the
7 Premises (“Tenant Improvements”) which shall not exceed \$83,000 (“Tenant Improvements
8 Budget”) and the Tenant Improvements Budget shall be paid by: (i) Landlord providing
9 \$11,250 of the Tenant Improvements Budget at no cost to City, and (ii) City may pay Landlord
10 up to \$66,750 to be amortized into the Lease rate at 7% interest; and

11 WHEREAS, The use allowed at 752 Vallejo is retail space and the intended use by
12 SFPD is as office space, the Real Estate Division on behalf of the SFPD, submitted an
13 application for a General Plan Referral, Case No. 2016-006168GPR involving a change of
14 use, the Motion was adopted on August 11, 2016; and

15 WHEREAS, Upon the execution of this Lease (“Commencement Date”), Landlord will
16 work diligently to satisfactorily complete the (i) Tenant Improvements; and

17 WHEREAS, Consequences of delay or inaction, could continue to impact the
18 operations of the Central Station; now, therefore, be it

19 RESOLVED, That the Board of Supervisors hereby approves the terms and conditions
20 of the Lease; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and directs
22 the Director of Property to negotiate and execute the Lease; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Director
24 or Property to enter into any amendments or modifications to the Lease, including, without
25 limitation, the exhibits that the Director of Property determines in consultation with the City

1 Attorney, are in the best interest of the City; do not materially increase the obligations or
2 liabilities of the City; are necessary or advisable to effectuate the purposes and intent of the
3 Lease or this resolution; and are in compliance with all applicable laws, including the City
4 Charter; and, be it

5 FURTHER RESOLVED, That within thirty (30) days of the execution of the Lease being
6 executed by all parties the Real Estate Division shall provide the final Lease to the Clerk of
7 the Board for inclusion into the official file.

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