

1 [Lease of Real Property]

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3 **Resolution authorizing a lease renewal at 44 Gough Street for the Department of**
4 **Human Resources.**

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6 WHEREAS, The Department of Human Resources (“DHR”) occupies the entire
7 building at 44 Gough Street, consisting of approximately 34,955 rentable square feet on
8 three floors, under two leases, dated July 2, 1990 and February 14, 1995, with Horvorka
9 Realty and Investments, a sole proprietorship (successor in interest to Piazza Trading &
10 Co., Ltd.), as landlord, and;

11 WHEREAS, The current term of the leases terminate on June 30, 2003 and each
12 lease has one five-year extension option remaining; and

13 WHEREAS, DHR desires to continue its occupancy of the leased premises; and

14 WHEREAS, The Real Estate Division determined it to be in the best interest of DHR
15 to enter into one lease utilizing the City’s latest lease form to include specific language for
16 improved janitorial services and maintenance and repair matters; and

17 WHEREAS, the landlord is willing to renew the lease for an initial term of five (5)
18 years and one five-year extension option; now, therefore, be it

19 RESOLVED, That in accordance with the recommendations of the Director of DHR
20 and the Director of Property, the Director of Property is hereby authorized on behalf of the
21 City and County of San Francisco, as tenant, to enter into a lease renewal in a form, on file
22 with the Clerk of the Board in File No. _____, with an initial term of five (5) years
23 and an extension option of five (5) years, exercisable by the Director of Property, with
24 Hovorka Realty and Investments, as landlord, for the building located at 44 Gough Street,
25 San Francisco, California, for DHR. The leased premises shall consist of approximately

1 34,955 rentable square feet. Upon expiration of the existing lease term, the lease shall
2 commence July 1, 2003, and shall end June 30, 2008. The monthly rent shall be
3 \$45,441.50 during Year 1 and \$55,345.42 during Years 2-5 of the initial term. The City
4 shall continue to pay the costs of its utilities; and, be it

5 FURTHER RESOLVED, That City shall indemnify, defend and hold harmless
6 (“Indemnify”) landlord and its agents from and against any and all claims, costs and
7 expenses, including, without limitation, reasonable attorneys’ fees, (collectively, “Claims”),
8 incurred as a result of (a) City’s use and occupancy of the premises, (b) any default by City
9 in the performance of any of its obligations under this lease, or (c) any negligent or willful
10 acts of omissions of City, its agents, in, on or about the premises or the property; provided,
11 however, City shall not be obligated to Indemnify landlord or its agents to the extent any
12 Claim arises out of the negligence or willful misconduct of landlord or its agents. In any
13 action or proceeding brought against landlord or its agents by reason of any claim
14 indemnified by City hereunder, City may, at its sole option, elect to defend such Claim by
15 attorneys in City’s Office of the City Attorney, by other attorneys selected by City, or both.
16 City shall have the right to control the defense and to determine the settlement or
17 compromise of any action or proceeding, provided that landlord shall have the right, but not
18 the obligation, to participate in the defense or any such Claim at its sole cost. City’s
19 obligations shall survive the termination of the lease; and, be it

20 FURTHER RESOLVED, That any action taken by any City employee or official with
21 respect to this lease is hereby ratified and affirmed; and, be it

22 FURTHER RESOLVED, That the Director of Property shall be authorized to enter into
23 any additional amendments or modifications to the lease, including without limitation, exhibits
24 or improvement specifications, that the Director of Property determines, in consultation with
25 the City Attorney, are in the best interest of the City, do not increase the rent or otherwise

1 materially increase the obligations or liabilities of the City, are necessary or advisable to
2 effectuate the purposes and intent of the Lease as amended or this resolution, and are in
3 compliance with all applicable laws, including City's Charter.

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5 RECOMMENDED:

\$545,298.00 Available from
Appropriation No.
335007 1GAGFAAA

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Director
Department of Human Resources

Controller

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Acting Director of Property

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