

1 [Lease of Real Property at 1212 Market Street]

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3 **Resolution authorizing the lease of 14,472 square feet of space at 1212 Market Street**
4 **(and also commonly known as 11 Grove Street) for the Department of the Environment.**

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6 WHEREAS, The Department of the Environment strives to promote and maintain San
7 Francisco's long-term environmental well being; and

8 WHEREAS, The Real Estate Division has negotiated a lease renewal for the lease of
9 approximately 14,472 rentable square feet at 1212 Market Street (the "Premises"), which
10 accommodate the requirements of the Department of the Environment and its projected staff
11 increase; now, therefore, be it

12 RESOLVED, That in accordance with the recommendation of the Director of the
13 Department of the Environment and the Director of Property, the Director of Property is
14 hereby authorized to take all actions, on behalf of the City and County of San Francisco, as
15 Tenant, to execute a lease with Yully Company, LLC, as Landlord for 1212 Market Street, San
16 Francisco, California (the "Lease"), substantially in the form on file with the Clerk of the Board
17 of Supervisors in File No. 070424; and, be it

18 FURTHER RESOLVED, That the term of the Lease shall be five years with an
19 estimated commencement date of June 1, 2007 following the substantial completion of the
20 leasehold improvements and acceptance by City's Director of Property (the Commencement
21 Date"); and

22 FURTHER RESOLVED, That the monthly base rent shall be \$28,300 upon
23 commencement, which includes full services by Landlord (other than charges for any increase
24 in water charges in excess of 105% of charges for the corresponding period in 2006), and

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1 such rent shall escalate to \$29,432 per month in Year 2 , \$31,694 per month in Year 3,
2 \$33,286 per month in Year 4 and \$35,601 per month in Year 5 of the initial term, and, be it

3 FURTHER RESOLVED, That the Landlord shall construct leasehold improvements to a
4 portion of the third floor premises at a cost not to exceed \$23,300 and City shall reimburse
5 Landlord for such costs, subject to City's prior approval of such costs and work in accordance
6 with the Lease; and, be it

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

15 FURTHER RESOLVED, That all actions heretofore taken by any employee or official of
16 the City with respect to this Lease are hereby approved, confirmed and ratified; and be it

17 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
18 Property to enter into any amendments or modifications to the lease that the Director of
19 Property determines, in consultation with the City Attorney, are in the best interest of the City,
20 do not increase the rent or otherwise materially increase the obligations or liabilities of the
21 City, are necessary or advisable to effectuate the purposes of the lease and are in compliance
22 with all applicable laws, including City's Charter.

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\$51,600 Available
Appropriation Nos.:
220001 013011 03021

220005 013011 03021
220047 03011

Controller

RECOMMENDED:

Director
Department of the Environment

Director of Property

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