

1 [Settlement of Unlitigated Claim - 333 Valencia Owner, L.L.C. - Storage Space and \$50,000
2 Rent Credit]

3 **Resolution approving the settlement of the unlitigated claim by the City and County of**
4 **San Francisco (“City”) against 333 Valencia Owner, L.L.C. (“Landlord”), requiring**
5 **Landlord to provide the City additional storage space and a rent credit of \$50,000; the**
6 **claim involves a dispute between the City and Landlord about building systems located**
7 **inside closets that limited the amount of space available for storage by the City.**

8

9 WHEREAS, On June 30, 2020, the City and County of San Francisco (City) and 333
10 Valencia Owner, L.L.C. (Landlord) entered into a lease for office space to be used by the
11 Department of Public Health at 333 Valencia Street in San Francisco; and

12 WHEREAS, The lease, the term of which began on April 28, 2021, obligated Landlord
13 to complete base building work before the City took occupancy of the building; and

14 WHEREAS, After the City took occupancy of the property, a dispute arose between the
15 City and Landlord about building systems located inside closets that limited the amount of
16 space available for storage by the City; and

17 WHEREAS, To resolve the dispute, Landlord proposes to provide the City additional
18 storage space and a rent credit of \$50,000; and

19 WHEREAS, The Department of Public Health and the Real Estate Division each
20 recommends the proposed settlement; now, therefore, be it

21 RESOLVED, That pursuant to Administrative Code, Section 10.24(b), the Board of
22 Supervisors hereby authorizes the City Attorney to settle and compromise the claim in its
23 entirety with Landlord providing the City additional storage space and a rent credit of \$50,000;
24 other material terms include the City providing Landlord a full release of all claims.

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPROVED:

DAVID CHIU
City Attorney

/s/
JULIE VAN NOSTERN
Chief Attorney, Health and Human Services

RECOMMENDED:

DEPARTMENT OF PUBLIC HEALTH

/s/
GRANT COLFAX, M.D.
Director of Health

RECOMMENDED:

REAL ESTATE DIVISION

/s/
ANDRICO Q. PENICK
Director of Property

n:\health\li2023\240438\01722740.docx