

1 [Real Property Lease - Mercy Commercial California - 1360 Mission Street]

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3 **Resolution authorizing the lease with Mercy Commercial California for property**
4 **located at of 1360 Mission Street, Suite 401 for the Department of Public Health.**

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6 WHEREAS, The Department of Public Health has occupied the 6,300 square foot
7 premises located at 1360 Mission Street, Suite 401, since 1992 and currently operates its
8 STD Program Administrative Headquarters at the site; and

9 WHEREAS, The Real Estate Division at the request of the Department of Public
10 Health negotiated the renewal of the Lease at 1360 Mission Street, Suite 401, with Mercy
11 Commercial California, a California nonprofit public benefit corporation, for a five-year term
12 commencing upon approval by the Board of Supervisors and Mayor, which includes one
13 two-year option term; and

14 WHEREAS, The monthly fair market rent for the initial term shall be \$11,072.25
15 (\$1.75 per square foot), fully serviced, subject to annual Consumer Price Index adjustments
16 of no less than 2% and no more than 5%, with rent for the two-year option term at 95% of
17 the prevailing fair market rent; now, therefore, be it

18 RESOLVED, That the Lease renewal for 1360 Mission Street, Suite 401, with Mercy
19 Commercial California, a California nonprofit public benefit corporation, shall include the
20 clause indemnifying, holding harmless, and defending Lessor and its agents from and
21 against any and all claims, costs and expenses, including without limitation, reasonable
22 attorney fees incurred as a result of any default by the City in the performance of any of its
23 material obligations under the Lease, or any negligent acts or omissions of the City, or its
24 agents, in, on or about the Premises or the property on which the Premises are located,

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1 excluding those claims, costs and expenses incurred as a result of the negligence or willful
2 misconduct of the Lessor or its agents; and be it

3 FURTHER RESOLVED, That the Director of Property be authorized to enter into
4 any additions, amendments or other modifications to the Lease agreement (including
5 without limitation, the exhibits) that the Director of Property determines, in consultation with
6 the Director of the Department of Public Health and the City Attorney, are in the best
7 interests of the City, do not materially increase the obligations or liabilities of the City, and
8 are necessary or advisable to complete the transaction contemplated in the Lease and
9 effectuate the purpose and intent of this resolution, such determination to be conclusively
10 evidenced by the execution and delivery by the Director of Property of any amendments
11 thereto; and be it

12 FURTHER RESOLVED, That said Lease shall be subject to certification of funds by
13 the Controller pursuant to Section 6.302 of the Charter.

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15 RECOMMENDED:

16 _____
17 Barbara Garcia, Director
18 Department of Public Health

19 _____
20 John Updike
21 Acting Director of Property

22 \$121,794.75 Available
23 Appropriation No. HCHPDSTDSVGF

24 _____
25 Controller