

1 [Real Property Lease - Sheriff's Department - 1740 Folsom Street]

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3 **Resolution authorizing the exercise of a five year option to extend the lease of**  
4 **approximately 18,862 square feet of space at 1740 Folsom Street for the Sheriff's**  
5 **Department with Mark Nelson Development and New California Land Company.**

6

7 WHEREAS, The City and County of San Francisco, tenant, and Mark Nelson  
8 Development, LLC & New California Land Company a California general partnership.,  
9 collectively Landlord, executed a lease dated June 26, 2002, authorized by Resolution 356-02  
10 for Premises consisting of 18,862 sq. ft. in the building commonly known as 1740 Folsom  
11 Street; and

12 WHEREAS, Fourteen Street Partnership, LLC is successor in interest to Mark Nelson  
13 Development, LLC & New California Land Company a California general partnership, as  
14 Landlord; and

15 WHEREAS, Such Lease expires on June 30, 2012 and contains an option to extend  
16 the terms for another five years on the same terms and conditions except that the Base  
17 Monthly Rental is to be adjusted to 95% of the market rental value; and

18 WHEREAS, Pursuant to the terms of such option, the Real Estate Division and the  
19 Landlord have negotiated such 95% of fair market rental, considering all factors; and

20 WHEREAS, Such terms for the option are subject to enactment of a resolution by the  
21 Board of Supervisors and the Mayor, in their respective sole and absolute direction, approving  
22 and authorizing such exercise; now, therefore, be it

23 RESOLVED, That in accordance with the recommendation of the Sheriff and the  
24 Director of Property, the Director of Property is hereby authorized to take all actions on behalf  
25 of the City and County of San Francisco, as tenant, to extend the Lease (copy of original

1 lease on file with the Clerk of the Board) with Mark Nelson Development, LLC & New  
2 California Land Company a California general partnership., collectively Landlord, ("Landlord"),  
3 for the building commonly known as 1740 Folsom Street, San Francisco, California, for the  
4 area of approximately 18,862 sq. ft. (the "Premises") on the terms and conditions set forth  
5 herein; and, be it

6 FURTHER RESOLVED, That the Lease extension shall be for a term of 5 years  
7 through June 30 2017 at the base rent as follows:

8	July.1, 2012- June. 30, 2013	(Yr 1)	\$39,578.76	(Approx. \$25.18 PSF)
9	July.1, 2013- June. 30, 2014	(Yr 2)	\$41,150.60	(Approx. \$26.18 PSF)
10	July.1, 2014- June. 30, 2015	(Yr 3)	\$42,722.43	(Approx. \$27.18 PSF)
11	July.1, 2015- June. 30, 2016	(Yr 4)	\$44,294.26	(Approx. \$28.18 PSF)
12	July.1, 2016- June. 30, 2017	(Yr 5)	\$45,866.10	(Approx. \$29.18 PSF)

13 The City shall continue to pay for utilities; and, be it

14 FURTHER RESOLVED, That the Lease shall continue to include the lease clause,  
15 indemnifying, holding harmless, and defending Landlord and its agents from and against any  
16 and all claims, costs and expenses, including without limitation, reasonable attorneys' fees,  
17 incurred as a result of any default by the City in the performance of any of its material  
18 obligations under the Lease, or any negligent acts or omissions of the City or its agents, in,  
19 on, or about the Premises or the property on which the Premises are located, excluding those  
20 claims, costs and expenses incurred as a result of the negligence or willful misconduct of the  
21 Landlord or its agents; and, be it

22 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City  
23 with respect to such Lease are hereby approved, confirmed and ratified; and, be it

24 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
25 Property to enter into any amendments or modifications to the Lease (including, without

1 limitation, the exhibits) that the Director of Property determines, in consultation with the City  
2 Attorney, are in the best interest of the City, do not increase the rent or otherwise materially  
3 increase the obligations or liabilities of the City, are necessary or advisable to effectuate the  
4 purposes of the Lease renewal or this resolution, and are in compliance with all applicable  
5 laws, including the City Charter; and, be it

6 FURTHER RESOLVED, That the City shall occupy the entire Premises for the full term  
7 of the Lease unless funds for the Sheriff Department's rental payments are not appropriated in  
8 any subsequent fiscal year at which time the City may terminate the Lease with advance  
9 notice to Landlord. Said Lease shall be subject to certification as to funds by the Controller,  
10 pursuant to Section 3.105 of the City Charter.

11  
12 \$474,945.12 Available  
13 Index code 062610 subobject 03011

14 \_\_\_\_\_  
15 Controller

16 Subject to the enactment of the Annual Appropriation  
17 Ordinance for Fiscal Year 2012/2013.

18 RECOMMENDED:

19 \_\_\_\_\_  
20 Sheriff

21 \_\_\_\_\_  
22 Acting Director  
23 Real Estate Division