

File No. 210737

Committee Item No. 13

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date July 21, 2021

Board of Supervisors Meeting

Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date July 15, 2021

Completed by: Linda Wong Date _____

1 [Real Property Lease Amendment - Townsend Associates, LLC - 650-5th Street - \$159,200
2 Annual Base Rent]

3 **Resolution approving and authorizing the Director of Property, on behalf of the**
4 **Department of Public Health, to amend the lease of real property located at 650-5th**
5 **Street, with Townsend Associates, LLC, at a base rent of \$159,200 per year with 3%**
6 **annual increases, for an initial term commencing upon approval of this Resolution and**
7 **expiring on June 30, 2026, plus two one-year options to extend; and authorizing the**
8 **Director of Property to execute documents, make certain modifications and take certain**
9 **actions in furtherance of the First Amendment, the Lease and this Resolution, as**
10 **defined herein.**

11
12 WHEREAS, The Department of Public Health (“DPH”) currently operates the Jail
13 Health Services (JHS) Administration Center at 650-5th Street (the “Property”), providing
14 overall comprehensive and integrated system of medical, psychiatric and substance abuse
15 services to inmates in the San Francisco Jails; and

16 WHEREAS, The City and County of San Francisco (“City”, as tenant) originally entered
17 into a lease dated May 9, 2016 (the ‘Original Lease’), with Townsend Associates, LLC (as
18 “Landlord”) of approximately 3,060 square feet of space (“Premises”) for use as the JHS, a
19 copy of the Original Lease is on file with the Clerk of the Board in File No. 160710; and

20 WHEREAS, The Original Lease will expire on June 30, 2020, and the Real Estate
21 Division (“RED”), in consultation with DPH and the Office of the City Attorney, negotiated an
22 amendment to the Original Lease (the “First Amendment”) to amongst other things, extend the
23 term of the Original Lease, a copy of the proposed First Amendment is on file with the Clerk
24 of the Board in File No. 210737; and

1 WHEREAS, The First Amendment extends the term of the Lease (collectively, the
2 Original Lease and First Amendment are the “Lease”) until June 30, 2026, plus two additional
3 options of one year each for the City to further extend the term (the extension “Options”) at
4 95% of fair market rental value; and

5 WHEREAS, Base rent under the First Amendment will be \$159,200 per year, or
6 \$14,790 per month (\$4.33 per sq. ft.), increasing annually by 3%; and

7 WHEREAS, All other terms and conditions of the Lease will remain in full force and
8 effect, including, among other things, City’s obligation to pay for its utility usage; and

9 WHEREAS, The Director of Property determines the rent payable under the First
10 Amendment to be at or below fair market rental value; now, therefore, be it

11 RESOLVED, That in accordance with the recommendation of the Director of Health,
12 the Director of Property is hereby authorized to take all actions on behalf of the City to
13 execute the First Amendment (including exercising the Options); and, be it

14 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
15 Property to enter into any amendments or modifications to the Lease (including without
16 limitation, the exhibits) that the Director of Property determines, in consultation with the City
17 Attorney, are in the best interest of the City, does not increase the rent or otherwise materially
18 increase the obligations or liabilities of the City, are necessary or advisable to effectuate the
19 purposes of the lease or this Resolution, and are in compliance with all applicable laws,
20 including City's Charter; and, be it

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

23 FURTHER RESOLVED, That within thirty (30) days of the First Amendment being fully
24 executed by all parties, RED shall provide the final First Amendment to the Clerk of the Board
25 for inclusion into the official file.

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Available: \$159,200
12 months' base rent

Fund ID:	10000
Department ID:	251973
Project ID:	10026702
Authority ID:	10000
Account ID:	530000
Activity ID:	001

/s/
Michelle Allersma, Budget and Analysis
Division Director on behalf of
Ben Rosenfield, Controller

Funding for Fiscal Year 2021/2022 is
subject to the enactment of the Annual
Appropriation Ordinance for Fiscal Year
2021/2022

/s/
Department of Public Health
Director of Health

/s/
Real Estate Division
Director of Property

LEASE AMENDMENT

THIS AMENDMENT (this "Amendment") is made as of _____, 2021, in San Francisco, California, by and between TOWNSEND ASSOCIATES LLC a California limited liability corporation ("Landlord") and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City" or "Tenant").

RECITALS

THIS AMENDMENT is made with reference to the following facts and circumstances:

A. City and Landlord have previously entered into an existing lease agreement, dated as of May 9, 2016 (the "Original Lease"), for the lease of a portion of the building located at 650 Fifth Street (the "Building"), San Francisco, California.

B. Landlord has leased to City the premises in the Building identified in the Basic Lease Information of the Original Lease (the "Premises"). City is using the Premises for office, counseling, public services, and such other uses as specified in the Basic Lease Information.

C. City and Landlord desire to amend the Original Lease to (i) extend the term of the Original Lease, (ii) specify the Base Rent during the extended term, and (iii) make certain other amendments to the Original Lease, all subject to, and on the basis of, the terms, covenants, and conditions of this Amendment. The Original Lease, as amended by this Amendment, is referred in this Amendment to as the "Lease."

ACCORDINGLY, in consideration of the matters described in the foregoing Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the City and Landlord agree as follows:

1. **Definitions.** Capitalized terms not otherwise defined in this Amendment have the meanings set forth in the Lease.

2. **Amended Basic Lease Information.** The subsections in Section 1 (**Basic Lease Information**) listed below are hereby amended and restated to read in their entirety as follows:

Term (Section 3):	Estimated commencement date: July 1, 2016
	Expiration date: June 30, 2026
Base Rent (<u>Section 4.1</u>):	Annual Base Rent July 1, 2016 – June 30, 2021: \$177,480 (\$58 per sq. ft.) Monthly payments: \$14,790 (\$4.83 per sq. ft.)
	July 1, 2021 – June 30, 2026: \$159,200 (\$52 per sq. ft.) Monthly payments: \$13,260 (\$4.33 per sq. ft.)

Base Rent Adjustment (Section 4.2): Base Rent will escalate by 3% on July 1, 2022, and on each July 1 thereafter during the Term.

Extension Options (Section 3.3): Two (2) additional terms of one (1) year each, exercisable by City by notice to Landlord given not less than one hundred eighty (180) days in advance, with rent equal to 95% of prevailing market rate.

3. Adjustments in Base Rent. Section 4.2 of the Original Lease is deleted and replaced with the following:

4.2 Adjustments in Base Rent

On each date specified in the Basic Lease Information for the adjustment of Base Rent (an “**Adjustment Date**”), the Base Rent payable under Section 4.1 (Base Rent) will be adjusted as follows:

On each Adjustment Date, the Base Rent for the following twelve-month period will be adjusted to equal one hundred three percent (103%) of the Base Rent for the lease year preceding the Adjustment Date.

4. No Joint Venture. This Amendment or any activity by the City hereunder does not create a partnership or joint venture between the City and Landlord relating to the Lease or otherwise. This Amendment does not constitute authorization or approval by the City of any activity conducted by Landlord, and the City shall in no way be responsible for the acts or omissions of Landlord on the Premises or otherwise.

5. Attorneys Fees. In the event a dispute arises concerning this Amendment, the party not prevailing in such dispute shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Amendment, reasonable fees of attorneys of City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

6. References. No reference to this Amendment is necessary in any instrument or document at any time referring to the Lease. Any future reference to the Lease shall be deemed a reference to such document as amended hereby.

7. Applicable Law. This Amendment shall be governed by, construed and enforced in accordance with the laws of the State of California.

8. Notification of Prohibition on Contributions. By executing this Lease, Landlord acknowledges its obligations under section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who leases, or seeks to lease, to or from any department of the City any land or building from making any campaign contribution to (a) a City elected official if the lease must be approved by that official, (b) a candidate for that City elective office, or (c) a committee controlled by that elected official or a candidate for that office, at any time from the submission of a proposal for the lease until the later of either the termination of negotiations for the lease or twelve (12) months after the date the City approves the lease. Landlord acknowledges that the foregoing restriction applies only if the lease or a combination or series of leases or other contracts approved by the same individual or board in a fiscal year

have a total anticipated or actual value of one hundred thousand dollars (\$100,000) or more. Landlord further acknowledges that (i) the prohibition on contributions applies to each prospective party to the lease; any person with an ownership interest of more than 10 percent (10%) in Landlord; any subcontractor listed in the lease; and any committee that is sponsored or controlled by Landlord; and (ii) within thirty (30) days of the submission of a proposal for the Lease, the City department with whom Landlord is leasing is obligated to submit to the Ethics Commission the parties to the lease and any subcontractor. Additionally, Landlord certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the lease, and has provided the names of the persons required to be informed to the City department with whom it is leasing.

9. Landlord's Compliance with City Business and Tax and Regulations Code.

Landlord acknowledges that under Section 6.10-2 of the San Francisco Business and Tax Regulations Code, the City Treasurer and Tax Collector may require the withholding of payments to any vendor that is delinquent in the payment of any amounts that the vendor is required to pay the City under the San Francisco Business and Tax Regulations Code. If, under that authority, any payment City is required to make to Landlord under this Lease is withheld, then City will not be in breach or default under this Lease, and the Treasurer and Tax Collector will authorize release of any payments withheld under this paragraph to Landlord, without interest, late fees, penalties, or other charges, upon Landlord coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

10. Taxes, Assessments, Licenses, Permit Fees, and Liens. San Francisco Administrative Code Sections 23.38 and 23.39 require that certain information relating to the creation, renewal, extension, assignment, sublease, or other transfer of this Lease be provided to the County Assessor within sixty (60) days after the transaction. Accordingly, Tenant must provide a copy of this Lease to the County Assessor not later than sixty (60) days after the Effective Date, and any failure of Tenant to timely provide a copy of this Lease to the County Assessor will be a default under this Lease.

11. Consideration of Salary History. Tenant shall comply with San Francisco Administrative Code Chapter 12K, the Consideration of Salary History Ordinance or "Pay Parity Act." For each employment application to Tenant for work that relates to this Agreement or for work to be performed in the City or on City property, Tenant is prohibited from considering current or past salary of an applicant in determining whether to hire the applicant or what salary to offer the applicant. Tenant shall not (1) ask such applicants about their current or past salary or (2) disclose a current or former employee's salary history without that employee's authorization unless the salary history is publicly available. Tenant is subject to the enforcement and penalty provisions in Chapter 12K. Information about Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>.

12. Further Instruments. The parties hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this Amendment.

13. Effective Date. This Amendment shall become effective on the date (the "Effective Date") that (i) the City's Board of Supervisors enacts such resolution authorizing this Amendment and (ii) the Amendment is fully executed and delivered by both parties.

14. Miscellaneous. Except as expressly modified herein, the terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect. The Lease as amended by this Amendment constitutes the entire agreement of the parties concerning the subject matter hereof, and supersedes and conceals any and all previous negotiations,

agreements, or understandings, if any, regarding the matters contained herein. The execution of this Amendment shall not constitute a waiver of relinquishment of any rights which the City may have relating to the Lease. Landlord and City hereby ratify and confirm all of the provisions of the Lease as amended by this Amendment.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AMENDMENT, LANDLORD ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY HERETO UNLESS AND UNTIL CITY'S BOARD OF SUPERVISORS SHALL HAVE DULY ADOPTED A RESOLUTION APPROVING THIS AMENDMENT AND AUTHORIZING CONSUMMATION OF THE TRANSACTION CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS AMENDMENT SHALL BE NULL AND VOID UNLESS CITY'S MAYOR AND BOARD OF SUPERVISORS APPROVE THIS AMENDMENT, IN THEIR RESPECTIVE SOLE AND ABSOLUTE DISCRETION, AND IN ACCORDANCE WITH ALL APPLICABLE LAWS. APPROVAL OF THIS AMENDMENT BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ADOPTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

In witness whereof, the parties hereto have executed this Amendment as of the date written above.

LANDLORD: TOWNSEND ASSOCIATES LLC

DocuSigned by:
By: Peter Morse
Peter Morse...
Its: Vice President

TENANT: CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Andrico Q. Penick
Director of Property

RECOMMENDED:

Department of Public Health

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: Elizabeth Dietrich
Elizabeth A. Dietrich
Deputy City Attorney

City & County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Andrico Q. Penick, Director of Real Estate

June 22, 2021

City Hall, 1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

Re: Lease of 650 Fifth St. San Francisco

Dear Board Members:

Attached for your consideration is a Resolution authorizing the amendment of the lease and exercising of the first renewal option of the lease dated for reference purposes as May 6, 2016, by the City for the premises comprising approximately 3,060 square feet with four (4) parking stalls at 650 Fifth St., San Francisco, CA. Since 1999, the premises have been continually used by the Department of Public Health for its Jail Health Services, providing a comprehensive and integrated system of medical, psychiatric and substance abuse services to inmates in San Francisco jails.

The proposed amendment changes the option from three years, to five years and adds two additional extension options of one year each. The purpose of this change is to provide for continual operation of this program and allowing flexibility to relocate the program to City owned property. The lease would become effective, upon approval by the Board of Supervisors and Mayor in their respective sole and absolute discretion.

City shall have two additional one (1) year option periods to extend the lease term based on the same terms and conditions except that the rent shall be adjusted to 95% of the then prevailing fair market rent but in no event less than the Base Rent for the lease year prior to commencement of the option term.

On behalf of the Department of Public Health, the Real Estate Division negotiated the lease at a fair market rent of \$ 13,260 per month, increasing 3% per year City shall continue to pay for its separately metered electricity. Landlord shall pay the cost of all other utilities and janitorial services.

The Department of Public Health recommends approval of the proposed lease

A handwritten signature in blue ink, appearing to read "Andrico Penick", written over a horizontal line.

Andrico Penick
Director of Real Estate



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 210737

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
office of the clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Jeff Suess	415-554-9873
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
ADM RED	jeff.suess@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Townsend Associates LLC	TELEPHONE NUMBER 510 839 4000
STREET ADDRESS (including City, State and Zip Code) P.O. Box 530, Alameda CA 94501	EMAIL

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 210737
DESCRIPTION OF AMOUNT OF CONTRACT \$159,200		
NATURE OF THE CONTRACT (Please describe) Lease		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Metrovision & Townsend Ass	Mark Seiler	CEO
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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Check this box if you need to include additional names. Please submit a separate form with complete information. Select “Supplemental” for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

<p>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</p> <p>BOS Clerk of the Board</p>	<p>DATE SIGNED</p>
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