

1 [Real Property Lease Amendment - Sixth Street Baldwin House, LLC - 72-6th Street]

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3 **Resolution authorizing the lease amendment with Sixth Street Baldwin House, LLC, of**  
4 **approximately 1,932 rentable square feet of ground space located at 72-6th Street for**  
5 **the San Francisco Police Department.**

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7 WHEREAS, The San Francisco Police Department is a law enforcement agency  
8 committed to the protection of life and property and the prevention of crime; and

9 WHEREAS, The Real Estate Division previously entered into a lease with Sixth Street  
10 Baldwin House, LLC, for 1,932 rentable square feet at 72-Sixth Street (the "Premises")  
11 which accommodates a San Francisco Police Department substation within the South of  
12 Market Redevelopment Project Area; and

13 WHEREAS, In accordance with the recommendation of the Chief of Police and the  
14 Director of Property, the Director of Property was authorized to take all actions, on behalf of  
15 the City and County of San Francisco ("City"), as tenant, to execute a lease (the "Lease") with  
16 Sixth Street Baldwin House, LLC as Landlord ("Landlord"), for the Premises through Board of  
17 Resolution No. 519-11 adopted December 6, 2011, on file with the Clerk of the Board of  
18 Supervisors in File No. 111193; and

19 WHEREAS, In accordance with the recommendation of the Chief of Police and the  
20 Acting Director of Property, the Director of Property is authorized to take all actions, on behalf  
21 of the City, as tenant, to execute a Lease Amendment with the Landlord, for the Premises on  
22 file with the Clerk of the Board of Supervisors in File No. 120385; and

23 WHEREAS, The initial term of the Lease shall remain three years with an estimated  
24 commencement date of December 1, 2012, following the substantial completion of the

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1 leasehold improvements and acceptance by City's Director of Property (the "Commencement  
2 Date"); and

3 WHEREAS, The Landlord has agreed to a modification of the monthly base rent of the  
4 Lease to \$1,449 per month which represents a credit of fifty (50) percent of the original  
5 monthly base rent and such rent shall be adjusted annually using the Consumer Price Index,  
6 however in no event shall the monthly base rent be less than 1.5% or more than 3% of the  
7 monthly base rent in effect for the last full month immediately prior to the adjustment date; and

8 WHEREAS, The Lease shall provide three extension options of two years each; and,

9 WHEREAS, The original Lease contemplated the use of Redevelopment Agency funds  
10 to effect substantial leasehold improvements; and

11 WHEREAS, Due to the dissolution of the Redevelopment Agency, an alternative  
12 source of funds is necessary to implement the leasehold improvements; and

13 WHEREAS, The Landlord shall allow City to construct substantial leasehold  
14 improvements at City's sole cost pursuant to construction documents approved by City and  
15 Landlord as more particularly described in the Lease Amendment; and

16 WHEREAS, The Director of Planning Department, by letter dated September 23,  
17 2011, found that the Lease was consistent with the City's General Plan and with the Eight  
18 Priority Policies of City Planning Code Section 101.1, and is categorically exempt from  
19 Environmental Review, a copy of these findings is on file with the Clerk of the Board of  
20 Supervisors under File No. 111193 and are incorporated herein by reference, now, therefore,  
21 be it

22 RESOLVED, That the Lease be amended to reflect the reduction in monthly base rent  
23 for the initial term and City's obligation to construct tenant improvements, and, be it,

24 FURTHER RESOLVED, That the Lease Amendment shall include a clause approved  
25 by the City Attorney, indemnifying and holding harmless the Landlord from and agreeing to

1 defend the Landlord against any and all claims, costs and expenses, including, without  
2 limitation, reasonable attorney's fees, incurred as a result of City's use of the Premises, any  
3 default by the City in the performance of any obligations under the Lease, any negligent acts  
4 or omissions of City or its agents or invitees, in, on or about the Premises or the property on  
5 which the Premises are located, excluding those claims, costs and expenses incurred as a  
6 result of the active gross negligence or willful misconduct of Landlord or its agents, or any  
7 breach of City's representations or warranties under the Lease; and, be it

8 FURTHER RESOLVED, That in accordance with the recommendation of the Chief of  
9 Police and Director of Property, the Board of Supervisors hereby approves the Lease  
10 Amendment and the transaction contemplated thereby in substantially the form of such  
11 agreement presented to the Board and authorizes the Director of Property to execute the  
12 Lease Amendment; and, be it

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

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

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Controller

Recommended:

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Chief of Police  
San Francisco Police Department

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Acting Director of Property