

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

2 **Resolution authorizing the lease amendment with Sixth Street Baldwin House, LLC of**
3 **approximately 1,932 rentable square feet of ground space located at 72-6th Street for**
4 **the San Francisco Police Department.**
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6 WHEREAS, The San Francisco Police Department is a law enforcement agency
7 committed to the protection of life and property and the prevention of crime; and,

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

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

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

22 WHEREAS, The initial term of the Lease shall remain three years with an estimated
23 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;
8 and,

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

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

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

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

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

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

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

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

15 FURTHER RESOLVED, That after six months of operations at 72 - Sixth Street, the
16 Police Department shall provide to the Board of Supervisor's Public Safety Committee, a
17 report outlining operational strategies deployed at this location and measurable impacts to the
18 Central Market neighborhood resulting from operations; and be it

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

22 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
23 Property to enter into any amendments or modifications to the Lease or Lease Amendment or
24 Consent that the Director of Property determines, in consultation with the City Attorney, are in
25 the best interest of the City, do not increase the rent or otherwise materially increase the

1 obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of
2 the Lease and Consent and are in compliance with all applicable laws, including City's
3 Charter.

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5 \$775,000.00

6 Index Code: PWB281GGFAAP

7 See File for Signature

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9 Controller

10 Recommended:

11 See File for Signature

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14 Chief of Police
15 San Francisco Police Department

16 See File for Signature

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19 Acting Director of Property

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