

1 [Real Property Lease Amendment - SRI Nine Market Square, LLC - 875 Stevenson Street -
2 Renovation of the Property]

3 **Resolution authorizing the Fourth Amendment to Lease of 875 Stevenson Street floors**
4 **1, 3 and 4, terminating said lease with SRI Nine Market Square, LLC for the renovation**
5 **of the property.**

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7 WHEREAS, The Departments of Public Works, Treasurer-Tax Collector, Assessor-
8 Recorder, ReproMail and General Services Agency have occupied space at 875 Stevenson
9 Street on floors 1, 3 and 4 since the 1990's; and,

10 WHEREAS, The current Lease for 875 Stevenson Street's 1st, 3rd and 4th floors
11 ("Lease") terminates in May, 2015; and,

12 WHEREAS, The current owner of 875 Stevenson Street, SRI Nine Market Square,
13 LLC, ("Landlord") plans to completely renovate the building and has sought from the City an
14 agreement to call for an early termination of the Lease; and,

15 WHEREAS, The Real Estate Division has identified other locations which meet the
16 needs of all City occupants of 875 Stevenson Street, and the Real Estate Division therefore
17 negotiated a fair and reasonable early termination from the Lease through a Fourth
18 Amendment to Lease ("Agreement"), considering all factors; and

19 WHEREAS, The Agreement will facilitate continued investment and revitalization of the
20 Central Market area by private sector forces; and

21 WHEREAS, Such Agreement is subject to enactment of a resolution by the Board of
22 Supervisors and the Mayor, in their respective sole and absolute direction, approving and
23 authorizing such Agreement; now, therefore, be it

24 RESOLVED, That in accordance with the recommendation of the Director of Property,
25 the Director of Property is hereby authorized to take all actions on behalf of the City and

1 County of San Francisco, as tenant, to terminate the Lease of the property commonly known
2 as 875 Stevenson Street, San Francisco, California with Landlord (a copy of the Agreement is
3 on file with the Clerk of the Board of Supervisors in File No. _____, which is hereby declared
4 to be a part of this resolution as if set forth fully herein) and on a form approved by the City
5 Attorney; and, be it

6 FURTHER RESOLVED, That the Agreement shall call for the termination of the Lease
7 by February 4, 2013, subject to the City's right to remain pursuant to conditions and financial
8 penalties as stated in the Agreement; and be it

9 FURTHER RESOLVED, That the City shall receive as compensation from Landlord in
10 consideration for the early termination of the Lease and timely vacation of the Premises of the
11 Lease by February 4, 2013 a total sum of \$3,250,000 payable under the terms and conditions
12 of the Agreement; and, be it

13 FURTHER RESOLVED, That the funds received from Landlord shall be applied
14 toward the cost of moving City occupants of 875 Stevenson to new locations and toward
15 incremental cost increases in rent at the new locations; and, be it

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

19 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
20 Property to enter into any amendments or modifications to the Lease (including, without
21 limitation, the exhibits) that the Director of Property determines, in consultation with the City
22 Attorney, are in the best interest of the City, do not increase the rent or otherwise materially
23 increase the obligations or liabilities of the City, are necessary or advisable to effectuate the
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1 purposes of the Lease or this resolution, and are in compliance with all applicable laws,
2 including the City Charter.

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5 Acting Director of Property
6 Real Estate Division

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