

1 [Master Lease Extension - Department of Public Health - 2176-78 Mission Street -
2 \$32,363.07 Per Month with Annual Increases]

3 **Resolution authorizing the extension of a Master Lease of Real Property at 2176-78**
4 **Mission Street for the Department of Public Health for ten-years, \$32,363.07 per**
5 **month for the period of December 5, 2012, to December 4, 2013, and subsequently**
6 **subject to increases pursuant to the Consumer Price Index yearly.**

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8 WHEREAS, The City, on behalf of the Department of Public Health, entered into a
9 Master Lease authorized by Resolution 412-01 for an initial term commencing December 5,
10 2002, through December 4, 2012, comprising approximately 10,770 square feet for 54
11 residential, single-room occupancy units, property management and support services office
12 spaces under the Department of Public Health's Direct Access to Housing Program; and

13 WHEREAS, The Master Lease contains two, ten-year option periods based on
14 mutually acceptable terms and conditions; and

15 WHEREAS, The option period extensions are each subject to an enactment of a
16 resolution approving and authorizing the exercise of said options by the Board of
17 Supervisors and Mayor in their respective sole and absolute discretion; and

18 WHEREAS, The fair market rent determination for the first, ten-year option period is
19 \$32,363,07, or approximately \$3 per square foot net of utility and janitorial services; and

20 WHEREAS, All other terms and conditions of the Master Lease shall remain the
21 same; now, therefore, be it

22 RESOLVED, That in accordance with the recommendation of the Director of Public
23 Health and the Acting Director of Property, the Board of Supervisors hereby approves the
24 City's exercise of the first option to extend the Master Lease term for ten years
25 commencing on December 5, 2012, on the terms and conditions set forth in the Master

1 Lease, a copy of which is included in Board of Supervisors File No. 121006, and on a form
2 approved by the City Attorney and authorizes the Acting Director of Property to take all
3 actions, on behalf of the City and County of San Francisco as may be required in
4 furtherance of the City's exercise of the option; and be it

5 FURTHER RESOLVED, That the Master Lease includes a clause indemnifying,
6 holding harmless, and defending the Landlord and its agents from and against any and all
7 claims, costs and expenses, including without limitation, reasonable attorney fees incurred
8 as a result of any default by the City in the performance of any of its material obligations
9 under the Master Lease, or any negligent acts or omissions of the City, or its agents, in, on
10 or about the Premises or the property on which the Premises are located, excluding those
11 claims, costs and expenses incurred as a result of the negligence or willful misconduct of
12 the Landlord or its agents; and be it

13 FURTHER RESOLVED, That any action taken by any City employee or official with
14 respect to the Master Lease is hereby ratified and affirmed; and be it

15 FURTHER RESOLVED, That the Board of Supervisors authorizes the Acting
16 Director of Property to enter into any amendments or modifications to the Master Lease
17 (including without limitation, the exhibits) that the Acting Director of Property determines, in
18 consultation with the City Attorney, are in the best interest of the City, do not increase the
19 rent or otherwise materially increase the obligations or liabilities of the City, are necessary
20 or advisable to effectuate the purposes of the Master Lease or this resolution, such
21 determination to be conclusively evidenced by the execution and delivery by the Acting
22 Director of Property of any amendments thereto in compliance with all applicable laws,
23 including City's Charter; and, be it

24 FURTHER RESOLVED, That City shall occupy said Premises for the entire
25 extension term expiring December 4, 2022, unless funds for rental payments are not

1 appropriated in any subsequent fiscal year, at which time City may terminate the Master
2 Lease with written notice to Landlord pursuant to Section 3.105 of the Charter of the City
3 and County of San Francisco.

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6 RECOMMENDED:

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Department of Public Health

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John Updike
Acting Director of Property

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14 \$226,541.49 Available
Appropriation No. HCHSHHOUSGGF (General Fund)
Appropriation No. HMHMPROP63 (MHSA State Funding)

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Controller

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