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[Real Property Lease - Department of Public Health - Community Behavioral Health Services 1380 Howard Street - \$118,259.38-\$131,584.38 Monthly]

Resolution authorizing the extension of a lease of 79,950 sq. ft. of office space at 1380 Howard Street for use by the Department of Public Health's Community Behavioral Health Services Division for a term of an additional 5 years from January 1, 2013, through December 31, 2017, for a monthly rent of \$118,259.38 for the first six months of the extended term and then \$131,584.38 per month for the remainder of the extended term.

WHEREAS, The City has occupied space at 1380 Howard Street since October, 1988 for use by the Community Behavioral Health Services Division of the Department of Public Health; and

WHEREAS, The current lease, authorized by Resolution 332-06, expires on December 31, 2012; and

WHEREAS. The City has an option to extend the term for an additional five years at 95% of fair market rent; and

WHEREAS, Pursuant to the terms of such option, the Real Estate Division and the Landlord have negotiated such 95% of fair market rental, considering all factors; and

WHEREAS, The extension of the Term is subject to enactment of a resolution by the Board of Supervisors and the Mayor, in their respective sole and absolute discretion, approving and authorizing such exercise; now, therefore, be it

RESOLVED, That in accordance with the recommendation of the Director of the Department of Public Health and the Director of Property, the Director of Property is hereby authorized to take all actions, on behalf of the City and County of San Francisco, as Tenant,

to extend Lease (a copy of which is on file with the Clerk of the Board, the "Lease") and other related documents with the Cort Family Trust ("Landlord"), for the building commonly known as 1380 Howard Street, San Francisco, California, which comprises an area of approximately 79,950 square feet on the terms and conditions herein; and, be it

FURTHER RESOLVED, That the monthly base rent for the extension shall be \$118,259.38 for the first six months of the extended term and then \$131,584.38 per month for the remainder of the extended term. City shall continue to pay for its utilities, janitorial, water and sewer, security guards, refuse and recycling; and, be it

FURTHER RESOLVED, That the Lease shall include a clause approved by the City Attorney indemnifying and holding harmless the Landlord, from and agreeing to defend the Landlord against any and all claims, costs and expenses, including, without limitation, reasonable attorney's fees, incurred as a result of City's use of the premises, any default by the City in the performance of any of its obligations under the lease, or any acts or omissions of City or its agents, in, on or about the premises or the property on which the premises are located, excluding those claims, costs and expenses incurred as a result of the active gross negligence or willful misconduct of Landlord or its agents; and, be it

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

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

FURTHER RESOLVED, That the City shall occupy the entire Premises for the full term of the lease unless funds for the Department of Public Health rental payments are not appropriated in any subsequent fiscal year at which time City may terminate the lease with reasonable advance written notice to Landlord. Said Lease shall be subject to certification as to funds by the Controller, pursuant to Section 3.105 of the Charter.

\$709,556.28 Available

(Base Rent January 1 to June 30, 2013) Index No. HMHMCC730515 Sub Object 03000

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RECOMMENDED:

Director, Department of Public Health

Director of Property Real Estate Division



City and County of San Francisco Tails

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Resolution

File Number:

121034

Date Passed: December 04, 2012

Resolution authorizing the extension of a lease of 79,950 sq. ft. of office space at 1380 Howard Street for use by the Department of Public Health's Community Behavioral Health Services Division for a term of an additional five years from January 1, 2013, through December 31, 2017, at a monthly rate of \$118,259.38 for the first six months of the extended term and then \$131,584.38 per month for the remainder of the extended term.

November 28, 2012 Budget and Finance Committee - RECOMMENDED

December 04, 2012 Board of Supervisors - ADOPTED

Ayes: 10 - Avalos, Campos, Chiu, Chu, Elsbernd, Farrell, Kim, Mar, Olague and

Wiener

Absent: 1 - Cohen

File No. 121034

I hereby certify that the foregoing Resolution was ADOPTED on 12/4/2012 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

Date Approved