FILE NO. 070873

[Lease of Real Property]

RESOLUTION NO. 438-07

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Resolution authorizing extension of a lease of real property at 617 Mission Street and 101 New Montgomery Street for the Department of Child Support Services.

WHEREAS, The Department of Child Support Services entered into a lease, which commenced on March 1, 1995 and expired on July 31, 2002, for a portion of the ground floor plus the entire second, third and fourth floors, and certain basement storage space as shown on Exhibit A to the Lease; and

WHEREAS, The Lease provided an option to extend the term for another five years from August 1, 2002 until July 31, 2007 and the Department of Child Support Services exercised their option by Resolution 112-02, which was approved on March 10, 2002; and

WHEREAS, The letter agreement dated February 11, 2002, which was used to exercise the extension Option also provided terms for a further option to extend the term for five years commencing August 1, 2007; now, therefore, be it

RESOLVED, In accordance with the recommendation of the Director of the Department of Child Support Services that the Director of Property is hereby authorized on behalf of the City and County of San Francisco as Tenant, to extend for an additional period of five years the lease at 617 Mission Street and 101 New Montgomery Street, with EDWARD J. CONNER and DOUGLAS G. MOORE, Co-Trustees Under the Conner Children's Trust No. 2, as Landlord, for the premises at 617 Mission Street and 101 New Montgomery Street, San Francisco, comprising an approximate area of 33,998 rentable square feet on the ground floor and the entire second, third and fourth floors plus basement storage space; and, be it

FURTHER RESOLVED, The lease extension shall commence on August 1, 2007 and expire on July 31, 2012, and, be it

FURTHER RESOLVED, That the base rent will be \$75,220 per month (\$26.55 per square foot per year) with additional charges for City's percentage share of increases in operating expenses and real estate taxes above a new 2007 base year and City shall continue to pay its electrical costs; and, be it

FURTHER RESOLVED, That the base rent will increase to \$79,414 per month (\$28.03 per square foot per Year) commencing February 1, 2010; and, be it

FURTHER RESOLVED, That Landlord shall at Landlord's sole cost (1) replace up to one third of the floor area of the Premises with carpet or other floor covering, in high use areas, as directed by City (2) provide flood lighting to illuminate the Minna Street entrance to the building (3) repair or replace baseboards as necessary on the first floor and repaint doors where the paint has deteriorated (4) check and repair the Mission Street stairwell doors on the second and third floors which have not been closing properly; and, be it

FURTHER RESOLVED, That City agrees to indemnify, defend and hold harmless Landlord and its agents from and against any and all claims, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred as a result of (a) City's use of the premises, (b) any default by City in the performance of any of its obligations under this lease, or (c) any negligent acts or omissions of City or its agents, in, on or about the premises or the property; provided, however, City shall not be obligated to indemnify Landlord or its agents to the extent any claim arises out of the active negligence or willful misconduct of Landlord or its agents; and, be it

FURTHER RESOLVED, That any action taken by any City employee or official with respect to this lease is hereby ratified and affirmed; and, be it

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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, Said lease shall be in a form approved by the City Attorney and City shall occupy said premises for the entire lease term expiring on July 31, 2012 unless funds for rental payments are not appropriated in any subsequent fiscal year, at which time City may terminate this lease with written notice to Landlord, pursuant to Section 3.105 of the Charter of the City and County of San Francisco; and

RECOMMENDED:

Director of Property

Director

Department of Child Support Services

\$827,420.00 Available

Index No. 170016 Sub Object 03011 Index No. 170009 Sub Object 03011

Controller



City and County of San Francisco Tails

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

Resolution

File Number:

070873

Date Passed:

Resolution authorizing extension of a lease of real property at 617 Mission Street and 101 New Montgomery Street for the Department of Child Support Services.

July 31, 2007 Board of Supervisors - ADOPTED

Ayes: 10 - Alioto-Pier, Ammiano, Daly, Elsbernd, Jew, Maxwell, McGoldrick,

Mirkarimi, Peskin, Sandoval

Absent: 1 - Dufty

File No. 070873

I hereby certify that the foregoing Resolution was ADOPTED on July 31, 2007 by the Board of Supervisors of the City and County of San Francisco.

Date Approved

Mayor Gavin Newsom

Angela Calvillo Jerk of the Board