

1 [Real Property Lease - K.L.W. Investments, LLC - 3119 Mission Street - \$473,884 Base Rent
2 in Initial Year]

3

4 **Resolution authorizing the lease with K.L.W. Investments, LLC, as Landlord, for the**
5 **entire property, commonly known as 3119 Mission Street, consisting of approximately**
6 **11,085 square feet at \$39,490.31 monthly for \$473,884 base rent in the initial year for**
7 **use by the Human Service Agency for a five-year term from July 1, 2015, through June**
8 **30, 2020.**

9

10 WHEREAS, The City has leased 3119 Mission Street for use the Human Services
11 Agency (the "HSA") since 1998; and

12 WHEREAS, HSA utilizes this leasehold to provide public benefits in the South of
13 Market-Mission corridor serving families engaged in CalWORKS, MediCAL, CalFRESH
14 benefits and a number of child welfare services; and

15 WHEREAS, 3119 Mission Street and its companion property 3120 Mission Street
16 operate as HSA's main workforce development center and the home of the JOBS NOW wage
17 subsidy program serving over 500 clients weekly; and

18 WHEREAS, The existing Lease for 3119 Mission Street expires on June 30, 2015; and

19 WHEREAS, HSA desires to continue to provide these valuable services to the
20 community; and

21 WHEREAS, The Real Estate Division on behalf of HSA has negotiated a new five year
22 Lease; now, therefore, be it

23 RESOLVED, That in accordance with the recommendation of the Director of the
24 Human Services Agency and the Director of Property, the Director of Property is hereby
25 authorized to take all actions, on behalf of the City and County of San Francisco, as Tenant,
to enter into the Lease for the Property located at 3120 Mission Street, San Francisco,

1 California, comprising approximately 11,085 square feet on substantially the terms of the
2 Lease on file with the Clerk of the Board of Supervisors in File No. 150426, which is hereby
3 declared to be a part of this resolution as if set forth fully herein; and, be it

4 FURTHER RESOLVED, The monthly base rent shall be \$39,490.31 (approximately
5 \$42.75 per square foot annually) commencing July 1, 2015, net of utilities but including
6 janitorial services, subject to annual rent adjustments of \$1 per square foot (approximately
7 2.3%) beginning July 1, 2016; and, be it

8 FURTHER RESOLVED, The Landlord shall provide an allowance of \$144,105
9 (approximately \$13 per square foot) for the construction of improvements and the City shall
10 pay for the costs above the allowance up to a maximum additional cost of \$200,000; and, be it

11 FURTHER RESOLVED, The City agrees to indemnify, defend, and hold harmless
12 Landlord and its agents from and against any and all claims, costs, and expenses, including
13 without limitation, reasonable attorney fees, incurred as a result of (a) City's use of the
14 Property, (b) any default by the City in the performance of any of its obligations under the
15 Lease, or (c) any acts or omissions of City or its agents, in, on or about the Property, provided
16 however City shall not be obligated to indemnify Landlord or its agents to the extent any claim,
17 cost and expense arises out of active gross negligence or willful misconduct of Landlord or its
18 agents; and, be it

19 FURTHER RESOLVED, The Board of Supervisors approves the Lease in substantially
20 the form in the Board's File and authorizes the Director of Property to take all actions, on
21 behalf of City, to enter into any amendments or modifications (including without limitation, the
22 exhibits) to the Lease on the terms and conditions herein and form approved by the City
23 Attorney that the Director of Property determines, in consultation with the City Attorney, are in
24 the best interest of the City, do not increase the rent or otherwise materially increase the
25

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

3 FURTHER RESOLVED, Said Lease shall be subject to certification as to funds by the
4 Controller pursuant to of the Charter, Section 3.105; and, be it

5 FURTHER RESOLVED, That within thirty (30) days of the agreement being fully
6 executed by all parties the Director of Property shall provide the Lease agreement to the Clerk
7 of the Board to include into the official file.

8 \$673,844.00 Available
9 (\$473,884 Base Rent
10 plus \$200,000 improvements)
11 Index Code No. 45ADOH

12 _____
13 Controller
14 Subject to the enactment of the FY 2015-2016
15 annual appropriation ordinance.

16 RECOMMENDED:

17 _____
18 Trent Rhorer, Director
19 Human Services Agency

20 RECOMMENDED:

21 _____
22 John Updike, Director
23 Real Estate Division