

1 [Real Property Lease - K.L.W. Investments, LLC - 3120 Mission Street - \$1,677,980 Base  
2 Rent in Initial Year]

3 **Resolution authorizing the lease with K.L.W. Investments, LLC, as Landlord, for the**  
4 **entire property, commonly known as 3120 Mission Street, consisting of approximately**  
5 **39,251 square feet at \$139,831.66 monthly for \$1,677,980 of base rent in the initial year**  
6 **for use by the Human Service Agency for a five-year term from July 1, 2015, through**  
7 **June 30, 2020.**

8  
9 WHEREAS, The City has leased 3120 Mission Street for use the Human Services  
10 Agency (the "HSA") since 2001; and

11 WHEREAS, The City, in 2008, expanded the Premises to approximately 39,251 square  
12 feet; and

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

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

19 WHEREAS, The existing Lease for 3120 Mission Street expires on June 30, 2015; and

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

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

24 RESOLVED, That in accordance with the recommendation of the Director of the  
25 Human Services Agency and the Director of Property, the Director of Property is hereby

1 authorized to take all actions, on behalf of the City and County of San Francisco, as Tenant,  
2 to enter into the Lease for the Property located at 3120 Mission Street, San Francisco,  
3 California, comprising approximately 39,251 square feet on substantially the terms of the  
4 Lease on file with the Clerk of the Board of Supervisors in File No. 150427, which is hereby  
5 declared to be a part of this resolution as if set forth fully herein; and, be it

6 FURTHER RESOLVED, The monthly base rent shall be \$139,831.66 (approximately  
7 \$42.75 per square foot annually) commencing July 1, 2015, net of utilities but including  
8 janitorial services, subject to annual rent adjustments of \$1 per square foot (approximately  
9 2.3%) beginning July 1, 2016; and, be it

10 FURTHER RESOLVED, The Landlord shall provide an allowance of \$510,263  
11 (approximately \$13 per square foot) for the construction of improvements and the City shall  
12 pay for the costs above the allowance up to a maximum additional cost of \$400,000; and, be it

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

21 FURTHER RESOLVED, The Board of Supervisors approves the Lease in substantially  
22 the form in the Board's File and authorizes the Director of Property to take all actions, on  
23 behalf of City, to enter into any amendments or modifications (including without limitation, the  
24 exhibits) to the Lease on the terms and conditions herein and form approved by the City  
25 Attorney that the Director of Property determines, in consultation with the City Attorney, are in

1 the best interest of the City, do not increase the rent or otherwise materially increase the  
2 obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of  
3 the Lease and are in compliance with all applicable laws, including City's Charter; and, be it

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

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

9 \$2,077,980 Available  
10 (\$1,677,980 Base Rent  
11 plus \$400,000 improvements)  
12 Index Code No. 45ADOH

13 \_\_\_\_\_  
14 Controller  
15 Subject to the enactment of the FY 2015-2016  
16 annual appropriation ordinance.

17 RECOMMENDED:

18 \_\_\_\_\_  
19 Trent Rhorer, Director  
20 Human Services Agency

21 RECOMMENDED:

22 \_\_\_\_\_  
23 John Updike, Director  
24 Real Estate Division