

1 [Real Property Lease Amendment - SFOC LLC - 711 Van Ness Avenue - \$482,160 Per Year
2 Base Rent]

3 **Resolution authorizing the Third Amendment to Lease with SFOC LLC, as Landlord,**
4 **of 9,800 square feet at 711 Van Ness Avenue, extending the Lease expiring on**
5 **January 31, 2018, through January 31, 2021, at a base rent of \$482,160 per year, plus**
6 **payment for common area expenses above Base Year 2018, for the Department of**
7 **Emergency Management, the San Francisco Public Utilities Commission, and the**
8 **interim continued use by the Office of the Assessor-Recorder, to commence upon**
9 **approval by the Board of Supervisors and Mayor, in their respective sole and**
10 **absolute discretion.**

11
12 WHEREAS, The Board of Supervisors passed and the Mayor signed Resolution
13 277-12 on July 24, 2012, on file with the Clerk of the Board of Supervisors in File No.
14 120675, authorizing an office lease ("Original Lease") of 9,800 square feet at 711 Van Ness
15 Avenue ("Premises") between the City and County of San Francisco and SFOC LLC
16 ("Landlord") for use by the Department of Emergency Management ("DEM") and the Office
17 of the Assessor-Recorder ("ASR"); and

18 WHEREAS, The Board of Supervisors passed and the Mayor signed Resolution
19 186-13 on June 21, 2013, on file with the Clerk of the Board of Supervisors in File No.
20 130362, authorizing an extension of the Original Lease through June 30, 2015 ("First
21 Amendment"); and

22 WHEREAS, The Board of Supervisors passed and the Mayor signed Resolution
23 39-15 on February 20, 2015, on file with the Clerk of the Board of Supervisors in File No.
24 150032, authorizing an extension of the First Amendment through January 31, 2018
25

1 (“Second Amendment”, collectively with the Original Lease and First Amendment, the
2 “Lease”); and

3 WHEREAS, in October 2014, DEM agreed to relinquish 2,000 square feet of the
4 Premises to the San Francisco Public Utilities Commission (the “SFPUC”) so to relocate the
5 SFPUC Archives within the Premises; and

6 WHEREAS, DEM and the SFPUC, along with ASR until its relocation destination is
7 identified and available in 2018, desire to amend the Lease (the “Third Amendment”) to
8 extend the Lease until approximately January 31, 2021; and

9 WHEREAS, Prior to or during the term of the Third Amendment, ASR shall relocate
10 to its destination relocation office and the Real Estate Division shall promptly populate the
11 remaining Premises with another City department or through subleasing to a third-party
12 tenant; and

13 WHEREAS, Landlord and City, through its Real Estate Division and with consultation
14 from the Office of the City Attorney, have negotiated the Third Amendment, which increases
15 Base Rent under the Lease from \$38.00 per square foot per year (\$3.17 per sq. ft. per
16 month) to \$49.20 per square foot per year (\$4.10 per month), or from \$372,400 per year to
17 \$482,160 per year, with annual increases to Base Rent of three percent (3%) per square
18 foot per year on each anniversary of the Third Amendment; and

19 WHEREAS, The Third Amendment shall require Landlord to now pay the costs for
20 the City’s utility usage and janitorial expenses within the Premises, which were previously
21 City’s costs under the Second Amendment, as common area expenses and City to
22 reimburse Landlord for the City’s pro-rata share of increases to common area expenses at
23 711 Van Ness Avenue over and above Base Year 2018; and

24 WHEREAS, All other provisions, terms and conditions of the Lease shall remain
25 unchanged and in effect; now, therefore, be it

1 RESOLVED, That in accordance with the recommendation of the Director of Property,
2 that the Director of Property on behalf of the City, as Tenant, be and is hereby authorized to
3 take all actions necessary to execute the Third Amendment (a copy of which is on file with the
4 Clerk of the Board of Supervisors in File No. _____) at 711 Van Ness Avenue in San
5 Francisco, California, to extend the Lease until January 31, 2021, at a Base Rent of \$49.20 per
6 year, plus reimbursement of City's common area expenses above Base Year 2018; and, be it

7 FURTHER RESOLVED, That the Director of Property shall be authorized to enter into
8 any additions, amendments or other modifications to the Third Amendment (including, without
9 limitations, the exhibits) that the Director of Property determines, in consultation with the City
10 Attorney, are in the best interests of the City, do not materially increase the obligations or
11 liabilities of the City, and are necessary or advisable to complete the transaction and effectuate
12 the purpose and intent of this resolution; and, be it

13 FURTHER RESOLVED, That the Lease contains language indemnifying and holding
14 harmless the Landlord, from and agreeing to defend the Landlord against any and all claims,
15 costs and expenses, including, without limitation, reasonable attorney's fees, incurred as a
16 result of City's use of the Premises, any default by the City in the performance of any of its
17 obligations under the Lease or any acts or omissions of city or its agents, in, on or about the
18 Premises or the property on which the Premises are located, including those claims, costs and
19 expenses incurred as a result of negligence or willful misconduct of Landlord or its agents;
20 and, be it

21 FURTHER RESOLVED, That any action taken by the Director of Property and other
22 officers of the City with respect to the Third Amendment are hereby approved, confirmed and
23 ratified; and be it

24 FURTHER RESOLVED, Said Second Amendment shall be subject to certification as
25 to funds by the Controller, pursuant to Charter, Section 3.105; and, be it

1 FURTHER RESOLVED, That within thirty (30) days of the agreements being fully
2 executed by all parties, the Director of Real Estate shall provide the agreements to the
3 Clerk of the Board for inclusion into the official file.

4
5
6
7
8 RECOMMENDED:

9 DEPARTMENT OF EMERGENCY MANAGEMENT
10

11
12 _____
13 Anne Kronenberg
14 Executive Director

15 SAN FRANCISCO PUBLIC UTILITIES COMMISSION
16

17 _____
18 Michael Carlin
19 Deputy General Manager

20 _____
21 John Updike
22 Director of Real Estate
23
24
25