

1 [Lease of Real Property at 1740 Cesar Chavez Street]

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3 **Resolution authorizing a new lease of approximately 7,680 square feet at 1740 Cesar**
4 **Chavez Street for the Department of Human Resources (DHR) for a term of five**
5 **years.**

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7 WHEREAS, the City and County of San Francisco recognize a need for increased
8 recruitment and testing efforts of public safety staff to address anticipated retirements of the
9 City's police and fire personnel; and

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11 WHEREAS, said recruitment and testing now often takes place in hotel or convention
12 facilities which are available only when market conditions provide vacancies; and

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14 WHEREAS, utilizing multiple sites for recruitment and testing purposes requires
15 significant set-up, coordination and planning with site owners and operators, and creates
16 inefficiencies in DHR operations; now, therefore, be it

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18 RESOLVED, That in accordance with the recommendation of the Director of the DHR
19 and the Director of Property, the Director of Property is hereby authorized to take all actions
20 on behalf of the City and County of San Francisco, as tenant, to execute a written lease (the
21 "Lease"), substantially in the form on file with the Clerk of the Board of Supervisors in File No.
22 080263, and other related documents with Potrero Investor I, LLC and Potrero Investor II,
23 LLC. (collectively, "Landlord"), for a portion of the second floor of the building commonly
24 known as 1740 Cesar Chavez Street, San Francisco, California, which is comprised of an

1 area of approximately 6,152 sq. ft. (the "Premises"), on the terms and conditions set forth
2 herein, and on a form approved by the City Attorney; and, be it

3 FURTHER RESOLVED, That the Lease term shall commence upon the date of
4 substantial completion of improvements more particularly described in the Lease (which date
5 is estimated to be September 15, 2008) and terminate sixty (60) months after the
6 commencement date (for an initial term of approximately five (5) years). The monthly rent
7 shall be \$10,214.40 (approximately \$16.00 per square foot per year or \$1.33 per square foot
8 per month) which shall be due and payable on the first day of each month for the entire Lease
9 term. The Lease shall be fully serviced with the Landlord paying for standard electricity,
10 water, sewer, janitorial services and building maintenance and repairs, provided that the City
11 shall pay a proportionate share of increases in insurance expenses and tax expenses over a
12 base year of calendar year 2008; and, be it

13 FURTHER RESOLVED, That the City shall have one (1) option to renew the Lease for
14 an additional term of five (5) years on the same terms and conditions except the Base Rent
15 shall be adjusted to equal the prevailing market rate for space of comparable size and location
16 to the Premises then being offered for rent in other buildings similar in age, location and
17 quality to the Premises situated within the Potrero Hill/Hunters Point area of San Francisco;
18 and, be it

19 FURTHER RESOLVED, That the Lease shall include a clause approved by the City
20 Attorney, indemnifying, holding harmless, and defending Landlord and its agents from and
21 against any and all claims, costs and expenses, including without limitation, reasonable
22 attorneys' fees, incurred as a result of any default by the City in the performance of any of its
23 material obligations under the Lease, or any negligent acts or omissions of the City or its
24 agents, in, on, or about the Premises or the property on which the Premises are located,
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1 excluding those claims, costs and expenses incurred as a result of the negligence or willful
2 misconduct of the Landlord or its agents; and, be it

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

5 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
6 Property to enter into any amendments or modifications to the Lease (including, without
7 limitation, the exhibits) that the Director of Property determines, in consultation with the City
8 Attorney, are in the best interest of the City, do not increase the rent or otherwise materially
9 increase the obligations or liabilities of the City (with the exception of any necessary tenant
10 improvements so desired by DHR and authorized by the Director of Property, to be
11 implemented by Landlord), are necessary or advisable to effectuate the purposes of the
12 Lease or this resolution, and are in compliance with all applicable laws, including the City
13 Charter; and, be it

14 FURTHER RESOLVED, That the City shall occupy the entire Premises for the full term
15 of the Lease unless funds for the DHR rental payments are not appropriated in any
16 subsequent fiscal year at which time the City may terminate the Lease. Said Lease shall be
17 subject to certification as to funds by the Controller, pursuant to Section 6.302 of the City
18 Charter.

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1 RENT AND TENANT IMPROVEMENTS

2 \$252,000 Available

3 Fund Type: 1G

4 Fund: AGF

5 Subfund: AAA

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8 Controller
9 Subject to the enactment of the Annual Appropriation
10 Ordinance for FY 2008/2009

11 **RECOMMENDED:**

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14 Department of Human Resources

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17 Director of Property