1	[Lease of Real Property at 1700-1740 17 th Street and 1415 16 th Street, San Francisco]
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3	Resolution authorizing the lease of property, with a first right of refusal to purchase,
4	comprising approximately 52,125 square feet of improvements upon a lot area of
5	62,373 square feet, located at 1700-1740 17 th Street and 1415 16 th Street (Assessor's
6	
7	Block 3955, Lot 002) in San Francisco for the San Francisco Police Department.
8	WHEREAS, the San Francisco Police Department is a law enforcement agency
9	committed to the protection of life and property and the prevention of crime; and,
0	WHEREAS, the San Francisco Police Department's Tactical Company are the first
1	responders to critical incidents in the City; and,
2	WHEREAS, the Tactical Company is currently located at Hunter's Point Shipyard and
3	must relocate to accommodate pending redevelopment; and
4	WHEREAS, the Real Estate Division has negotiated a lease (the "Lease") with1415
5	16th Street Associates, LLC ("Landlord"), as landlord, for the lease by City, as tenant, of
6	52,125 rentable square feet at 1700-1740 17 th Street and 1415 16 th Street (the "Premises")
7	that satisfies the requirements of the San Francisco Police Department's Tactical Company;
8	and
9	WHEREAS, the Lease provides for the City's first right of refusal to purchase the
20	building in which the Premises are located; and,
21	WHEREAS, the term of the Lease shall be ten years with an estimated commencement
22	date of October 15, 2008; and,
23	WHEREAS, the monthly base rent of the Lease shall be \$143,344 per month and such
24	rent shall escalate to \$146,602 per month in Year 2, \$149,859 per month in Year 3, \$154,117
25	per month in Year 4, \$156,375 per month in Year 5, \$159,633 per month in Year 6, \$162,891

1	per month in Year 7, \$166,148 per month in Year 8, \$169,406 per month in Year 9 and
2	\$172,664 per month in Year 10; and,

WHEREAS, the Lease shall provide for one extension option of an additional ten years with said option to be exercised by the Director of Property with ratification required by the Board of Supervisor prior to any effective date of the option; and,

WHEREAS, the Landlord shall provide a tenant improvement allowance in the amount of \$1,824,375 and construct substantial leasehold improvements as more particularly described in the Lease; and,

WHEREAS, the City will pay the verified leasehold improvement costs with respect to the Premises in excess of \$1,824,375, as more particularly described in the Lease; and,

WHEREAS, the Landlord shall offer the City the opportunity to amortize up to \$2,000,000 of such leasehold improvement expenses above the tenant improvement allowance over the first five years of the initial term at an interest rate equal to the prime commercial rate, plus two percent; and,

WHEREAS, the City shall, as a condition of approval of the Lease, effect streetscape improvements to the Premises' De Haro and 16th Street frontage, including substantial landscaping, and shall resurface Carolina Street from 16th Street to 17th Street prior to the end of the Lease term, and shall restrict City's occupant (Tactical Company) parking to an on-site parking lot within the leased Premises and to Carolina Street, with no Tactical Company parking on De Haro Street; and

WHEREAS, the City's Planning Department has found that the Lease is consistent with the City's General Plan and with the eight priority policies of City Planning Code Section 101.1, and is categorically exempt from Environmental Review (a copy of these findings is on file with the Clerk of the Board of Supervisors under File No. ______ and are incorporated herein by reference), now, therefore, be it

1	RESOLVED, in accordance with the recommendation of the Chief of Police and the			
2	Director of Property, the Director of Property is hereby authorized to take all actions on behalf			
3	of the City and County of San Francisco, as tenant, to execute the Lease for the Premises in			
4	the form on file with the Clerk of the Board of Supervisors in File No			
5	; and, be it			
6	FURTHER RESOLVED, that the Lease shall include a clause approved by the City			
7	Attorney indemnifying and holding harmless the Landlord from and agreeing to defend the			
8	Landlord against any and all claims, costs and expenses, including, without limitation			
9	reasonable attorney's fees, incurred as a result of City's use of the Premises, any default by			
10	the City in the performance of any obligations under the Lease, or any negligent acts of			
11	omissions of City or its agents or invitees, in, on, or about the Premises or the property on			
12	which the Premises are located, excluding those claims, costs, and expenses incurred as a			
13	result of the negligence or willful misconduct of Landlord or its agents; and, be it			
14	FURTHER RESOLVED, that all actions heretofore taken by any City employee of			
15	official with respect to this Lease are hereby approved, confirmed, and ratified; and be it			
16	FURTHER RESOLVED, that the Board of Supervisors authorizes the Director of			
17	Property to enter into any amendments or modifications to the Lease or consent to any			
18	matters with respect to the Lease that the Director of Property determines, in consultation with			
19	the City Attorney, are in the best interest of the City, do not increase the rent or otherwise			
20	materially increase the obligations or liabilities of the City, are necessary or advisable to			
21	effectuate the purposes of the Lease, and are in compliance with all applicable laws, including			
22	City's Charter.			
23	¢1 219 424 Dont			
24 25	\$1,218, 424 Rent \$82,925 Additional Rent for Estimated Tenant Improvement Expense Index Code: 385036			

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3	Recommended:		
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6	Chief of Police San Francisco Police Department		
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9	Director of Property		
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