

1 [Lease of Real Property at 1700-1740 17th Street and 1415 16th 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 17th Street and 1415 16th Street (Assessor's**
6 **Block 3955, Lot 002) in San Francisco for the San Francisco Police Department.**
7

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,

10 WHEREAS, the San Francisco Police Department's Tactical Company are the first
11 responders to critical incidents in the City; and,

12 WHEREAS, the Tactical Company is currently located at Hunter's Point Shipyard and
13 must relocate to accommodate pending redevelopment; and

14 WHEREAS, the Real Estate Division has negotiated a lease (the "**Lease**") with 1415
15 16th Street Associates, LLC ("**Landlord**"), as landlord, for the lease by City, as tenant, of
16 52,125 rentable square feet at 1700-1740 17th Street and 1415 16th Street (the "**Premises**")
17 that satisfies the requirements of the San Francisco Police Department's Tactical Company;
18 and

19 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,

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

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

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

11 WHEREAS, the Landlord shall offer the City the opportunity to amortize up to
12 \$2,000,000 of such leasehold improvement expenses above the tenant improvement
13 allowance over the first five years of the initial term at an interest rate equal to the prime
14 commercial rate, plus two percent; and,

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

21 WHEREAS, the City's Planning Department has found that the Lease is consistent with
22 the City's General Plan and with the eight priority policies of City Planning Code Section
23 101.1, and is categorically exempt from Environmental Review (a copy of these findings is on
24 file with the Clerk of the Board of Supervisors under File No. _____ and are
25 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 081167; and, be it

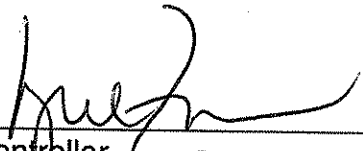
6 FURTHER RESOLVED, that the Lease shall include a clause approved by the City
7 Attorney indemnifying and holding harmless the Landlord from and agreeing to defend the
8 Landlord against any and all claims, costs and expenses, including, without limitation,
9 reasonable attorney's fees, incurred as 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 or
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 or
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.

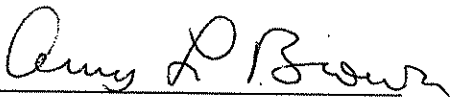
23
24 \$1,218, 424 Rent
25 \$ 82,925 Additional Rent for Estimated
Tenant Improvement Expense
Index Code: 385036

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Controller

Recommended:


Chief of Police
San Francisco Police Department


Director of Property



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Resolution

File Number: 081167

Date Passed:

Resolution authorizing the lease of property, with a first right of refusal to purchase, comprising approximately 52,125 square feet of improvements upon a lot area of 62,373 square feet, located at 1700-1740 17th Street and 1415 16th Street (Assessor's Block 3955, Lot 002) in San Francisco for the San Francisco Police Department.

October 21, 2008 Board of Supervisors — ADOPTED

Ayes: 8 - Alioto-Pier, Chu, Daly, Dufty, Elsbernd, Mirkarimi, Peskin, Sandoval

Noes: 3 - Ammiano, Maxwell, McGoldrick

File No. 081167

I hereby certify that the foregoing Resolution was ADOPTED on October 21, 2008 by the Board of Supervisors of the City and County of San Francisco.



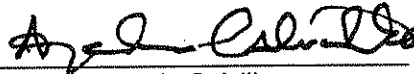
Angela Calvillo
Clerk of the Board

Date Approved

Mayor Gavin Newsom

Date: November 3, 2008

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter.



Angela Calvillo
Clerk of the Board

File No.
081167