[Lease of Real Property.]

Resolution authorizing a new lease of real property currently occupied by the City under the terms of an earlier lease at 1380 Howard Street, San Francisco, for a term of five years and one month, commencing June 1, 2001 at an initial monthly rent of $100,000 per month for the Mental Health Division of the Department of Public Health.

WHEREAS, Board of Supervisors Resolution No. 421-98 authorized, for a term of ten years commencing June 1, 1998, a new lease extending the occupancy of a portion of the building at 1380 Howard Street comprised of approximately 70,300 rentable square feet (the "Premises") which was, on the date of approval of such Resolution, occupied by the Mental Health Division of the Department of Public Health; and

WHEREAS, subsequent to the granting of such authorization, Landlord, Cort Family Living Trust, was unwilling to execute a lease on essentially the same terms as set forth in the draft lease authorized by Board of Supervisors Resolution No. 421-98; and

WHEREAS, In order to avoid eviction and/or substantial disruption of the operations of the Mental Health Division of the Department of Public Health, the City has paid to Landlord, under the authority granted by Board of Supervisors Resolution No. 421-98, the rent so authorized, while the Real Estate Division and the Office of the City Attorney worked to resolve any differences between Landlord and City, and to negotiate a lease document on terms and conditions acceptable to Landlord and City; and

WHEREAS, The Real Estate Division has negotiated a lease on terms and conditions that meet the needs of the Department of Public Health as well as those of the Landlord, but which are not authorized by Board of Supervisors Resolution No. 421-98; and
WHEREAS, Landlord has executed a lease in a form approved by the Office of the City Attorney, and on terms and conditions that meet the requirements of the Department of Public Health, which lease is on file with the Clerk of the Board of Supervisors in File No. 010835; now, therefore, be it

RESOLVED, That in accordance with the recommendation of the Director of the Department of Public Health, that the Director of Property, on behalf of the City and County of San Francisco, as Tenant, be and is hereby authorized to execute a lease with The Cort Family Living Trust, as Landlord, for a portion of the office building at 1380 Howard Street, San Francisco, comprising a rentable area of approximately 70,300 square feet, for the Mental Health Division of the Department of Public Health; and, be it

FURTHER RESOLVED, That upon approval of this Resolution by City's Mayor and Board of Supervisors, the lease will commence June 1, 2001, and end June 30, 2006; and, be it

FURTHER RESOLVED, The initial base monthly rent will be $100,000. In addition, City shall pay the cost of utilities, janitorial services and janitorial supplies provided to the premises, as well as City's prorata share of increases in Real Property Taxes above those of calendar year 1997. The base rent will be adjusted commencing effective July 1, 2003 to an amount equal to 95% of the then prevailing market rate, provided that in no event will the monthly Base rent exceed $211,000; and, be it,

FURTHER RESOLVED, The landlord will replace all carpet throughout the premises and paint the interior of the premises. Landlord will provide the new carpet at its sole cost and expense, and will provide to City an allowance of $38,000 (the "Allowance") toward the cost of carpet installation, painting, and related furniture moving. Upon completion of these improvements, City will reimburse Landlord as additional rent for any related cost in excess of the Allowance; and, be it,
FURTHER RESOLVED, That the lease may include an appropriate clause in a form approved by the Director of Property and the City Attorney, indemnifying and holding harmless the Landlord, from and agreeing to defend the Landlord against any and all claims, costs and expenses, including, without limitation, reasonable attorney’s fees, incurred as a result of City’s use of the premises, any default by the City in the performance of any of its obligations under the lease, or any acts or omissions of City or its agents, in, on or about the premises or the property on which the premises are located, excluding those claims, costs and expenses incurred as a result of the gross negligence or willful misconduct of Landlord or its agents; and, be it

FURTHER RESOLVED, That the lease shall be subject to and conditioned upon, the Human Rights Commission’s approval of Landlord’s compliance with City’s Non-Discrimination and Equal Benefits in Employment Ordinance; and, be it

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

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Property to enter into any amendments or modifications to the Lease (including without limitation, the exhibits) that the Director of Property determines, in consultation with the City Attorney, are in the best interest of the City, do not increase the rent or otherwise materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the Lease or this resolution, and are in compliance with all applicable laws, including City’s Charter; and, be it

FURTHER RESOLVED, That said Lease shall be subject to certification of funds by the Controller pursuant to Section 6.302 of the Charter; and, be it

FURTHER RESOLVED, That the City Attorney shall approve the form of the Lease and any related documents.
RECOMMENDED:

Ignez
Director, Department of Public Health

Director of Property

CERTIFICATION OF FUNDS

$ 100,000 Available from 1G-AGF-AAA HN0HCC730515 03011

(month)

Controller

(REAL ESTATE)
BOARD OF SUPERVISORS
Resolution authorizing a new lease of real property currently occupied by the City under the terms of an earlier lease at 1380 Howard Street, San Francisco, for a term of five years and one month, commencing June 1, 2001 at an initial monthly rent of $100,000 per month for the Mental Health Division of the Department of Public Health.

June 4, 2001 Board of Supervisors — ADOPTED

Ayes: 10 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, Newsom, Peskin, Sandoval, Yee
Absent: 1 - McGoldrick
File No. 010835

I hereby certify that the foregoing Resolution was ADOPTED on June 4, 2001 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Mayor Willie L. Brown Jr.

JUN 15 2001
Date Approved