Resolution authorizing the five-year renewal and amendment of a lease of
approximately 27,826 square feet of space at 1390 Market Street with BRCP 1390
Market, LLC, as Landlord for use by the Department of Public Health at the monthly
cost of $82,818.07 for the period of December 1, 2013, through November 30, 2018.

WHEREAS, The Department of Public Health - Environmental Health Section (DPH -
EHS) has occupied space since 1997 at the building commonly known as Fox Plaza, 1390
Market Street (Premises), San Francisco pursuant to a lease with Calfox, Inc. dated
September 9, 1996, authorized by Resolution No. 699-96; and

WHEREAS, BRCP 1390 Market, LLC, is successor in interest to Calfox; and

WHEREAS, The current lease term for DPH - EHS was extended through November
30, 2013, by Resolution No. 74-08 for Premises consisting of 25,939 sq. ft.; and

WHEREAS, The DPH - EHS, over the past five years of the current lease term, has
taken on new responsibilities for its Automated Point of Sale Inspection Program pursuant to
Board of Supervisors Ordinance No. 195-10, and added 5 full time employees to conduct
price verification inspections to test the point-of-sale systems to verify the accuracy of the
transactions; and

WHEREAS, The DPH - EHS, over the past five years of the current lease term, has
also added 7 other full time employees for additional regulatory responsibilities, including 3
employees in the Healthy Housing Program to comply with new local legislation, 1 employee
as requested by Supervisor Chu to increase inspections to deter illegal activity in massage
businesses, 1 employee to enforce new local tobacco legislation, 1 employee for enforcing
federal standards around menu labeling, and 1 employee for inspections and issues around bed bugs; and

WHEREAS, Such additional staff at DPH - EHS are currently scattered throughout Premises and DPH - EHS desires to consolidate and co-locate the additional staff into cohesive units for better teamwork, supervision and other operational efficiencies.

WHEREAS, The Real Estate Division and the Landlord have negotiated the renewal of the lease for five additional years through November 30, 2018, and the expansion of the Premises by 1,887 sq. ft.; and

WHEREAS, Such terms for extension and expansion are subject to enactment of a resolution by the Board of Supervisors and the Mayor, in their respective sole and absolute discretion; now, therefore, be it

RESOLVED, That in accordance with the recommendation of the Director of the Department of Public Health and the Director of Property, Real Estate Division, the Director of Property is hereby authorized to take all actions on behalf of the City and County of San Francisco, as tenant, to extend and expand the Lease (copy of lease amendment on file in File No. 130295 with the Clerk of the Board) with BRCP 1390 Market, LLC ("Landlord"), for the building commonly known as Fox Plaza, 1390 Market Street, San Francisco, California, for the area of approximately 27,826 sq. ft., on the terms and conditions set forth herein, and on a form approved by the City Attorney; and, be it

FURTHER RESOLVED, That the Lease extension shall be for a term of five years through November 30, 2018, for Premises consisting of 27,826 sq. ft. at a monthly rental of $82,818.07, (approximately $35.72 per sq. ft. annually), fully serviced except that City shall continue to pay for separately metered electricity on approximately 14,549 sq. ft. while the Landlord shall pay for the other utilities, janitorial services, building maintenance, and repairs;
City shall also pay for the typical tenant expenses including standard operating expense increases over a 2013 Base Year; and, be it

FURTHER RESOLVED, That in the event Substantial Completion of the Tenant Improvements for the expansion Premises consisting of 1,887 sq. ft., occurs prior to November 30, 2013, (expected to be August 1, 2013) the expansion premises shall be added to the existing Lease at the additional monthly rental of $6,006.95 (approximately $38.20 per sq. ft. annually), so that after the addition of expansion Premises and beginning December 1, 2013 the base monthly rent shall be a total of $82,818.07 or approximately $35.72 per sq.ft. annually on the total premises of 27,826 sq. ft.; and, be it

FURTHER RESOLVED, That the Lease shall continue to include the lease clause, indemnifying, holding harmless, and defending Landlord and its agents from and against any and all claims, costs and expenses, including without limitation, reasonable attorneys' fees, incurred as a result of any default by the City in the performance of any of its material obligations under the Lease, or any negligent acts or omissions of the 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 negligence or willful misconduct of the Landlord or its agents; 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 renewal or this resolution, and are in compliance with all applicable laws, including the City Charter; and, be it

FURTHER RESOLVED, That the City shall occupy the entire Premises for the full term of the Lease unless funds for the Department of Public Health’s rental payments are not appropriated in any subsequent fiscal year at which time the City may terminate the Lease with advance notice to Landlord. Said Lease shall be subject to certification as to funds by the Controller, pursuant to Section 6.302 of the City Charter.

$954,064.29 Available
(1 month @ $70,062.00)
(4 months at $76,068.95)
(7 months @ $82,818.07)
HC/PBADMINGF

Subject to the enactment of the Annual Appropriation Ordinance for Fiscal Year 2013/2014.

RECOMMENDED:

Barbara
Department of Public Health

Director of Property
Real Estate Division

**Real Estate Division**
BOARD OF SUPERVISORS
Resolution authorizing the five year renewal and amendment of a lease of approximately 27,826 square feet of space at 1390 Market Street with BRCP 1390 Market, LLC, as Landlord, for use by the Department of Public Health at the monthly cost of $82,818.07 for the period of December 1, 2013, through November 30, 2018.

May 22, 2013 Budget and Finance Sub-Committee - AMENDED

May 22, 2013 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

June 04, 2013 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 6/4/2013 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved: 6/4/13