Resolution authorizing the Director of Property, on behalf of the Human Services Agency, to exercise a five-year extension of a Lease between Bayview Plaza, LLC, as landlord, and the City and County of San Francisco, as tenant, for the real property located at 3801 Third Street, to commence on December 1, 2019, for a total term of December 1, 2014, through November 30, 2024, at the initial monthly base rent of $45,325.13 for a total annual base rent of $543,901.56.

WHEREAS, The City and County of San Francisco, ("City" or "Tenant"), and Bayview Plaza, LLC ("Landlord"), executed a lease dated December 2, 2014 (the "Lease"), authorized by Board of Supervisors' Resolution No. 433-14, for 15,083 rentable square feet within Suites 200, 205, 210, 220, 230, 235, and 240 (the "Premises") in the building located at 3801 Third Street in San Francisco, for use by the City's Human Services Agency ("HSA") for the operation of its Family and Children's Services program; and

WHEREAS, The Lease contains an option to extend the Lease for five (5) years at a "New Base Monthly Rental Rate" equal to 95% of fair market rental value, but in no event less than the "Current Base Monthly Rental Rate" of $3.01 per sq. ft. per month, or $45,325.13 in "Monthly Base Rent"; and

WHEREAS, The City's Real Estate Division, on behalf of HSA, negotiated the New Base Monthly Rental Rate for the "Extension Term" beginning on December 1, 2019 and expiring on November 30, 2024, will remain at the Current Base Monthly Rental Rate rather than being adjusted to 95% of the Fair Market Rental Rate, which is determined to be at or below 95% of the Fair Market Rental Rate; and
WHEREAS, Consistent with the terms of the Lease, the Extended Term’s Base Monthly Rental Rate of $45,325.13 will continue to increase annually each year beginning on December 1, 2020, by the Consumer Price Index Adjustments of no less than 3% and no more than 5%; now, therefore, be it

RESOLVED, That in accordance with the recommendation of the Director of the Human Services Agency and the Director of Property, the Director of Property Real Estate is hereby authorized to take all actions on behalf of the City and County of San Francisco, as Tenant, to extend the term of the Lease, and exercise the five (5) year extension for the Extension Term beginning on December 1, 2019; and, be it

FURTHER RESOLVED, That commencing upon the lease extension period, the monthly rent will stay as it is today at $45,325.13 per month and will continue to increase annually each year beginning on December 1, 2020, by the Consumer Price Index Adjustments of no less than 3% and no more than 5%; and, be it

FURTHER RESOLVED, That any action taken by any City employee or official with respect to the exercise of the extension provision contained in the Lease is hereby ratified and affirmed; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Real Estate 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.
Available Funds: $317,275.91
(Rent for Dec. 1, 2019 – June 30, 2020)

Fund ID: 10000
Department ID: 149657
PS Project ID: 10001700
Authority ID: 10000
Account ID: 530110
Activity ID: 0001

Funding for Fiscal Year 2020/2021 is subject to the enactment of the Annual Appropriation Ordinance for Fiscal Year 2020/2021

RECOMMENDED:

Human Services Agency
Executive Director

Director of Property
Resolution authorizing the Director of Property, on behalf of the Human Services Agency, to exercise a five-year extension of a Lease between Bayview Plaza, LLC, as landlord, and the City and County of San Francisco, as tenant, for the real property located at 3801 Third Street, to commence on December 1, 2019, for a total term of December 1, 2014, through November 30, 2024, at the initial monthly base rent of $45,325.13 for a total annual base rent of $543,901.56.

November 13, 2019 Budget and Finance Committee - RECOMMENDED

November 19, 2019 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 11/19/2019 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved