AMENDED IN COMMITTEE 4/29/15 RESOLUTION NO. 169-15

FILE NO. 150291

[New Lease Extension - Robert J. Cort Marital Trust - 760 Harrison Street - \$304,200 in Initial Year]

Resolution authorizing a new Lease between the City and County of San Francisco, as Tenant, and the Robert J. Cort Marital Trust, as Landlord, for clinic space located at 760 Harrison Street, consisting of approximately 13,000 square feet for use by the Department of Public Health; continuing the original lease at \$25,350 monthly through June 30, 2017, for \$304,200 rent in the initial year, plus an additional five-year period at \$42,488 monthly through June 30, 2022, with two 2% annual increases, and three fiveyear options to extend.

WHEREAS, The Department of Public Health (DPH) has operated a mental health clinic (the South of Market Mental Health Services -- Integrated Service Clinic or SOMMHS - ISC) at 760 Harrison Street for people who are struggling with complex mental, medical and behavioral health conditions since 1997; and

WHEREAS, DPH SOMMHS - ISC provides on-site support services from 760 Harrison Street to approximately 1200 people annually often with multiple client visits per month; and

WHEREAS, The majority of clients reside in the South of Market, Tenderloin and Western Addition neighborhoods; many of the clients are homeless; and

WHEREAS, Approximately half of the clients served have a psychotic disorder and struggle with substance use disorders; and

WHEREAS, DPH - SOMMHS ISC provides its clients with case management and linkage to other City services, crisis evaluation and management, medication and individual psychotherapy services, and group offerings including Seeking Safety, Anger Management, and Wellness and Recovery Management; and

Real Estate BOARD OF SUPERVISORS WHEREAS, DPH considers 760 Harrison Street to be a vital site in delivery services to the community that resides in this section of San Francisco; and

WHEREAS, Best practices and the Affordable Care Act (ACA) integrates primary care into the current services for the provision of combined medical and mental health care; and

WHEREAS, In order to meet these best practices, ACA-compliant medical examination rooms need to installed at 760 Harrison Street; and

WHEREAS, The current Lease expires on June 30, 2017, and contains no further options to extend the Lease; and

WHEREAS, The Robert J. Cort Marital Trust (Landlord) is the successor in interest to The Cort Family Trust; and

WHEREAS, The Real Estate Division and the Landlord have negotiated a new lease agreement which maintains the current terms of the lease including the current Base Rent of \$25,350 per month (approximately \$23.40 per square foot annually) through the original lease expiration of June 30, 2017 and adds an additional five year extension period (July 1, 2017 through June 30, 2022) at \$42,488.00 per month (approximately \$39.22 per square foot annually) beginning July 1, 2017, with two (2%) annual increases thereafter through June 30, 2022; and

WHEREAS, The proposed new Lease also provides City with three (3) options of five (5) years each to further extend the Term; and

WHEREAS, The proposed new Lease is subject to enactment of a resolution by the Board of Supervisors and the Mayor, in their respective sole and absolute direction, approving and authorizing such new Lease; 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, that the Director of Property on behalf of the City and County of San Francisco, as Tenant, is hereby authorized to take all

Real Estate BOARD OF SUPERVISORS actions necessary to execute the Lease (a copy of which is on file with the Clerk of the Board of Supervisors in File No. <u>150291</u>) at 760 Harrison Street, San Francisco, California; and, be it

FURTHER RESOLVED, That the Department of Public Health shall reimburse Landlord for the costs of certain medical exam room and related improvements (up to a maximum cost of \$974,211) pursuant to the terms of the Lease; and, be it

FURTHER RESOLVED, That the City shall continue to pay for its own utilities, janitorial, security, and maintenance; and, be it

FURTHER RESOLVED, That the Lease shall continue to indemnify and hold 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 Master Lease, or any acts or omissions of City, its agents or its subtenants in, on or about the premises or the property on which the premises are located; and, be it

FURTHER RESOLVED, That the Director of Property shall be authorized to enter into any additions, amendments or other modifications to the Lease (including, without limitations, the exhibits) that the Director of Property determines, in consultation with the Department of Public Health and the City Attorney, are in the best interests of the City, do not materially increase the obligations or liabilities of the City, and are necessary or advisable to complete the transaction and effectuate the purpose and intent of this resolution; and, be it

FURTHER RESOLVED, Said Lease shall be subject to certification as to funds by the Controller, pursuant to Charter, Section 3.105; and, be it

FURTHER RESOLVED, That within thirty (30) days of the agreements being fully executed by all parties, the Director of Real Estate shall provide the agreements to the Clerk of the Board for inclusion into the official file.

Real Estate BOARD OF SUPERVISORS

1		Total Funds Available: 1,278,411 (Base Rent of \$304,200 from 7/1/15 to 6/30/16 plus up to \$974,211 for tenant improvements)
2		Available: \$304,200
3		General Fund: DPHM15000059 Index code HMHMCC730515
4		Available \$300,000
5 6		Project Fund: HMHMPROP63 - Project Detail: PMHS63 - 1500
		Available: \$674,211
7		General Fund Index code HMHMCC730515
8		
9		RAN
10		Controllor
11		Controller () Subject to the enactment of the Annual Appropriation Ordinance for FY 2015/2016
12		Appropriation Ordinance for FY 2015/2016
13		
14	RECOMMENDED:	
15	Le K	
16	Director Real Estate Division	
17	Ri. Q	
18	Director	
19	Department of Public Health	
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21		
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23		
24		
25		
	Real Estate Division	



City and County of San Francisco Tails Resolution

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

File Number: 150291

Date Passed: May 05, 2015

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April 29, 2015 Budget and Finance Sub-Committee - AMENDED

April 29, 2015 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

May 05, 2015 Board of Supervisors - ADOPTED

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

File No. 150291

I hereby certify that the foregoing Resolution was ADOPTED on 5/5/2015 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

Mavo

Date Approved