

1 [Lease of Property - J.D. Harney, Inc., et al. - 2205 Jennings Street - Annual Base Rent of  
2 \$264,000]

3 **Resolution authorizing and approving the lease of a portion of the real property located**  
4 **at 2205 Jennings Street with J.D. Harney, Inc., a California corporation, John Daniel**  
5 **Harney and Bernadette Patricia Harney, Co-Trustees or Successor Trustee of the John**  
6 **Daniel Harney and Bernadette Patricia Harney Revocable Living Trust Under**  
7 **Agreement dated August 13, 1987, as Community Property, and MM1495Wall LP, a**  
8 **California Limited partnership, for an initial three-year term at an annual base rent of**  
9 **\$264,000 (or the monthly amount of \$22,000); plus 3% annual increases to base rent;**  
10 **plus one five-year extension option to further extend the term of the Lease; the Lease**  
11 **will be effective upon approval of this Resolution; and to authorize the Director of**  
12 **Property to enter into amendments or modifications to the Lease that do not materially**  
13 **increase the obligations or liabilities to the City and are necessary to effectuate the**  
14 **purposes of the Lease or this Resolution.**

15  
16 WHEREAS, The City and County of San Francisco ("City"), Department of Technology  
17 ("DT") entered into a lease at 1755 Egbert, in San Francisco, in 2018 for the storage of some  
18 of DT's equipment and vehicles; and

19 WHEREAS, The owners of the Egbert Property sold the property and DT was required  
20 to relocate from the site in August 2021 with 30-day notice; and

21 WHEREAS, The Real Estate Division found space on a short-term basis at 2205  
22 Jennings Street and was able to relocate DT's property within the notice period; and

23 WHEREAS, On behalf of DT, the Real Estate Division negotiated an agreement for  
24 10,000 square feet of warehouse space, and 5,000 square feet of parking and outdoor  
25 storage at 2205 Jennings Street, San Francisco, ("Property") with property owners J.D.

1 Harney, Inc., a California corporation, John Daniel Harney and Bernadette Patricia Harney,  
2 Co-Trustees or Successor Trustee of the John Daniel Harney and Bernadette Patricia Harney  
3 Revocable Living Trust Under Agreement dated August 13, 1987, as Community Property,  
4 and MM1495Wall LP, a California Limited partnership ("Landlord"); and

5 WHEREAS, The City, through RED, with consultation from DT's Chief Information  
6 Officer ("CIO"), and the Office of the City Attorney, have negotiated the proposed lease  
7 ("Lease") with Landlord, which provides a base rent of \$264,000 per year (\$22,000 per  
8 month), plus an annual increase of 3%, a copy of the lease is on file with the Clerk of the  
9 Board in File No. 231000; and

10 WHEREAS, City will be responsible for providing, at City's cost, any required services  
11 and utilities on the Property; and

12 WHEREAS, During the term, City will also be responsible for its share of taxes and  
13 Landlord's operating expenses as set forth in the Lease; and

14 WHEREAS, The initial term of the Lease shall be for three years, commencing upon  
15 approval by the Board of Supervisors and Mayor; and

16 WHEREAS, Under the proposed Lease, the City has an option to extend the initial term  
17 by an additional five years, with rent to be re-established at the greater of a 3 percent  
18 adjustment of the then monthly rental rate or the then fair market rental value as of the  
19 exercise date of the option, and continuing to be subject to three-percent annual increases  
20 thereafter; and

21 WHEREAS, The Director of Property has determined that the base rent is at or below  
22 fair market value for similar properties and does not require an independent third-party  
23 appraisal under Chapter 23; now, therefore, be it

24 RESOLVED, In accordance with the recommendation of the Director of Property, DT's  
25 CIO and the City Attorney, the Director of Property on behalf of the City, as Tenant, is hereby

1 authorized to take all actions necessary to execute the Lease at 2205 Jennings Street, in San  
2 Francisco, at a base rent of \$264,000 per year, with an annual base rent escalation of 3%, for  
3 an initial three-year term, plus one five-year option to extend; and, be it

4 FURTHER RESOLVED, The Board of Supervisors approves the Lease in substantially  
5 the form in the Board's File and authorizes the Director of Property to take all actions, on  
6 behalf of the City to enter into any additions, amendments or other modifications (including  
7 without limitation, the exhibits) to the Lease that the Director of Property determines, in  
8 consultation with DT's CIO and the City Attorney, are in the best interests of the City, do not  
9 materially increase the obligations or liabilities of the City, and are necessary or advisable to  
10 complete the transaction and effectuate the purpose and intent of this Resolution and are in  
11 compliance with all applicable laws, including City's Charter; and, be it

12 FURTHER RESOLVED, That the Lease contains language indemnifying and holding  
13 harmless the City from, and agreeing to defend the City against any and all claims, costs and  
14 expenses, including, without limitation, reasonable attorney's fees, incurred as a result of  
15 Tenant's use of the Premises, any default by the Tenant in the performance of any of its  
16 obligations under the Lease or any acts or omissions of Tenant or its agents, in, on or about  
17 the Premises or the property on which the Premises are located, except those claims, costs  
18 and expenses incurred exclusively as a result of active gross negligence or willful misconduct  
19 of City or its agents; and, be it

20 FURTHER RESOLVED, That any action taken by the Director of Property and other  
21 officers of the City with respect to the Lease are hereby approved, confirmed and ratified; and,  
22 be it

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



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RECOMMENDED:

    /s/      
Linda Gerull  
Chief Information Officer  
Department of Technology

RECOMMENDED:

    /s/      
Andrico Q. Penick  
Director of Real Estate



City and County of San Francisco

Tails
Resolution

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

File Number: 231000

Date Passed: November 14, 2023

Resolution authorizing and approving the lease of a portion of the real property located at 2205 Jennings Street with J.D. Harney, Inc., a California corporation, John Daniel Harney and Bernadette Patricia Harney, Co-Trustees or Successor Trustee of the John Daniel Harney and Bernadette Patricia Harney Revocable Living Trust Under Agreement dated August 13, 1987, as Community Property, and MM1495Wall LP, a California Limited partnership, for an initial three-year term at an annual base rent of \$264,000 (or the monthly amount of \$22,000); plus 3% annual increases to base rent; plus one five-year extension option to further extend the term of the Lease; the Lease will be effective upon approval of this Resolution; and to authorize the Director of Property to enter into amendments or modifications to the Lease that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Lease or this Resolution.

November 08, 2023 Budget and Finance Committee - RECOMMENDED

November 14, 2023 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 231000

I hereby certify that the foregoing Resolution was ADOPTED on 11/14/2023 by the Board of Supervisors of the City and County of San Francisco.

Handwritten signature of Angela Calvillo
Angela Calvillo
Clerk of the Board

Handwritten signature of London N. Breed

London N. Breed
Mayor

11/21/23

Date Approved