

AMENDED IN COMMITTEE

4/6/16

FILE NO. 160283

RESOLUTION NO. 125-16

1 [Office Space Lease - PBV II, LLC - 564-6 Street - \$848,190 in Initial Year]

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3 **Resolution authorizing a Lease between the City and County of San Francisco, as**  
4 **Tenant, and PBV II, LLC, as Landlord, of office space located at 564-6 Street,**  
5 **consisting of approximately 17,500 square feet from July 1, 2016, through June 30,**  
6 **2026, subject to City's termination rights, for use by the Adult Probation Department at**  
7 **\$70,682.50 monthly; for \$848,190 rent in the initial year with annual 3% increases and**  
8 **four five-year options to extend.**

9  
10 WHEREAS, The mission of the Adult Probation Department ("ADP") is to achieve  
11 excellence in community corrections, public safety and public service through the integration  
12 of Evidence Based Practices and a victim centered approach into its supervision strategies,  
13 to collaborate with law enforcement, Courts, Department of Public Health, victim  
14 organizations and community based organizations to provide a unique blend of enforcement,  
15 justice and treatment, to extend a continuum of integrated services to address its clients'  
16 criminogenic needs and empower them to become productive law-abiding citizens; and

17 WHEREAS, The Adult Probation Department ("ADP") is responsible for the court  
18 ordered probation supervision of approximately 4,500 clients; and

19 WHEREAS, In 2011, the State of California initiated criminal justice realignment which  
20 ignited funding and policy shifts focused on more robust integration of evidence based and  
21 innovative strategies into probation department work; and

22 WHEAREAS, ADP created both AB109/Realignment Community Services and  
23 Reentry Divisions on the heels of criminal justice realignment to address additional probation  
24 supervision and reentry services needs of its clients; and

1           WHEREAS, ADP’s risk assessment tool clearly defines the broad range of challenges  
2 faced by its clients including behavioral health, housing, employment, education, and life  
3 skills challenges; and

4           WHEREAS, ADP conducted research to determine that a broad range of client needs  
5 could be efficiently addressed through establishing a one-stop services center that co-locates  
6 reentry services and supervision strategies (Community Services Assessment Center or  
7 CASC); and

8           WHEREAS, ADP completed a competitive bid process and entered into a professional  
9 service contract with Leaders In Community Alternatives, Inc. (“LCA”) as the operator of the  
10 CASC for the period of June 1, 2012, through June 30, 2017; and

11           WHEREAS LCA leased 564-6 Street in San Francisco, a facility of approximately  
12 17,500 square feet as the site for CASC services; and

13           WHEREAS, ADP desires to continue the CASC programs and services currently  
14 offered at 564 6<sup>th</sup> Street beyond June 30, 2017; and

15           WHEREAS, In accordance with the City and County of San Francisco’s procurement  
16 guidelines, ADP will issue a second RFP for CASC services and programs in the fall of 2016;  
17 and

18           WHEREAS ADP seeks to avoid the cost of identifying and securing a new CASC  
19 facility, moving staff, programs, as well as relocating telephone and data systems by  
20 continuing to provide services from 564-6 Street; and

21           WHEREAS, At the request of ADP, the Real Estate Division and the Landlord have  
22 negotiated a new lease agreement for ten (10) years (July 1, 2016, through June 30, 2026),  
23 subject to City’s right to terminate the Lease without penalty prior to June 30, 2018, by  
24 providing Landlord with one (1) years prior written notice, at \$70,682.50 per month  
25

1 (approximately \$48.47 per square foot annually), with annual increases of three (3%)  
2 percent; and

3 WHEREAS, The proposed Lease agreement provides the City with four (4) options of  
4 five (5) years each to further extend the Term each requiring Board of Supervisors approval;  
5 and

6 WHEREAS, LCA is agreeable to a sublease agreement for the period through June  
7 30, 2017 with options to extend if LCA is selected to continue services through the second  
8 RFP; and

9 WHEREAS, The proposed Lease and sublease is subject to enactment of a resolution  
10 by the Board of Supervisors and the Mayor, in their respective sole and absolute direction,  
11 approving and authorizing such new Lease; now, therefore, be it

12 RESOLVED, That in accordance with the recommendation of the Chief Adult  
13 Probation Officer and the Director of Property, that the Director of Property on behalf of the  
14 City and County of San Francisco, as Tenant, is hereby authorized to take all actions  
15 necessary to execute the Lease (a copy of which is on file with the Clerk of the Board of  
16 Supervisors in File No. 160283) and a sublease with the City and County of San Francisco,  
17 as Sublandlord and Leaders in Community Alternatives, Inc., as Subtenant on a form  
18 approved by the Office of the City Attorney for 564-6 Street, San Francisco, California; and,  
19 be it

20 FURTHER RESOLVED, That the Lease shall indemnify and hold harmless the  
21 Landlord from, and agreeing to defend the Landlord against, any and all claims, costs and  
22 expenses, including without limitation, reasonable attorney's fees, incurred as a result of  
23 City's use of the premises, any default by the City in the performance of any of its obligations  
24 under the Master Lease, or any acts or omissions of City, its agents or its subtenants in, on or  
25 about the premises or the property on which the premises are located; and, be it

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


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

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

12 FURTHER RESOLVED, That the Capital Planning Committee shall evaluate  
13 alternatives to the Adult Probation Department's long-term lease for 564-6 Street as part of  
14 the evaluation of the Sheriff's Department's and Adult Probation Department's space needs,  
15 and incorporate these alternatives into the City's capital plan.


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Total Funds Available: \$848,190.00  
(Base Rent from 7/1/16 to 6/30/17)  
Index code: 135005.  
Sub Object: 03011

  
\_\_\_\_\_  
Controller

Subject to approval of the FY 16/17 Annual  
Appropriation Ordinance

RECOMMENDED:

  
\_\_\_\_\_  
Chief Adult Probation Officer  
Adult Probation Department

  
\_\_\_\_\_  
Director  
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: 160283

Date Passed: April 12, 2016

Resolution authorizing a Lease between the City and County of San Francisco, as Tenant, and PBV II, LLC, as Landlord, of office space located at 564-6 Street, consisting of approximately 17,500 square feet from July 1, 2016, through June 30, 2026, subject to City's termination rights, for use by the Adult Probation Department at \$70,682.50 monthly; for \$848,190 rent in the initial year with annual 3% increases and four five-year options to extend.

April 06, 2016 Budget and Finance Sub-Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

April 06, 2016 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

April 12, 2016 Board of Supervisors - ADOPTED

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

File No. 160283

I hereby certify that the foregoing Resolution was ADOPTED on 4/12/2016 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 Mayor
Mayor

4/22/16
Date Approved