

1 [Real Property Lease - 750 Brannan Street Props, LLC - 750 Brannan Street - \$942,747 Rent
2 in Initial Year]

3 **Resolution authorizing a Lease between the City and County of San Francisco, as**
4 **Tenant, and 750 Brannan Street Props, LLC, a California limited liability company as**
5 **Landlord, to be used as retail, production, warehouse, and related office space located**
6 **at 750 Brannan Street, consisting of approximately 24,173 square feet of building and**
7 **approximately 6,430 square feet of yard, for a ten year term expected to commence on**
8 **or about January 1, 2017, and terminate on December 31, 2026, for use by the San**
9 **Francisco Public Library, at \$78,562.25 monthly; for \$942,747 rent in the initial year with**
10 **annual 3% percent increases and three five-year options to extend; finding the**
11 **proposed transaction is in conformance with the City’s General Plan, and the eight**
12 **priority policies of Planning Code, Section 101.1; and authorizing a Sublease of a**
13 **portion of that space consisting of approximately 2,833 square feet with the Friends &**
14 **Foundation of the San Francisco Public Library, a 501(c)3 non profit agency, at the**
15 **prorata City cost.**

16
17 WHEREAS, The San Francisco Public Library (Library) provides world class services
18 to the residents of San Francisco through the Main Library, 27 Branch Libraries, Mobile
19 Outreach Services (Bookmobiles) and is the repository for the City Archives; and

20 WHEREAS, Mobile Outreach Services (MOS) unit offers a variety of library services
21 beyond the 28 library locations connecting with San Francisco residents where they work,
22 play, create, learn, and live regardless of physical, economic, social, geographic, or other
23 barriers; and

1 WHEREAS, The bookmobiles visit an average of 93 stops and serve an average of
2 2,243 patrons monthly delivering a wide variety of library materials in multiple formats and
3 languages, as well as promoting the Library's various other programs; and

4 WHEREAS, The MOS unit currently has 4 vehicles: the Green Bookmobile is an
5 environmentally friendly bookmobile that serves the Treasure Island community and acts an
6 outreach tool at special events; the Early Literacy Mobile serves children 0-5 years and their
7 caregivers, appearing at child care centers and at parks; the Library On Wheels is a
8 wheelchair-accessible bookmobile providing services for seniors and those with mobility
9 issues (at over 30 senior centers & residences); and the Techmobile is a seven-seat mobile
10 classroom equipped with high-tech devices that brings digital literacy to patrons of all ages;
11 and

12 WHEREAS, The bookmobiles are currently parked at two separate locations: there are
13 two parking spots at both the Main Library's underground garage and at the parking lot
14 located at Pier 19½ . MOS staff are housed in two separate floors at the Main Library: the
15 drivers/circulation team in the basement and the librarians with the Program Manager on the
16 3rd floor; and

17 WHEREAS, At 750 Brannan Street, the entire unit would be co-located together
18 allowing better intra-unit communication and eliminating the non productive travel time to Pier
19 19 1/2; and

20 WHEREAS, The Library is also the official home for the City and County of San
21 Francisco Archives which collects, preserves and provides public access to the historical
22 records; and

23 WHEREAS, These large collections contain and reflect the lives of the citizens of San
24 Francisco documenting the politics and government of San Francisco over the past 170 years;
25 and

1 WHEREAS, The materials in the archives are unique and the oldest records go back to
2 the days of the Alcaldes in the 1840s, including a number of early materials that were not
3 destroyed in the 1906 earthquake and fire and include property records and hand drawn
4 homestead maps for early neighborhoods and developments in the City; and

5 WHEREAS, The Archive also contains over 2 million photographs from a variety of
6 sources including frequently viewed photos that document the construction of all city property,
7 including Hetch Hetchy; and

8 WHEREAS, San Francisco residents, as well as people from throughout the country
9 and the world, use our City Archives for personal and research projects, as well as for films,
10 books, and websites; and

11 WHEREAS, The City Archive is the designated repository for the papers of the city's
12 mayors and hold the papers of Mayors Newsom, Jordan, Brown, Agnos, Alioto, and
13 Christopher, among others; and

14 WHEREAS, The Library Archive reading room located within the San Francisco History
15 Center of the Main Library is open seven days a week; and

16 WHEREAS, The Archive Collection is currently located partially in Brooks Hall (beneath
17 Civic Center Plaza) and the Main Library; and

18 WHEREAS, Brooks Hall presents substantial preservation challenges given limited
19 temperature and humidity control; and

20 WHEREAS, The Library's Community Redistribution Program plays an important role
21 in the life cycle of books; and

22 WHEREAS, As the Library deselected titles to make room for new materials, it strives to
23 keep the removed materials out of landfills by partnering with schools, nonprofits, community
24 based organizations and other agencies who will use them for the public good; and
25

1 WHEREAS, The Library's Community Redistribution Program is a model nationally for
2 repurposing deaccessioned collections and a success story for getting the books out to
3 community-based and non-profit organizations both locally and abroad; and

4 WHEREAS, In the past fiscal year, through the Library's Community Redistribution
5 Program, nearly 75,000 books were either picked up or shipped to various public benefit
6 organizations both locally and abroad; and

7 WHEREAS, The Redistribution Program is currently also housed in Brooks Hall, and
8 Brooks Hall is not an appropriate location for a staff function, given air quality conditions; and

9 WHEREAS, Under the proposed lease, shared space with other library functions will
10 allow for increased hours for nonprofit agencies to access the collection which will increase
11 the number books distributed to partner public benefit agencies and improve the Library's
12 overall environmental impact by reducing the number of books that need to be recycled; and

13 WHEREAS, The Friends & Foundation of the San Francisco Public Library (FFOL or
14 Friends), a 501 (c) non profit agency founded in 1961, plays a critically important role in
15 fiscally supporting, advocating and fundraising for the San Francisco Public Library; and

16 WHEREAS, FFOL is a member-supported, a 501(c)3 nonprofit that provides financial
17 support of \$720,000 annually for the Library; and

18 WHEREAS, FFOL recently spearheaded a neighborhood branch library campaign,
19 engaging communities and bringing in more than \$9,800,000 in funding for furniture, fixtures,
20 and equipment which would have been a General Fund expense; and

21 WHEREAS, FFOL staff are currently located at 710 Van Ness Avenue; and

22 WHEREAS, The FFOL's current lease rent is expected to rise considerably in
23 December 2016; and

24 WHEREAS, The FFOL believes that they can negotiate a termination of their lease with
25 their current Landlord but does not want to do so until a new location has been secured; and

1 WHEREAS, FFOL proposes to operate a small public bookstore and provide a public
2 book donation drop off along with space for its current 12 staff members; and

3 WHEREAS, The City directly benefits from the sale of donated books; and

4 WHEREAS, The proposed sublease will allow FFOL to remain in San Francisco at less
5 rent that they would pay at their current location and add the above mentioned
6 bookstore/book drop off; and

7 WHEREAS, Under a proposed Sublease, the FFOL would pay its prorata share
8 (11.7%) of all costs; and

9 WHEREAS, The facility at 750 Brannan Street meets the needs of the Library to
10 improve service to the public; and

11 WHEREAS, The Board of Supervisors placed on reserve funding for this project in the
12 FY2016-2017 budget; and

13 WHEREAS, The Planning Department, through General Plan Referral letter dated June
14 30, 2016, ("Planning Letter"), which is on file with the Clerk of the Board of Supervisors under
15 File No. 160798, has verified that the City's proposed lease of 750 Brannan Street is
16 consistent with the General Plan, and the eight priority policies under Planning Code, Section
17 101.1; and

18 WHEREAS, At the Library's request, the Real Estate Division and the Landlord have
19 negotiated a new lease agreement at or below fair market rent; and

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

23 RESOLVED, That the Board of Supervisors hereby finds that the lease of 750 Brannan
24 Street is consistent with the General Plan, and the eight priority policies of Planning Code,
25

1 Section 101.1, and hereby incorporates such findings by reference as though fully set forth in
2 this Resolution; and, be it

3 FURTHER RESOLVED, That in accordance with the recommendation of the City
4 Librarian, that the Director of Property on behalf of the City and County of San Francisco, as
5 Tenant, is hereby authorized to take all actions necessary to execute a Lease with 750
6 Brannan Street Props, LLC, a California limited liability company on the terms and conditions
7 contained herein and a Sublease with the City and County of San Francisco, as Sublandlord
8 and the Friends & Foundation of the San Francisco Public Library, as Subtenant on forms
9 approved by the Office of the City Attorney in substantially the form as which is on file with the
10 Clerk of the Board of Supervisors in File No. 160798 at 750 Brannan Street, San Francisco,
11 California which is hereby declared to be a part of this resolution as if set forth fully herein;
12 and, be it

13 FURTHER RESOLVED, The term of such Lease shall be approximately ten (10) years
14 commencing upon completion of the proposed Tenant Improvements (expected to be on or
15 about January 1, 2017) and shall terminate on December 31, 2026 subject to City's right to
16 extend as provided below; and, be it

17 FURTHER RESOLVED, The monthly base rent shall be \$78,562.25 (approximately
18 \$39.00 per square foot annually), net of utilities, janitorial maintenance, and security, subject
19 to annual rent adjustments of three percent (3%); and, be it

20 FURTHER RESOLVED, The Landlord shall provide an allowance of \$241,730.00 for
21 the construction of tenant improvements and the City shall make progress payments for any
22 costs above the allowance (up to a maximum additional City cost of \$755,970); and, be it

23 FURTHER RESOLVED, That under the terms of potential Sublease to the Friends and
24 Foundation of the San Francisco Public Library, FFOL shall be responsible for its prorata
25 share of costs; and, be it

1 FURTHER RESOLVED, That the City shall have three (3) five year options to extend
2 the term at 95% of the then fair market rent, each extension subject to further Board of
3 Supervisors and Mayor approval; and, be it

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

10 FURTHER RESOLVED, That the Director of Property shall be authorized to enter into
11 any additions, amendments or other modifications to the Lease (including, without limitations,
12 the exhibits and the sublease premises, rent and resulting prorata share after the preparation
13 of permit drawings) that the Director of Property determines, in consultation with the City
14 Attorney, are in the best interests of the City, do not materially increase the obligations or
15 liabilities of the City, and are necessary or advisable to complete the transactions and
16 effectuate the purpose and intent of this resolution; and, be it

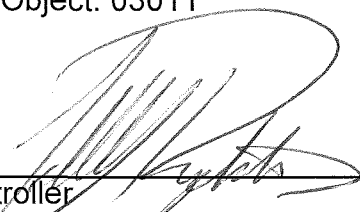
17 FURTHER RESOLVED, Said Lease and Sublease shall be subject to certification as to
18 funds by the Controller as provided in Section 23.25, pursuant to Charter, Section 3.105; and,
19 be it

20 *////*

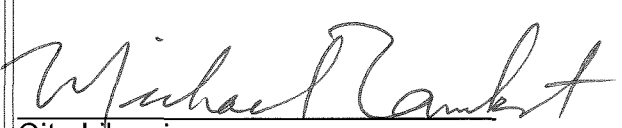
1 FURTHER RESOLVED, That within thirty (30) days of the agreements being fully
2 executed by all parties, the Director of Real Estate shall provide the agreements to the Clerk
3 of the Board for inclusion into the official file.

4
5 FY 16/17 Funds Available: \$1,227,343.50
6 (Base Rent 1/1/17 to 6/30/17 plus the
7 maximum TI cost of \$755,970)

8 Index code: 415235.
9 Sub Object: 03011

10 
11 _____
12 Controller
13 Subject to the enactment of the Annual
14 Appropriation of Funds Ordinance for fiscal
15 16/17 and a release of the required funds from
16 reserve

17 RECOMMENDED:

18 
19 _____
20 City Librarian
21 San Francisco Public Library

22 
23 _____
24 Director
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: 160798

Date Passed: August 02, 2016

Resolution authorizing a Lease between the City and County of San Francisco, as Tenant, and 750 Brannan Street Props, LLC, a California limited liability company as Landlord, to be used as retail, production, warehouse, and related office space located at 750 Brannan Street, consisting of approximately 24,173 square feet of building and approximately 6,430 square feet of yard, for a ten year term expected to commence on or about January 1, 2017, and terminate on December 31, 2026, for use by the San Francisco Public Library, at \$78,562.25 monthly; for \$942,747 rent in the initial year with annual 3% percent increases and three five-year options to extend; finding the proposed transaction is in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing a Sublease of a portion of that space consisting of approximately 2,833 square feet with the Friends & Foundation of the San Francisco Public Library, a 501(c)3 non profit agency, at the prorata City cost.

July 27, 2016 Budget and Finance Sub-Committee - RECOMMENDED


August 02, 2016 Board of Supervisors - ADOPTED

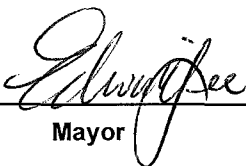
Ayes: 8 - Breed, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

Noes: 3 - Avalos, Campos and Peskin

File No. 160798

I hereby certify that the foregoing
Resolution was ADOPTED on 8/2/2016 by
the Board of Supervisors of the City and
County of San Francisco.


for Angela Calvillo
Clerk of the Board


Mayor

8/11/16
Date Approved