RESOLUTION NO. 58-2005
Adopted April 19, 2005

AUTHORIZING EXECUTION OF A FIRST AMENDMENT TO THE 1255 POST STREET CATHEDRAL HILL OFFICE BUILDING COMMERCIAL LEASE TO EXTEND THE TERM TO AUGUST 31, 2006 AND ADJUST THE RENTAL RATE EFFECTIVE APRIL 1, 2005 WITH A TOTAL COST THROUGH THE EXTENDED TERM NOT TO EXCEED $76,200

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") has leased office space for its Central Records operation at 1255 Post Street since August 21, 2000 pursuant to a 1255 Post Street Cathedral Hill Office Building Commercial Lease ("Lease"). This Lease expires on September 30, 2005.

2. The Lease provides the Agency with an option to extend the term for an additional five years; however, this rental would be at an above market rental rate and the building is scheduled to be demolished soon after August 31, 2006.

3. Consequently, as an alternative to the renewal option, a First Amendment to the Lease has been negotiated effective April 1, 2005 with the current owner of the building, Cathedral Heights, LLC, to reduce the annual rental rate from $43.77 to $18.00 per rentable square foot and to extend the term of the lease through August 31, 2006. The First Amendment also provides the Agency with an option to terminate the Lease prior to August 31, 2006 with 60 days' advance notice.

4. The extended term would allow the Agency sufficient time to move the Central Records operation into alternate space for the longer term, or to consolidate offices with other Redevelopment Agency staff.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to:

1. execute the First Amendment with Cathedral Heights, LLC, a California limited liability company, substantially in the form approved by the Agency General Counsel; and

2. to expend up to $76,200 in rental payments pursuant to the terms of the First Amendment.

APPROVED AS TO FORM:

[Signature]
James B. Morales
Agency General Counsel