

1 [Lease of City Property - Our Planet Recycling SF, LLC - Assessor's Parcel Block No. 5695,  
2 Lot No. 23 at Alemany Blvd. - Annual Base Rent of \$21,540]

3 **Resolution authorizing and approving the lease of City-owned real property located at**  
4 **Assessor's Parcel Block No. 5695, Lot No. 23, adjacent to Alemany Boulevard in San**  
5 **Francisco, with Our Planet Recycling SF, LLC, a California corporation, doing business**  
6 **as Our Planet Recycling, for an initial five-year term at an annual base rent of \$21,540**  
7 **(or the monthly amount of \$1,795) plus 3% annual increases to base rent, plus one**  
8 **additional five-year extension option to further extend the term of the Lease, subject to**  
9 **satisfaction of certain conditions and to be readjusted to then-fair market base rent;**  
10 **and the Lease will commence upon execution, after approval of this Resolution by the**  
11 **Board of Supervisors and Mayor, in their respective sole and absolute discretion.**

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13 WHEREAS, The City and County of San Francisco ("City") owns real property at  
14 Assessor's Parcel Block No. 5695, Lot No. 23, adjacent to right-of-way and Alemany  
15 Boulevard (the "Premises") near the Alemany Farmers' Market at Peralta and Tompkins  
16 Avenues; and

17 WHEREAS, On August 24, 2017, the Public Works Department ("PW") approved a  
18 Minor Sidewalk Encroachment Permit permitting Our Planet Recycling SF, LLC, ("Tenant") to  
19 occupy a portion of PW's vacant right-of-way adjacent to Alemany Boulevard and Assessor's  
20 Parcel Block No. 5695, Lot No. 23; and

21 WHEREAS, On November 17, 2017, the City entered into a year-to-year lease with  
22 Tenant for the Premises to use in relation to its recycling business on a nearby CalTrans'  
23 parcel on Bayshore Boulevard for employee parking and inventory storage, at an annual base  
24 rent of \$15,300 per year (\$1,275 per month), plus 3% annual increases to base rent; and

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1           WHEREAS, The City, through its Real Estate Division, with consultation from the Office  
2 of the City Attorney, and Tenant have negotiated the proposed lease (“Lease”), which  
3 provides a base rent of \$21,540 per year (\$1,795 per month), plus an annual increase of 3%,  
4 a copy of the Lease is on file with the Clerk of the Board in File No. \_\_\_\_\_; and

5           WHEREAS, Tenant will be responsible for providing, at Tenant’s cost, any required  
6 services and utilities on the Premises; and

7           WHEREAS, During the term, Tenant shall be required to continue to maintain a valid  
8 Minor Sidewalk Encroachment Permit from PW; and

9           WHEREAS, The initial term of the Lease shall be for five (5) years, commencing upon  
10 approval by the Board of Supervisors and Mayor; and

11           WHEREAS, Under the proposed Lease, the City grants Tenant an option to extend the  
12 initial term by an additional five years, subject to conditions being met as prescribed under the  
13 Lease, with rent to be re-established at the then-fair market rental value as of the exercise  
14 date of the option, continuing to be subject to three-percent annual increases; now, therefore,  
15 be it

16           RESOLVED, That in accordance with the recommendation of the Director of Property  
17 and the City Attorney, the Director of Property on behalf of the City, as Landlord, is hereby  
18 authorized to take all actions necessary to execute the Lease at Assessor’s Parcel Block No.  
19 5695, Lot No. 23, in San Francisco, at a base rent of \$21,540 per year, with an annual base  
20 rent escalation of 3%, for an initial five-year term, plus one five-year option to extend; and, be  
21 it

22           FURTHER RESOLVED, The Board of Supervisors approves the Lease in substantially  
23 the form in the Board’s File and authorizes the Director of Property to take all actions, on  
24 behalf of the City to enter into any additions, amendments or other modifications (including  
25 without limitation, the exhibits) to the Lease that the Director of Property determines, in

1 consultation with the City Attorney, are in the best interests of the City, do not materially  
2 increase the obligations or liabilities of the City, and are necessary or advisable to complete  
3 the transaction and effectuate the purpose and intent of this resolution and are in compliance  
4 with all applicable laws, including City's Charter; and, be it

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

13 FURTHER RESOLVED, Due to the existing Minor Sidewalk Encroachment Permit  
14 issued to and maintained by the Tenant on the adjacent property, it is impractical to  
15 competitively bid the use of the Premises to anyone other than the Tenant, especially given  
16 the limited size of the Premises; and, be it

17 FURTHER RESOLVED, Because Tenant is a successful local small business, and  
18 Tenant has equipment on the Premises related to said business, and if not leased to the  
19 Tenant, Tenant would then remove said equipment and improvements from the Premises  
20 economically damaging the related recycling center, approving this Lease with Tenant is  
21 determined to be necessary and promote a public benefit; and, be it

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

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

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5           RECOMMENDED:

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7           /s/ \_\_\_\_\_  
8           Andrico Q. Penick  
            Director of Real Estate

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