

File #150820  
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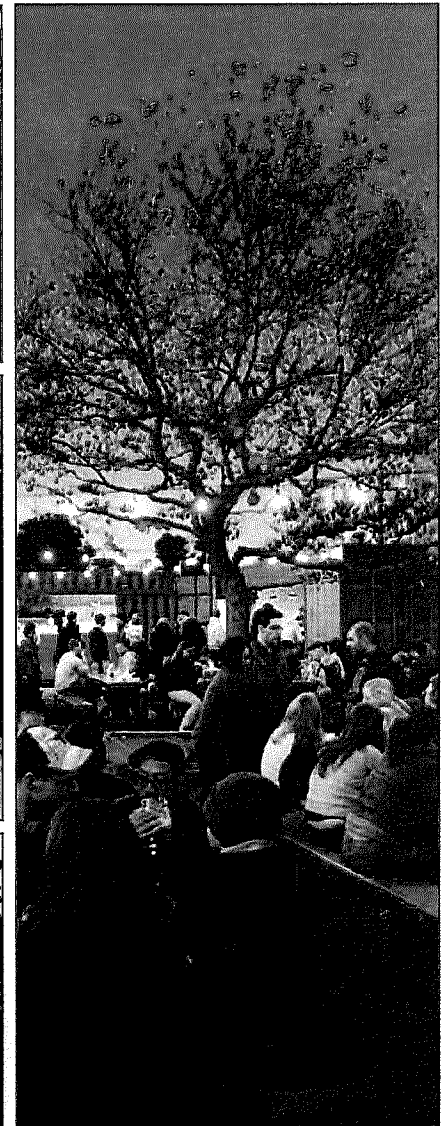
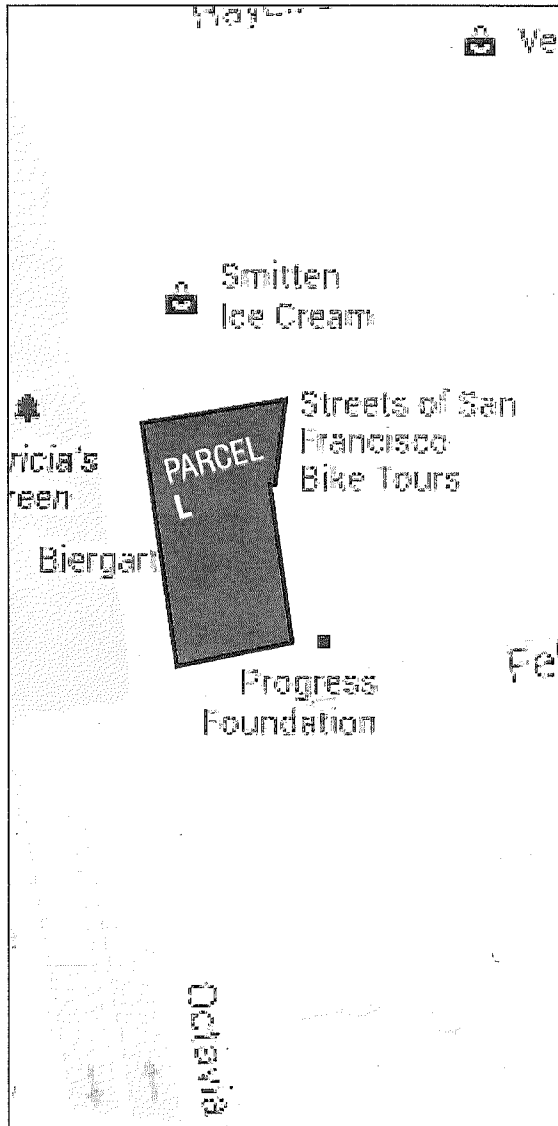
**PARCEL L SECOND LEASE AMENDMENT**

**SFBOS | BUDGET & FINANCE COMMITTEE**

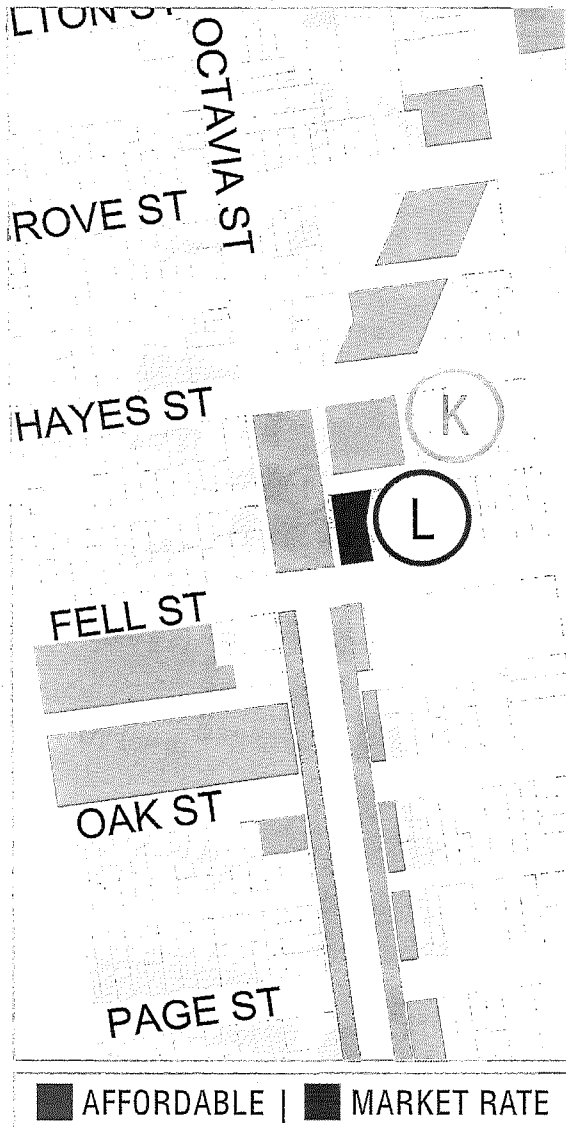
**WEDNESDAY, SEPTEMBER 30, 2015**



# PARCEL L: A COMMUNITY SPACE



# PARCEL L: LEASE TERMS

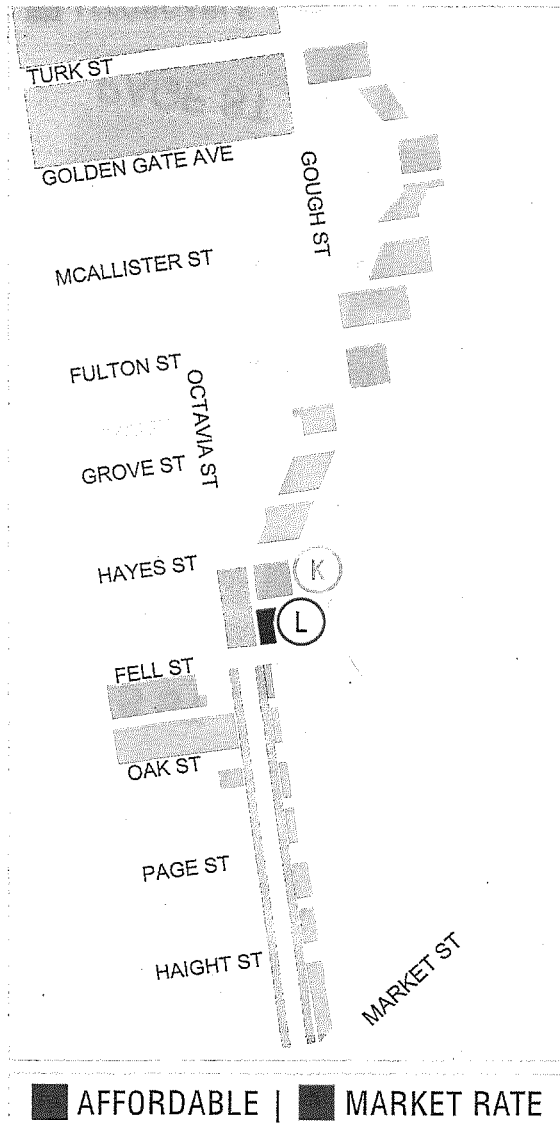


- Lessee: PROXYdevelopment, LLC
- Annual minimum rent as of November 1, 2015, will be an amount equal to the greater of: \$66,884.00 or 5.25% of the annual average gross revenues for the period from November 1, 2010 to December 31, 2014
- Fence improvements including irrigation for plantings

Lease Terms	Original Lease	First Lease Amendment	Second Lease Amendment
Lease Term	November 1, 2014	November 1, 2015	January 31, 2021
Lease Rate	\$2,000/month	\$2,000/month	\$5,573.67/month*
Annual Escalation	CPI	CPI	2.5%

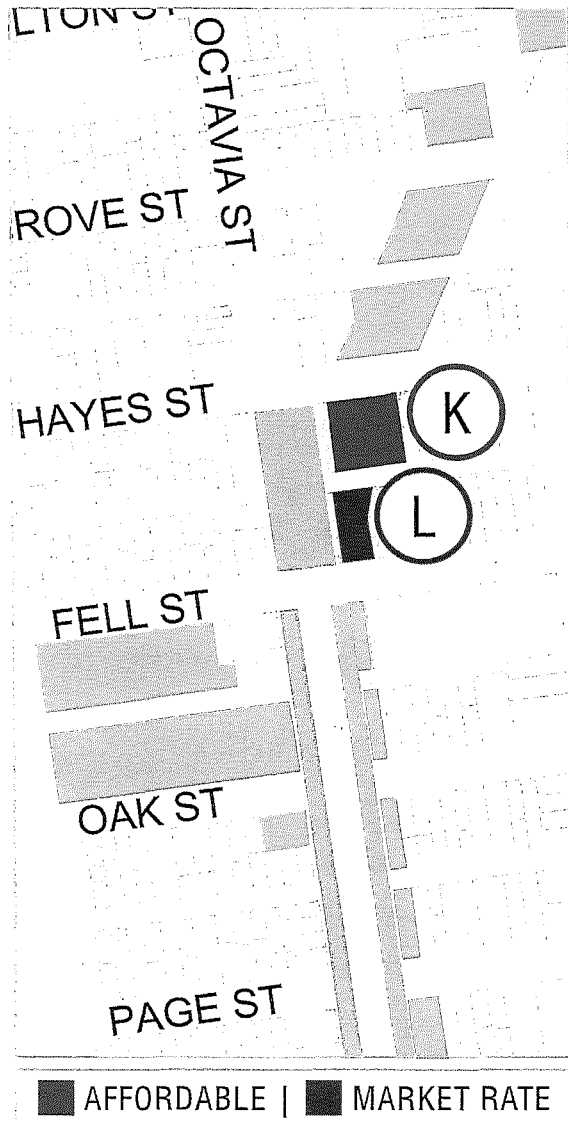
\* Minimum base rent based on 5.25% of annual average gross revenues from the start of lessee's tenancy through December 2013, but per the lease, can be replaced by a more updated annual average of gross revenues to date, to be replaced mid-term (in 3 years) by updating the annual average of gross revenues

# PARCEL L IN CONTEXT



- In November 2000, the City received 22 parcels from the State when the Central Freeway was removed north of Market Street, named Parcels A - V
- Of the 22 parcels, seven were set aside for affordable housing development, and 15 for market-rate housing development
- In 2009, OEWD leased Parcel L for interim uses to Proxy for four years, which currently provides retail activities on the empty lot, including the sale of food and beverages and the operation of restaurants

# PARCEL L: WHY 2021?



- Community desire to maintain Biergarten
- Parcel K - Affordable Housing Parcel to come online in 2021
  - First-Time Home Ownership (80-120% AMI)
  - 20-25 units; ground floor retail
- City in active negotiations and entitlement processes for 5 other market-rate parcels M & N, and R, S, & T
- Trends show that land values will continue to increase

