

File No. 110339

Committee Item No. 1  
Board Item No. 4

## COMMITTEE/BOARD OF SUPERVISORS AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance SUB-Committee      Date: April 20, 2011

Board of Supervisors Meeting      Date: 4-26-11

### Cmte Board

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Report                |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ethics Form 126                              |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |

### OTHER

(Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

---

---

---

---

---

Completed by: Victor Young

Date: April 15, 2011

Completed by: Victor Young

Date: 4-21-11

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Lease Renewal - 1449 Webster Street]

2

3 **Resolution authorizing the exercise of an option to extend the lease of 3,900 sq. ft. at**  
4 **1449 Webster Street for three years for the Office of Economic and Workforce**  
5 **Development Employment Assistance Programs.**

6

7 WHEREAS, The City and County of San Francisco, Tenant, and WCPI Commercial  
8 LLC., Landlord, executed a lease dated September 2, 2008 (the "Lease"), authorized by  
9 Board of Supervisors Resolution 354-09 for Premises commonly known and numbered as  
10 1449 Webster Street and consisting of approximately 3,900 sq. ft. on the ground floor; and

11 WHEREAS, Such Lease expires on August 31, 2011 and contains two(2) options to  
12 extend the Lease each for another three years on the same terms and conditions except  
13 that the Base Monthly Rental is to be adjusted to 95% of the market rental value; and

14 WHEREAS, Pursuant to the terms of the Lease, the Real Estate Division and the  
15 Landlord have negotiated such 95% of fair market rental, considering all factors, for the first  
16 extension period to be \$8,299.00 (approximately \$2.18 per square foot) per month with a  
17 continuation of the existing annual increases as described herein; and

18 WHEREAS, many Western Addition residents continue to face a number of barriers  
19 to employment such as lack of occupational and job readiness skills, a lack of basic  
20 education and numeric skills, substance abuse, and prior incarceration among other  
21 barriers; and

22 WHEREAS, the Office of Economic and Workforce Development (OEWD) has  
23 contracted with Goodwill Industries to operate the Western Addition One Stop Career Link  
24 Center to provide the tools necessary for residents to find good employment such as job  
25 search services, job readiness skills training, resume and interview coaching, job training

1 and education services, access to public training funding, and coordination with supportive  
2 services such as childcare and transportation assistance; and

3 WHEREAS, Such terms for the first option are subject to enactment of a resolution  
4 by the Board of Supervisors and the Mayor, in their respective sole and absolute direction,  
5 approving and authorizing such exercise; now, therefore, be it

6 RESOLVED, That the Director of Real Estate is hereby authorized to take all actions,  
7 on behalf of the City and County of San Francisco, as tenant, to extend the lease and other  
8 related documents with WCPI Commercial, LLC, ("Landlord"), for the retail area commonly  
9 known as 1449 Webster Street, San Francisco, California, which comprises an area of  
10 approximately 3,900 square feet on the terms and conditions herein; and, be it

11 FURTHER RESOLVED, That the Lease extension shall be for a term of three (3)  
12 years (through August 31, 2014) at a base rent of \$8,299.00 per month, (approximately  
13 \$2.18 per sq. ft. monthly) and the base rate shall continue to be increased annually by  
14 proportionate increase in the Consumer Price Index with a two percent (2%) minimum  
15 increase and a five (5%) maximum increase per year. The City shall also continue to pay  
16 for its own janitorial and its prorata share of common area expenses such as utilities, refuse  
17 removal, common area maintenance at a current cost of \$1494.00 per month and other  
18 typical tenant costs; and, be it

19 FURTHER RESOLVED, That the Lease shall continue to include the lease clause  
20 providing the City the unilateral right of early termination with one hundred eighty (180) days  
21 advance written notice; and, be it

22 ~~FURTHER RESOLVED, That at the request of the Director of the Office of Economic~~  
23 ~~and Workforce Development, the Board of Supervisors authorizes the Director of Real~~  
24 ~~Estate to exercise the second option to extend the term if the Director of Real Estate~~  
25 ~~determines, in consultation with the City Attorney, that such extended term is in the best~~

1 interest of the City and consistent with the terms and conditions of the lease renewal  
2 provisions; and, be it

3 FURTHER RESOLVED, That the Lease shall continue to include the lease clause  
4 indemnifying and holding harmless the Landlord, from and agreeing to defend the Landlord  
5 against any and all claims, costs and expenses, including, without limitation, reasonable  
6 attorney's fees, incurred as a result of City's use of the premises, any default by the City in  
7 the performance of any of its obligations under the lease or any acts or omissions of City or  
8 its agents, in, on or about the premises or the property on which the premises are located,  
9 excluding those claims, costs and expenses incurred as a result of the active gross  
10 negligence or willful misconduct of Landlord or its agents; and, be it

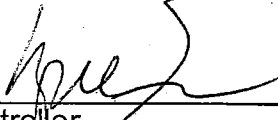
11 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City  
12 with respect to such lease are hereby approved, confirmed and ratified; and, be it

13 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
14 Real Estate to enter into any amendments or modifications to the Lease (including without  
15 limitation, the exhibits) that the Director of Real Estate determines, in consultation with the  
16 City Attorney, are in the best interest of the City, do not increase the rent or otherwise  
17 materially increase the obligations or liabilities of the City, are necessary or advisable to  
18 effectuate the purposes of the Lease or this resolution, and are in compliance with all  
19 applicable laws, including City's Charter; and, be it

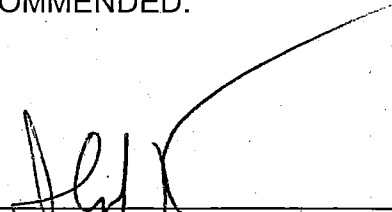
20 FURTHER RESOLVED, That the City shall occupy the entire Premises for the full  
21 term of the lease unless funds for rental payments are not appropriated in any subsequent  
22 fiscal year at which time City may terminate the lease with ninety (90) days advance written  
23 notice to Landlord. Said Lease shall be subject to certification as to funds by the Controller,  
24 pursuant to Section 3.105 of the Charter.

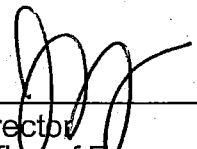
25 Available: \$117,516  
Appropriation No.

Index Code 210043  
Project PBE008  
Subobject 03011

  
\_\_\_\_\_  
Controller  
Subject to the enactment of the Annual  
Appropriation Ordinance for Fiscal Year  
2010/2011

RECOMMENDED:

  
\_\_\_\_\_  
Acting Director  
Real Estate Division

  
\_\_\_\_\_  
Director  
Office of Economic and Workforce Development

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**Item 1**  
**File 11-0339**

**Department:**  
Office of Economic and Workforce Development (OEWD); Real Estate Division

## EXECUTIVE SUMMARY

### Legislative Objective

- The proposed resolution would authorize the exercise of the first of two three-year options to extend the lease of 3,900 square feet at 1449 Webster Street for three years between the City and County of San Francisco, on behalf the Office of Economic and Workforce Development (OEWD), as lessee, and WCPI Commercial LLC, as lessor, from September 1, 2011 through August 31, 2014.

### Key Points

- On July 29, 2008, the Board of Supervisors approved a three-year lease (Resolution 354-08) from September 1, 2008 through August 31, 2011, between the OEWD as lessee, and WCPI Commercial, LLC (WCPI Commercial), as lessor, at 1449 Webster Street for approximately 3,900 square feet of space at 1449 Webster Street to operate the Western Addition One Stop Career Link Center.
- The proposed resolution would also authorize the Director of Real Estate to exercise the second three-year option to extend the term for an additional three years from September 1, 2014 through August 31, 2017. Under the proposed resolution, the second three-year option would not require further approval by the Board of Supervisors.
- Under the proposed lease extension, all future rent rates would be subject to annual Consumer Price Index (CPI) adjustments of no less than two percent and no more than five percent.

### Fiscal Impacts

- Total rent under the proposed lease extension ranges between \$304,780 and \$313,950 for all three years.
- OEWD would continue to be responsible for operating costs including (a) water, gas, and electricity, (b) maintenance and repair, (c) janitorial services, (d) refuse and recycling services, and (e) pest control services, currently averaging \$ 2,064 per month, or \$24,768 annually.
- Total estimated rent and operating costs for the proposed three-year lease range from \$394,176 - \$403,356.

### Policy Considerations

- The Budget and Legislative Analyst finds the provision of allowing the Director of the Real Estate Division to approve a second option to extend the existing lease by an additional three years to be a departure from previous practice, in which such options to extend leases are subject to separate Board of Supervisors approval.

### Recommendations

- Amend the proposed resolution and strike lines 22 – 25 on page two and lines 1 and 2 on page three which authorizes the Director of Real Estate to exercise the second option to extend the term of the existing lease.
- Approve the resolution, as amended.

## MANDATE STATEMENT / BACKGROUND

### Mandate Statement

In accordance with Section 23.27 of the City's Administrative Code, except in specified limited term cases, all leases, in which the City is the lessee, are subject to Board of Supervisors approval.

### Background

On July 29, 2008, the Board of Supervisors approved a three-year lease from September 1, 2008 through August 31, 2011, on behalf of the Office of Economic and Workforce Development (OEWD) as lessee, and WCPI Commercial, LLC (WCPI Commercial), as lessor, for approximately 3,900 square feet of space at 1449 Webster Street to operate the Western Addition One Stop Career Link Center, an employment program.

OEWD initially paid \$8,000 per month, approximately \$2.05 per square foot per month, or \$96,000 annually for the space, with annual Consumer Price Index<sup>1</sup> (CPI) increases. As shown below in Table 1, the rent was increased by two percent in the second year and 1.7 percent in the third year of the existing lease.

**Table 1: OEWD Actual Rent and Operating Costs from September 1, 2008 - August 31, 2011 under Existing Lease**

	Monthly Rent Paid	Annual Percentage of Rent Increase	Monthly Operating Costs	Total Monthly Rent and Operating Costs	Total Annual Rent and Operating Costs
September 1, 2008 - August 31, 2009	\$8,000		\$1,494	\$9,494	\$113,928
September 1, 2009 - August 31, 2010	\$8,160	2 %	\$1,918	\$10,078	\$120,936
September 1, 2010 - August 31, 2011	\$8,299 (\$99,588 annually)	1.7%	\$2,064* (\$24,768 annually)	\$10,363	\$124,356

\* Between September 1, 2009 and August 31, 2011, operating costs increased a total of 38.2 percent or 19.1 percent annually.

Under the terms of the existing lease, OEWD is also responsible for paying monthly operating costs for (a) water, gas, and electricity, (b) maintenance and repairs, (c) janitorial services, (d)

<sup>1</sup> The Consumer Price Index represents changes in the prices of all good and services for All Urban Consumers in the San Francisco-Oakland-San Jose area and is published by the Bureau of Labor Statistics under the United States Department of Labor.

refuse and recycling services, and (e) pest control services, which ranged from \$1,494 to \$2,064 per month for the past three years, as shown in Table 1 above. These costs increased an average of 19.1 percent annually over the term of the existing lease.

As shown in Table 1 above, monthly rent and operating costs under the existing lease ranged from \$9,494 in FY 2008-2009 to \$10,363 in FY 2010-2011. Total annual rent and operating costs under the existing lease ranged between \$113,928 and \$124,356, or total costs of \$359,220 over the three-year period as shown in Table 1 above.

According to Mr. Marc Majors, Workforce Development Manager for OEWD, OEWD has occupied the space at 1449 Webster Street for the Western Addition One Stop Career Link Center, which has been in operation since 2008 and provides an employment training program for San Francisco residents in the Western Addition with job training and readiness tools, such as (a) job search services, (b) job readiness skills training, (c) resume and interview coaching, (d) job training and education services, (e) access to public training funding, and (f) coordination with supportive services such as childcare and transportation assistance. Rubicon Programs, a nonprofit organization, operated the Western Addition One Stop Career Link Center from July 1, 2008 through June 30, 2010. Mr. Majors advises that Rubicon Programs was awarded the first agreement for one year from July 1, 2008 through June 30, 2009, with two one-year options to extend by the OEWD based on a Request for Proposal (RFP) process, to operate the Western Addition One Stop Career Link Center at an annual cost of approximately \$500,000. According to Mr. Majors, funding for the Rubicon Programs agreement were provided through a combination of General Fund monies included in the OEWD budget, Federal Workforce Investment Act grant monies, and Redevelopment Agency Tax Increment Funds. Mr. Majors advises that on June 30, 2010, the Rubicon Programs' first option to extend their agreement ended and Rubicon Programs decided to not seek a second one-year option. According to Mr. Majors, this was a business decision on the part of Rubicon Programs because their operations are entirely in the East Bay and operating the Western Addition One Stop Career Link Center in San Francisco had become too challenging for them.

Mr. Majors advises that, without a RFP process, OEWD contracted with another non-profit organization, Goodwill Industries, to replace Rubicon Programs as the operator of the Western Addition One Stop Career Link Center on July 1, 2010. According to Mr. Majors, an RFP process was not needed because in 2008, Goodwill Industries had previously responded to a RFP from OEWD to operate the Western Addition One Stop Career Link Center. In addition, Mr. Majors advises that Goodwill Industries had an existing agreement with OEWD to operate similar employment centers and other workforce development programs for \$1,196,000 in FY 2009-2010. A new agreement for FY 2010-2011, which provides for Goodwill Industries to continue to operate two workforce development programs and provide some services for two additional workforce development programs for OEWD, is for \$1,800,000, including \$350,000 for the Western Addition One Stop Career Link Center. Mr. Majors advises that the Goodwill Industries' contract is \$150,000 less than the previous \$500,000 cost for Rubicon Programs based on a reduced allocation for workforce training. Further, according to Mr. Majors, OEWD decided to expand the scope of the Goodwill Industries agreement, without conducting a second RFP process, in order to provide a smooth transition between contractors without any disruption in service.



According to Mr. Majors, in FY 2009-2010, the Western Addition One Stop Career Link Center (a) placed approximately 100 people into employment, (b) conducted 115 initial assessments<sup>2</sup>, and (c) conducted over 140 comprehensive vocational skills assessments.<sup>3</sup>

## DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the first of two options to extend an existing lease between the City and County of San Francisco, on behalf of OEWD, as lessee, and WCPI Commercial, as lessor, for OEWD to lease approximately 3,900 square feet of space at 1449 Webster Street for Goodwill Industries to operate the Western Addition One Stop Career Link Center, an employment program, to provide employment and job search training services to residents of the Western Addition for the three-year period from September 1, 2011 through August 31, 2014.

The proposed resolution would, also, at the request of the Office of Economic and Workforce Development, authorize the Director of Real Estate to exercise the second three-year option to extend the term of the subject lease from September 1, 2014 through August 31, 2017 if the Director of Real Estate determines, in consultation with the City Attorney, that such extended term is in the best interests of the City and consistent with the terms and conditions of the lease renewal provisions. Under this proposed resolution, the second three-year option would not require further approval by the Board of Supervisors.

Table 2 below lists the square footage, monthly total rents and rent per square foot payable by the OEWD, as lessee, to WCPI Commercial, as lessor, for the proposed three-year lease extension at 1449 Webster Street. For the first year of the proposed lease extension, rent would be \$8,299 per month or \$99,588 annually for the space, or approximately \$2.13 per square foot per month. This is the same monthly rent that OEWD currently pays under the existing lease. According to Mr. Charlie Dunn, Senior Real Property Officer for the Real Estate Division, this negotiated rent was adjusted to be 95 percent of market rental value. According to Mr. Dunn, on September 1, 2012 and September 1, 2013, the rental rate would be adjusted according to the Consumer Price Index, with a minimum of two percent and a maximum of five percent per year.

Under the proposed lease extension, OEWD would continue to be responsible for operating costs including (a) water, gas, and electricity, (b) maintenance and repairs, (c) janitorial services, (d) refuse and recycling services, and (e) pest control services. As shown in Table 1 above, these costs are currently \$2,064 per month, or \$24,768 annually.

The proposed lease extension provides the City with a unilateral right to terminate the lease with 180 days advanced written notice.

<sup>2</sup> An initial assessment is a brief one-on-one session where a client meets with a counselor/case manager to assess skill sets and barriers to employment and then the client is referred to appropriate services.

<sup>3</sup> A comprehensive vocational skills assessment is a process where a client is given a standardized test to assess skill sets followed by a counseling session where advice is given to the client on potential matching occupations.

## FISCAL IMPACTS

As shown in Table 2 below, approval of the proposed first three-year lease extension would result in annual rent payable under the proposed lease extension by the OEWD, as lessee, to WCPI Commercial, as lessor, of \$99,588 from September 1, 2011 through August 31, 2012, which is the identical rent paid for the last year of the existing lease between OEWD and WCPI Commercial from September 1, 2010 through August 31, 2011.

Under the proposed lease extension, after the first year, monthly rent rates would be subject to annual CPI adjustments of no less than two percent and no more than five percent. As shown in Table 2 below, depending on the amount of the CPI adjustments, rent under the proposed three-year lease extension would total between \$304,780 and \$313,950.

	Monthly Rent	Annual Rent	Rent per Square Foot Per Month
September 1, 2011 – August 31, 2012	\$8,299	\$ 99,588	\$ 2.13
September 1, 2012 – August 31, 2013	8,465 – 8,714	101,580 – 104,568	2.17 – 2.23
September 1, 2013 – August 31, 2014	8,634 – 9,150	103,608 – 109,800	2.21 – 2.35
<b>Total</b>		<b>\$304,780 - \$313,950</b>	

In addition to the rent, OEWD would also be responsible for paying operating costs, currently averaging \$2,064 per month or \$24,768 annually. As shown in Table 3 below, using the average annual 19.1 percent increase in annual operating costs between September 1, 2009 and August 31, 2011 during the existing three-year lease term (See Table 1 above), the total rent and operating costs for the proposed three-year lease extension would range from \$394,176 - \$403,356.

	Annual Rent	Estimated Annual Operating Expenses	Annual Cost
September 1, 2011 – August 31, 2012	\$ 99,588*	\$24,768*	\$124,356,
September 1, 2012 – August 31, 2013	101,580 – 104,568	29,499	131,079 – 134,067
September 1, 2013 – August 31, 2014	103,608 – 109,800	35,133	138,741 – 144,933
<b>Total</b>	<b>\$304,776 - \$313,956</b>	<b>\$89,400</b>	<b>\$394,176 - \$403,356</b>

\* Same as last year of existing lease from September 1, 2010 through August 31, 2011.

According to Mr. Majors, the proposed lease would be funded entirely from funds received from the Federal Workforce Investment Act of 1998.<sup>4</sup> Mr. Majors advises that these funds are received annually at the beginning of each fiscal year and are expected to continue for the foreseeable future. However, Mr. Majors advises that if these Federal grant funds are discontinued, there is a clause included in the proposed lease which would allow OEWD to terminate the subject lease with 180 days written notice. If the Federal grant funds were to be discontinued, Mr. Majors advises that the 180 day written notice for termination would be sufficient and OEWD would attempt to prioritize locating other sources of funding to continue operating the Western Addition One Stop Career Link Center due to its priority status.

## POLICY CONSIDERATIONS

In addition to the proposed exercise of the first three-year option under the existing lease from September 1, 2011 through August 31, 2014, at the request of the OEWD, the proposed resolution would also authorize the Director of Real Estate to exercise a second option to extend the term of the subject lease for an additional three-year period from September 1, 2014 through August 31, 2017, which would not be subject to future Board of Supervisors approval.

The Budget and Legislative Analyst notes that this provision to exercise the second option to extend the lease for a second three-year period from September 1, 2014 through August 31, 2017, without being subject to further Board of Supervisors approval, is a departure from previous Board of Supervisors policy, in which such options to extend leases are subject to separate Board of Supervisors approval. As noted above, Section 23.27 of the City's Administrative Code provides that, except in specified limited term cases, all leases in which the City is the lessee is subject to Board of Supervisors approval. In accordance with Section 23.26 of the City's Administrative Code, the Director of Property currently has the authority to enter into leases on behalf of the City as lessee, if the lease is for one year or shorter or where the rent is \$5,000 or less per month. As noted above, the proposed lease if extended beyond the proposed first three-year option period, would extend the lease for an additional three years from September 1, 2014 through August 31, 2017, at an estimated rental cost of \$8,634 (See Table 2 above) per month.

Given that (a) the City's Administrative Code already allows for the Director of Property to approve shorter term and less costly leases than are being proposed under the second option to extend, and (b) the Board of Supervisors' policy has been to approve longer term lease extensions; the Budget and Legislative Analyst recommends that the provision to approve the second three-year option lease term from September 1, 2014 through August 31, 2017 be deleted.

---

<sup>4</sup> The Federal Workforce Investment Act of 1998, enacted on August 7, 1998, provides Federal support to State and local programs which consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs in the United States.

## RECOMMENDATIONS

1. Amend the proposed resolution to delete lines 22 – 25 on page two and lines 1 and 2 on page three which authorizes the Director of Real Estate to exercise a second three-year option to extend the term of the proposed lease from September 1, 2014 through August 31, 2017.
2. Approve the resolution, as amended, authorizing the first three year option to extend an existing lease for three years from September 1, 2011 through August 31, 2014.



*John Updike*  
*Acting Director of Real Estate*

March 25, 2011

**OEWD**  
**Western Addition One Stop**  
**Renewal of Lease of Real Property**  
**1449 Webster Street**  
**Assignment #6549**

Through Amy Brown,  
Acting City Administrator

Honorable Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Carlton B. Goodlett Place  
San Francisco, CA 94102

Dear Board Members:

Attached for your consideration is a Resolution authorizing the renewal of a lease at 1449 Webster Street, for use by the Office of Economic and Workforce Development (OEWD) for the Western Addition One Stop Career Link Center.

According to the Office of Economic and Workforce Development, OEWD has partnered with Goodwill Industries to operate the Western Addition One Stop Career Link Center to provide the tools necessary for residents to find good employment such as job search services, job readiness skills training, resume and interview coaching, job training and education services, access to public training funding, and coordination with supportive services such as childcare and transportation assistance.

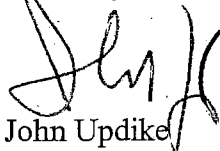
OEWD has leased approximately 3900 sq. ft. of ground floor space at 1449 Webster St to operate the Western Addition One Stop Career Link Center for the past 3 years. The existing lease expires on August 31, 2011 and includes two (2) three year options to extend the term. The proposed Resolution authorizes exercise of the first extension period (through August 31, 2014) and if certain conditions are met the authority to exercise the second extension period (through August 31, 2017).

The proposed Base Rent for the renewal is of \$8,299.00 per month, (approximately \$2.18 per sq. ft. monthly) and the Base Rent shall continue to be increased annually by proportionate increase in the Consumer Price Index with a two percent (2%) minimum increase and a five (5%) maximum increase per year. The City shall also continue to pay for its own janitorial and its prorata share of common area expenses (CAM charges) such as utilities, refuse removal,

common area maintenance at a current cost of \$1494.00 per month (approximately \$0.38 per sq. ft. monthly) and other typical tenant costs.

We recommend approval of the proposed lease renewal. If you have any questions regarding this matter, please contact Charlie Dunn of our office at 554-9861.

Sincerely,



John Updike  
Acting Director of Real Estate

cc. Jennifer Matz, Director, OEWD  
Rhonda Simmons, Director, Workforce Development OEWD

**FORM SFEC-126:**  
**NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s):  ; Members, SF Board of Supervisors	City elective office(s) held:  Members, SF Board of Supervisors

<b>Contractor Information</b> <i>(Please print clearly.)</i>	
Name of contractor: <b>WCPI Commercial, LLC</b>	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary. <b>(1) WCPI Commercial, LLC is a Limited Liability Company and does not have a Board of Directors, ARP-I, LLC, is its Manager and Kwok Hung Szeto, is ARP-I's Manager (3) No person owns more than 20% (4) there are no subcontractors to the Lease (4) WCPI Commercial does not control or sponsor any political committee.</b>	
Contractor address: <b>1489 Webster Street, #218 San Francisco, CA 94115</b>	
Date that contract was approved:	Amount of contract: <b>\$313,592 over 3 years</b>
Describe the nature of the contract that was approved: <b>Renewal of Lease at 1449 Webster St for the Office of Economic &amp; Work Force Development</b>	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors  
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits  
Print Name of Board

<b>Filer Information</b> <i>(Please print clearly.)</i>	
Name of filer: <b>Angela Calvillo, Clerk of the Board</b>	Contact telephone number: <b>415-554-5184</b>
Address: <b>City Hall, Room 244 1 Dr. Carlton B Goodlett Pl, SF CA 94102</b>	E-mail: <b>Board.of.Supervisors@sfgov.org</b>

\_\_\_\_\_  
Signature of City Elective Officer (if submitted by City elective officer)

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

\_\_\_\_\_  
Date Signed

