

1 [Lease Renewal - 1449 Webster Street]

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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.**
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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.

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.

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.

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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