

1 [Real Property Lease Renewal - WCPI Commercial, LLC - 1449 Webster Street - \$9,142.07
2 Monthly]

3 **Resolution authorizing the exercise of an option to extend the lease of 3,900 sq. ft. at**
4 **1449 Webster Street with WCPI Commercial LLC, for the Office of Economic and**
5 **Workforce Development’s Western Addition employment assistance programs for**
6 **\$9,142.07 monthly, for a term of three years ending August 31, 2017.**

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8 WHEREAS, The City and County of San Francisco, Tenant, and WCPI Commercial
9 LLC, Landlord, executed a lease dated September 2, 2008 (the “Lease”), authorized by
10 Board of Supervisors Resolution 354-08 for Premises commonly known and numbered as
11 1449 Webster Street and consisting of approximately 3,900 sq. ft. on the ground floor; and

12 WHEREAS, Such Lease was extended from August 31, 2011 to August 31, 2014 by
13 Board of Supervisors Resolution 178-11; and

14 WHEREAS, Such Lease currently expires on August 31, 2014 and contains an
15 additional option to extend the Lease for another three (3) years on the same terms and
16 conditions except that the Base Monthly Rental is to be adjusted to 95% of the market rental
17 value; 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 Collective Impact, a 501(c) 3 non-profit organization to operate the Western
24 Addition Neighborhood Access Point to provide the tools necessary for residents to find
25 good employment such as job search services, job readiness skills training, resume and

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

4 WHEREAS, Pursuant to the terms of the Lease, the Real Estate Division and the
5 Landlord have negotiated such 95% of fair market rental, considering all factors, for the
6 three (3) year extension period to be \$9,142.07 (approximately \$2.34 per square foot) per
7 month with a continuation of the existing annual increases as described herein; and

8 WHEREAS, The extension Term is subject to enactment of a resolution by the Board
9 of Supervisors and the Mayor, in their respective sole and absolute direction, approving and
10 authorizing such exercise; now, therefore, be it

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

16 FURTHER RESOLVED, That the Lease extension shall be for a term of three (3)
17 years (through August 31, 2017) at a base rent \$9,142.07 per month, (approximately \$2.34
18 per sq. ft. monthly) and the base rate shall continue to be increased annually by
19 proportionate increase in the Consumer Price Index with a two percent (2%) minimum
20 increase and a five (5%) maximum increase per year. The City shall also continue to pay
21 for its own janitorial and its prorata share of common area expenses such as utilities, refuse
22 removal, common area maintenance at a current cost of \$2,145.00 per month
23 (approximately \$.55 per sq. ft. monthly) and other typical tenant costs; and, be it

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

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

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

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

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

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

Available: \$112,870.70
(10 months Base Rent and CAM expenses)
Appropriation No.
Index code – ECNWDGF
Project - PBEWFD00
Subobject – 03011

Controller
Subject to the enactment of the Annual
Appropriation Ordinance for Fiscal Year
2014/2015

RECOMMENDED:

Director of Real Estate

Director
Office of Economic and Workforce Development