

1 [Real Property Lease Renewal - WCPI Commercial, LLC - 1449 Webster Street - \$157,300 in
2 Initial Year]

3 **Resolution authorizing the exercise of an option to extend the lease of 3,900 square**
4 **feet at 1449 Webster Street with WCPI Commercial, LLC, as Landlord, for three years,**
5 **subject to City's right to terminate, for the Office of Economic and Workforce**
6 **Development's Western Addition employment assistance programs, for \$13,000**
7 **monthly with annual increases between 2% and 5%, for a maximum rent of \$157,300**
8 **in the initial year of the lease extension term of September 1, 2017, through August**
9 **31, 2020; and adding one further option to extend the term with the same terms and**
10 **conditions for an additional three year term.**

11
12 WHEREAS, The City and County of San Francisco, Tenant, and WCPI Commercial
13 LLC., Landlord, executed a lease dated September 2, 2008 (the "Lease"), authorized by
14 Board of Supervisors Resolution No. 354-09 for Premises commonly known and numbered
15 as 1449 Webster Street and consisting of approximately 3,900 square feet on the ground
16 floor; and

17 WHEREAS, Such Lease was extended from September 1, 2011, to August 30, 2014,
18 by Board of Supervisors Resolution No. 178-11; and

19 WHEREAS, Such Lease was extended from September 1, 2014, to August 31, 2017,
20 by Board of Supervisors Resolution No. 115-14; and

21 WHEREAS, Such Lease currently expires on August 31, 2017, and contains an
22 additional option to extend the Lease for another three (3) years on the same terms and
23 conditions except that the Base Monthly Rental is to be adjusted to 95% of the market rental
24 value; and

1 WHEREAS, Many Western Addition residents continue to face a number of barriers
2 to employment such as lack of occupational and job readiness skills, a lack of basic
3 education and numeric skills, substance abuse, and prior incarceration among other
4 barriers; and

5 WHEREAS, The Office of Economic and Workforce Development (OEWD) has
6 contracted with Collective Impact, a 501(c) 3 non-profit organization to operate the Western
7 Addition Neighborhood Access Point to provide the tools necessary for residents to find
8 good employment such as job search services, job readiness skills training, resume and
9 interview coaching, job training and education services, access to public training funding,
10 and coordination with supportive services such as childcare and transportation assistance;
11 and

12 WHEREAS, Pursuant to the terms of the Lease, the Real Estate Division and the
13 Landlord have negotiated such 95% of fair market rental, considering all factors, for the
14 three (3) year extension period to be \$13,000 (approximately \$40 per square foot) per year
15 with a continuation of the existing annual increases as described herein; and

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

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

24 FURTHER RESOLVED, That the Lease extension shall be for a term of three (3)
25 years (through August 31, 2020) at a base rent \$13,000 per month, and the base rate shall

1 continue to be increased annually on July 1 by proportionate increase in the Consumer
2 Price Index with a two percent (2%) minimum increase and a five (5%) maximum increase
3 per year; and, be it

4 FURTHER RESOLVED, The City shall also continue to pay for its own janitorial and
5 its prorata share of common area expenses such as utilities, refuse removal, common area
6 maintenance at an estimated current cost of \$2,500 per month and other typical tenant
7 costs; and, be it

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

11 FURTHER RESOLVED, That the Lease shall include one (1) further option to extend
12 the term for a further three (3) years (September 1, 2020, through August 31, 2023) on the
13 same terms and conditions subject to further approval by the Board of Supervisors and the
14 Mayor, in their respective sole and absolute direction, approving and authorizing such
15 exercise; and, be it

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

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

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

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

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

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19 Signatures on next page

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Available: \$149,228.44
(2 months current rent plus 10 months extension rent)
Index code – ECNWDGF
Project - PBEWFD00
Subobject – 03011

Controller
Subject to the enactment of the Annual Appropriation Ordinance for Fiscal Year 2017/2018

RECOMMENDED:

Director of Real Estate

Director
Office of Economic and Workforce Development