

1 [Lease Amendment - Increasing City Allowance Provided for Tenant Improvements -
2 Volunteers in Medicine - 35 Onondaga Avenue - Reimbursement of Up to \$1,660,000]

3 **Resolution authorizing the Director of Property to execute a first amendment to a**
4 **restated ten-year commercial lease, with two five-year extension options, between the**
5 **City and County of San Francisco, as landlord, and Volunteers in Medicine, DBA Clinic**
6 **By the Bay, as tenant, for the City-owned property located at 35 Onondaga Avenue;**
7 **authorizing the reimbursement of up to a total of \$1,660,000 for tenant improvements,**
8 **to commence following Board approval upon execution of the lease.**

9
10 WHEREAS, The Board of Supervisors adopted on July 23, 2019, and the Mayor
11 approved on August 2, 2019, Resolution No. 358-19 authorizing the Director of Property to
12 execute an amended and restated 10-year commercial lease dated June 24, 2019 (the
13 “Restated Lease”), with two five-year extensions, between the City and County of San
14 Francisco (“City” or “Landlord”) and Volunteers in Medicine DBA Clinic By the Bay (“Tenant”),
15 with the purpose of rehabilitating adjoining City owned buildings located at 35 and 45
16 Onondaga Avenue (the “Project”) and establishing use of a portion of the Project as a medical
17 clinic, a copy of the Restated Lease is on file with the Clerk of the Board of Supervisors in File
18 No. 190739; and

19 WHEREAS, The Restated Lease provided that City shall reimburse up to \$1,410,000 of
20 Tenant’s costs for rehabilitation of the building shell and systems component of the Project
21 (the “Initial Allowance”); and

22 WHEREAS, Following commencement of rehabilitation of the building shell and
23 systems component after the passage of Resolution No. 358-19, it has been determined that
24 the actual cost of building shell and systems rehabilitation is more extensive due to water
25 damage and necessary mold abatement, and thus, the City and Tenant have negotiated a

1 First Amendment to Amended and Restated Lease (the “First Amendment”), increasing the
2 Initial Allowance by \$250,000 to a total of \$1,660,000 (“Total Allowance”); the First
3 Amendment is on file with the Clerk of the Board of Supervisors in File No. 210190; and, now,
4 therefore, be it

5 RESOLVED, That the Director of Property is hereby authorized to take all actions, on
6 behalf of the City, to execute the First Amendment on the terms and conditions herein; and,
7 be it

8 FURTHER RESOLVED, The Real Estate Division (“RED”) is authorized to expend the
9 Total Allowance for the purposes contemplated in this Resolution, under the terms and
10 conditions specified in the First Amendment; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
12 Property to enter into any amendments or modifications to the First Amendment (including in
13 each instance, without limitation, the attachment of exhibits) that the Director of Property, in
14 consultation with the City Attorney, determine are in the best interests of the City, do not
15 otherwise materially increase the obligations or liabilities of, or materially decrease the
16 benefits to, the City beyond those contemplated in this resolution, and are in compliance with
17 all applicable laws, including the City’s Charter; and, be it

18 FURTHER RESOLVED, That any action taken by the Director of Property and other
19 officers of the City with respect to the First Amendment is hereby approved, confirmed and
20 ratified by this Board of Supervisors; and, be it

21 FURTHER RESOLVED, That within thirty (30) days of the First Amendment being fully
22 executed by all parties, RED shall provide the fully executed First Amendment to the Clerk of
23 the Board for inclusion into the official file.

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