

1 [Real Property Lease - Dylan’s Tours, Inc. - 490 Jefferson Street - \$72,000 annually with 3%
2 annual increases]

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3 **Resolution approving Port Commission Lease No. L-17378 with Dylan’s Tours, Inc., a**
4 **limited liability company, for approximately 1,505 square feet on the ground floor of a**
5 **two-story building located at 490 Jefferson Street for a term of five years to commence**
6 **on May 1, 2026, through April 30, 2031, for an initial annual base rent of \$72,000 with**
7 **3% annual increases and one five-year option to renew.**

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9 WHEREAS, California Statutes of 1968, Chapter 1333 (as amended, the "Burton Act")
10 and Charter, Sections 4.114 and B3.581 empower the San Francisco Port Commission ("Port"
11 or "Port Commission") with the power and duty to use, conduct, operate, maintain, manage,
12 regulate and control the lands within Port Commission jurisdiction in the City and County of
13 San Francisco; and

14 WHEREAS, The Port Commission adopted Resolution Nos. 23-28 and 23-29 on
15 June 13, 2023, which authorized the payment of Broker Commissions under the Broker
16 Payment Policy ("Policy") and authorized Port staff to pursue tenants for certain space in a
17 broker-assisted competitive bidding process respectively; and

18 WHEREAS, Port hired Maven Commercial in November 2023 to pursue a new tenant
19 for 490 Jefferson Street under a broker-assisted competitive bidding process; and

20 WHEREAS, After approximately two years, Maven found limited interest in the property
21 and most recently found Dylan’s Tours, Inc., a California corporation ("Dylan’s Tours"), for the
22 ground floor of 490 Jefferson Street (the "Premises").

23 WHEREAS, Port staff negotiated a letter of intent, which was used as the basis for the
24 financial structure and terms of Lease No. L-17378 (the "Lease"); and

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1 WHEREAS, The financial terms of the Lease are consistent with current market
2 conditions for retail leases in Fisherman's Wharf; and

3 WHEREAS, The proposed rent of the Lease is not less than Market Rent (as defined in
4 Administrative Code, Section 23.2); and

5 WHEREAS, Dylan's Tours' use will activate a long-standing blighted vacant building on
6 Jefferson Street, and cause customers to linger in the area who otherwise walk by; and

7 WHEREAS, At its February 10, 2026 meeting, the Port Commission authorized the
8 Executive Director of the Port, or her designee, to enter into Lease No. L-17378 with Dylan's
9 Tours, for approximately 1,505 square feet on the ground floor of a two-story building located
10 at 490 Jefferson Street for a term of five years with one five-year option to renew; and

11 WHEREAS, San Francisco Charter, Section 9.118 requires Board of Supervisors'
12 approval of certain leases that either have a term of 10 years or more or have anticipated
13 revenue to the City of \$1,000,000 or more; and

14 WHEREAS, The terms of Lease No. L-17378, including extension options, will be
15 10 years; for a term of five years to commence on May 1, 2026, through April 30, 2031, for an
16 initial annual base rent of \$72,000 with 3% annual increases and one five-year option to
17 renew; and

18 WHEREAS, Other key terms of Lease No. L-17378 are described in the Port staff
19 report to the Port Commission dated February 6, 2026, and the draft Lease No. L-17378, both
20 of which are on file with the Clerk of the Board of Supervisors in File No. _____; and now,
21 therefore be it

22 RESOLVED, That the Board of Supervisors hereby approves Lease No. L-17378 and
23 authorizes the Acting Executive Director of the Port, or his designee, to execute such Lease
24 No. L-17378 in a form approved by the City Attorney and in substantially the same form on file
25 with the Clerk of the Board of Supervisors in File No. _____; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors authorizes the Port Executive
2 Director to enter into any additions, amendments, or other modifications to Lease No. L-17378
3 that the Port Executive Director, in consultation with the City Attorney, determines, when
4 taken as a whole, to be in the best interest of the Port, do not materially increase the
5 obligations or liabilities of the City or the Port or materially reduce the benefits to the City or
6 the Port, and are necessary or advisable to complete the transactions which this Resolution
7 contemplates and effectuate the purpose and intent of this Resolution, such determination to
8 be conclusively evidenced by the execution and delivery by the Port Executive Director of
9 such documents; and, be it

10 FURTHER RESOLVED, That within thirty (30) days of Lease No. L-17378 being fully
11 executed by all parties, the Port shall provide a copy of the lease to the Clerk of the Board for
12 inclusion into the official file.