

# CANDLESTICK POINT STATE RECREATION AREA

## SUBLEASE TERM SHEET

The City and County of San Francisco has a sincere interest in subleasing a portion of the property commonly known as Candlestick Point State Recreation Area (“**Candlestick**”) in San Francisco, CA. This term sheet (“**Term Sheet**”) outlines the basic business terms and conditions of a proposed sublease between the City and County of San Francisco (“**City**”) through its Department of Homelessness and Supportive Services (“**HSH**”) as “**Subtenant**” and the California Department of Parks and Recreation (“**State Parks**”) as “**Sublandlord**” with the consent and approval of the California State Lands Commission (“**State Lands**” or “**Landlord**”).

### 1. Proposed Recitals:

Whereas, the City and State Parks agree that City Police enforcement and peace officers exercising authority throughout Candlestick Park against unauthorized encampments, black water dumping into the Bay, intimidation of would be park visitors and staff, vandalism, drug use, public resource degradation, and theft punctuated by the RV encampment on Hunter’s Point Expressway since early 2020 are needed in this area and are public benefits of value to State Lands, State Parks and the citizens/ residents of the State of California.

Whereas, the City is proposing to establish a Vehicle Triage Center on the Premises (defined below) which would provide critical resources to people residing in recreational and passenger vehicles within Candlestick and District 10, providing a safe place for people to stay in their vehicles while accessing services and connecting to resources within the Homelessness Response System to support a permanent exit out of homelessness.

Whereas, the combination of using the Vehicle Triage Center to move cars and RVs off the streets and into the Center and the Off-Site Services in and around Candlestick Park would allow people to safely and come enjoy Candlestick again.

Whereas, State Lands and State Parks have agreed to sublet the Premises and to allow this temporary, non-recreational use due to the fact that the value of the Off-Site Improvements far exceed the fair market rental value of the Premises and provide a public benefit to State Lands, State Parks and the citizens / residents of the State of California.

The City proposes to negotiate in good faith towards a sublease agreement upon the terms and conditions set forth as follows:

2. Landlord: California State Lands Commission (“**State Lands**”).
3. Sublandlord: California Department of Parks and Recreation (“**State Parks**”).
4. Subtenant: City and County of San Francisco (“**City**”) through its Department of Homelessness and Supportive Services (“**HSH**”).
5. Property: Candlestick Point State Recreation Area, San Francisco, CA (“**Candlestick**”).

6. Premises: Approximately 312,000 square feet of parking lot area as shown on Exhibit A (the "Site Map"), a portion of Candlestick.
7. Condition of Premises: Subtenant accepts the Premises in its AS-IS condition.
8. Use: Providing a Vehicle Triage Center services for up to 150 vehicles (RVs and cars) for people experiencing homelessness currently living in their vehicles; construction of certain On-Site Improvements related to same; and ancillary activities related to same. (Additional detail under On-Site Improvements below).
9. Term: Two years.
10. Renewal / Extension: Subject to negotiations at the end of the Term, upon mutual agreement of the parties.
11. Commencement Date: November 1, 2021 or upon approval by the Board of Supervisors, Mayor and State Lands Commission.
12. Annual Rent: \$26,000 per month or \$312,000 per year (Based upon the Valuation Memo dated September 10, 2021, attached hereto as Attachment 1). The Rent is to be paid in kind through Off-Site Services as set forth in Exhibit B-1 to the proposed sublease. The Off-Site Services have an estimated aggregate value of \$178,600 per month or \$2,143,920 per year as set forth in Exhibit B-2 to the proposed sublease.
13. Rent Escalator: None.
14. Security Deposit: None.
15. Administrative Fee: None or paid in kind through Off-Site Services.
16. Purchase Option: None.
17. Utilities: Subtenant to be solely responsible for all utilities servicing the Premises including but not limited electricity, water and sewer.
18. Services: Subtenant to be solely responsible for all services to the Premises including but not limited to janitorial, security, trash, recycling and dump removal.
19. Project Description: The Vehicle Triage Center would provide critical resources to people residing in recreational and passenger vehicles within Candlestick and District 10, providing a safe place for people to stay in their vehicles while accessing services and

connecting to resources within the Homelessness Response System to support a permanent exit out of homelessness.

## 20. On-Site

Improvements: The following On-Site Improvements will be constructed by the City on the Premises along with the listed on-site services:

- 24/7 staffing, including service practitioners familiar with issues regarding vehicle residency and resources for referral of guests to services
- Custodial services
- Security services
- Food programming
  
- Perimeter fencing with privacy screen and access gates
- Site striping of stalls for approximately 150 recreational and passenger vehicles and 15 staff vehicles
- Site lighting (poles and solar light)
- Construction of pet area
- Construction of Guard Shack
- Construction of Shaded Picnic areas
- Installation of two mobile trailers for case management office/health care
- Installation of shower trailer
- Installation of mobile restrooms
- Construction of site operator RV office and storage
- Potable water hose bibs (water source for guest use)
- Repair and improvement of Candlestick water mains as necessary for Triage Vehicle Center use
- Repair and improvement of CPSRA sewer lines as necessary for Triage Vehicle Center use
- Installing trash containers (waste, recycling and compost)
- Power charging stations

## 21. Removal of New On-Site

Improvements: Subtenant shall be required to remove all new On-Site Improvements installed by Subtenant during the term of the Sublease unless Sublandlord notifies Subtenant in writing that the new On-Site Improvements do not have to be removed.

22. Pre-existing On-Site Improvements: Subtenant may at its sole election use, repair or maintain pre-existing On-Site Improvements during the term of the Sublease, with Sublandlord's prior written consent, not to be unreasonably conditioned, withheld or delayed. Such use of pre-existing On-Site Improvements shall not obligate Subtenant to remove said improvements at the end of the Term.
23. Off-Site Services: Subtenant, at its sole expense, shall perform or caused to be performed, the Off-Site Services listed in Exhibit B-1.
24. Insurance: Subtenant is permissively self-insured. Subtenant shall not be required to obtain or maintain 3<sup>rd</sup> party insurance during the Term of the sublease.
25. Brokers: Sublandlord and Subtenant represent and warrant to each other that they have not engage a broker in connection with securing the proposed sublease. Thus, neither party shall be obligated to pay a broker fee or commission in connection with this proposed sublease.
26. Sublease Form: The sublease agreement shall be based (to the extent practicable) on the Lease Agreement between State Lands and State Parks for the Property (Lease No. PRC 6414.9) dated July 2014 ("Lease"), attached hereto as Attachment 2 for illustrative purposes only. The final sublease is subject to negotiations with Sublandlord and Subtenant through its Director of Property, and approval by the City's Director of Property, City Attorney, Board of Supervisors and Mayor, in their respective sole and absolute discretion. The final sublease is also subject to the approval of State Lands and State Parks in their respective sole and absolute discretion.
27. Miscellaneous Terms  
Not Applicable: Subtenant finds the following Sections of the Lease inapplicable to the proposed sublease and proposes that the parties negotiate in good faith to draft applicable language consistent with this Term Sheet:
- Section 1 – Basic Provisions
  - Section 2 – Special Provisions
  - Section 3 – Description of Lease Premises
  - Section 8 – Insurance
  - Section 9 – Surety Bond
28. Miscellaneous Terms  
Applicable: Subtenant finds the following Sections of the Lease applicable to the proposed sublease and agreeable to the extent consistent with the Term Sheet and subject to review of final language:

- Section 4 – General Provisions
- Section 5 – Reservations, Encumbrances, and Rights-Of-Way
- Section 6 – Rules, Regulations, and Taxes
- Section 7 – Indemnity
- Section 10 – Assignment, Encumbrancing or Subletting (Provided that the use of the Premises by the City’s service providers and vendors is not deemed an assignment).
- Section 11 – Default and Remedies (Provided that Section 11(a)(2) regarding insurance is removed).
- Section 12 – Restoration of Lease Premises (Subject to Item 22 above regarding Pre-existing On-Site Improvements).
- Section 13 – Quitclaim Deed (Provided that form of Quitclaim deed is attached to the sublease at time of execution).
- Section 14 – Holdover
- Section 15 – Additional Provisions

State Lands, State Parks and the City understand and agree that this Term Sheet is not intended to be, and shall not become, contractually binding on any party and no legal obligation shall exist unless and until the parties in their respective roles have negotiated, executed and delivered a mutually acceptable and authorized Sublease Agreement. In addition, the parties acknowledge and agree that under the City's Charter, no department, commission, officer or employee of City has authority to commit the City to the transactions contemplated by this Term Sheet unless and until appropriate legislation by the City's Board of Supervisors has been duly enacted and approved by the Mayor, each in their respective sole and absolute discretion approving the Sublease Agreement (or alternatively delegating the authority to negotiate and execute such an agreement on their behalf) and the transactions contemplated thereby and appropriating all necessary funds, in compliance with all applicable laws. The Director of Property, on behalf of City, and State Parts (with the consent of State Lands) will, attempt in good faith to use the above terms and conditions as the initial base to negotiate and enter into a Sublease Agreement in form and content acceptable to each party, in each party’s respective sole and absolute discretion.

**Respectfully Submitted**



Andrico Q. Penick *9/13/21*  
 Director of Property  
 City and County of San Francisco