FILE NO. 100669

RESOLUTION NO.

385-10

[Lease of Real Property – Parcel L (Portion of Assessor's Block No. 0817, Lot No. 33)]

Resolution approving the lease of City property located at the northeast corner of Octavia Boulevard and Fell Street and commonly known as Parcel L (portion of Assessor's Block No. 0817, Lot No. 33) to PROXYDevelopment, LLC for four years at a monthly base rent of \$2,000 per month.

WHEREAS, The State of California transferred certain property (the "Central Freeway Parcels") in the Hayes Valley neighborhood to the City and County of San Francisco ("City") as part of the demolition of the former Central Freeway and on the condition that City use the proceeds from any disposition of the Central Freeway Parcels in connection with City's Octavia Boulevard project and for transportation and related purposes set forth in Section 72.1(f)(1) of the California Streets and Highways Code; and

WHEREAS, The City owns Parcel L and other Central Freeway Parcels that are either currently vacant or leased for parking and other uses (the "Remaining Parcels"), and which the City intends to sell when current economic conditions improve; and

WHEREAS, The City wishes to lease some of the Remaining Parcels for interim uses that will activate the Remaining Parcels until they are sold by the City to provide additional amenities to the public and promote economic development; and

WHEREAS, The City's Office of Economic and Workforce Development ("OEWD"), issued a Request for Proposals on December 1, 2009, seeking proposals from qualified respondents for such interim uses on the Remaining Parcels (the "RFP"); and

WHEREAS, PROXYDevelopment, LLC ("Tenant") submitted a proposal to lease Parcel L for retail activities (including the sale of foods and beverages) and the operation of restaurants; and

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WHEREAS, The City wishes to lease Parcel L to the Tenant for four years at a monthly base rent of \$2,000 per month for such uses under a lease substantially in the form on file with the Clerk of the Board of Supervisors in File No. <u>100669</u> (the "Lease"); and

WHEREAS, The Director of Planning, by letter dated May 14, 2010, a copy of which is on file with the Clerk of the Board of Supervisors in File No. <u>100669</u>, found that the proposed lease of Parcel L is categorically exempt from environmental review and is in conformance with the City's General Plan; now, therefore, be it

RESOLVED, That in accordance with the recommendation of the Director of OEWD and the Director of Property, the Director of Property is hereby authorized to execute the Lease; and, be it

FURTHER RESOLVED, That all actions heretofore taken by any employee or official of the City with respect to the RFP and the Lease are hereby approved, confirmed and ratified; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Property to enter into any amendments or modifications to the Lease that the Director of Property determines, in consultation with the City Attorney, are in the best interest of the City, do not materially reduce the rent or otherwise materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the Lease and are in compliance with all applicable laws, including City's Charter.

RECOMMENDED:

Michael Cohen Director, Office of Economic and Workforce Development

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City and County of San Francisco

Tails

Resolution

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

File Number: 100669

Date Passed: August 03, 2010

Resolution approving the lease of City property located at the northeast corner of Octavia Boulevard and Fell Street and commonly known as Parcel L (portion of Assessor's Block No. 0817, Lot No. 33) to PROXYDevelopment, LLC, for four years at a monthly base rent of \$2,000 per month.

August 03, 2010 Board of Supervisors - ADOPTED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

File No. 100669

I hereby certify that the foregoing Resolution was ADOPTED on 8/3/2010 by the Board of Supervisors of the City and County of San Francisco.

Mayor Gavin Newsom

Angela Calvillo Clerk of the Board

Bate Approved