

1 [Lease Amendment - Increasing City Allowance Provided for Tenant Improvements -
2 Volunteers in Medicine - 35 Onondaga Avenue - Reimbursement of Up to \$2,120,594]

3 **Resolution authorizing the Director of Property to execute a second amendment to a**
4 **ten-year commercial lease, with two five-year extension options, between the City and**
5 **County of San Francisco, as landlord, and Volunteers in Medicine, DBA Clinic By the**
6 **Bay, as tenant, for the City-owned property located at 35 Onondaga Avenue;**
7 **authorizing the reimbursement of up to a total of \$2,120,594 for tenant improvements,**
8 **to commence upon execution of the lease; and to authorize the Director of Property to**
9 **enter into any amendments or modifications to the second amendment that do not**
10 **materially increase the obligations or liabilities to the City and are necessary to**
11 **effectuate the purposes of the lease or this Resolution.**

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13 WHEREAS, The Board of Supervisors adopted on April 13, 2021, and the Mayor
14 approved on April 22, 2021, Resolution No. 154-21 authorizing the Director of Property to
15 execute the first amendment (the “First Amendment”) to an amended and restated ten-year
16 commercial lease dated June 24, 2019 (the “Restated Lease”), with two five year extensions,
17 between the City and County of San Francisco (“City” or “Landlord”) and Volunteers in
18 Medicine DBA Clinic By the Bay (“Tenant”), with the purpose of rehabilitating adjoining City
19 owned buildings located at 35 and 45 Onondaga Avenue (the “Project”) and establishing use
20 of a portion of the Project as a medical clinic, a copy of the First Amendment, which includes
21 the Restated Lease as Exhibit A, is on file with the Clerk of the Board of Supervisors in File
22 No. 210190; and

23 WHEREAS, The First Amendment provided that City shall reimburse up to \$1,660,000
24 of Tenant’s costs for rehabilitation of the building shell and systems component of the Project
25 (the “Initial Allowance”); and

1 WHEREAS, Following commencement, and near completion, of rehabilitation of the
2 building shell and systems component after the passage of Resolution No. 154-21, it has
3 been determined that the actual cost of building shell and systems rehabilitation is more
4 extensive primarily due to required new construction of a below ground vault for a power
5 supply conversion from PG&E to the San Francisco Public Utility Commission (“SFPUC”); and

6 WHEREAS, SFPUC has agreed to provide an additional \$200,594 to the Real Estate
7 Division (“RED”) in support of the power supply cost increase; and

8 WHEREAS, The Department of Public Health (“DPH”), has agreed to provide an
9 additional \$260,000 to RED in support of the power supply cost increase; and

10 WHEREAS, The City and Tenant have negotiated a Second Amendment to the
11 Amended and Restated Lease (the “Second Amendment”), increasing the Initial Allowance by
12 \$460,594, to a total of \$2,120,594 (“Total Allowance”), the Second Amendment is on file with
13 the Clerk of the Board of Supervisors in File No. 220975; now, therefore, be it

14 RESOLVED, That the Director of Property is hereby authorized to take all actions, on
15 behalf of the City, to execute the Second Amendment on the terms and conditions herein;
16 and, be it

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

20 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
21 Property to enter into any amendments or modifications to the Second Amendment (including
22 in each instance, without limitation, the attachment of exhibits) that the Director of Property, in
23 consultation with the City Attorney, determine are in the best interests of the City, do not
24 otherwise materially increase the obligations or liabilities of, or materially decrease the

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1 benefits to, the City beyond those contemplated in this resolution, and are in compliance with
2 all applicable laws, including the City’s Charter; and, be it

3 FURTHER RESOLVED, That any action taken by the Director of Property and other
4 officers of the City with respect to the Second Amendment is hereby approved, confirmed and
5 ratified by this Board of Supervisors; and, be it

6 FURTHER RESOLVED, That within thirty (30) days of the Second Amendment being
7 fully executed by all parties, RED shall provide the fully executed Second Amendment to the
8 Clerk of the Board for inclusion into the official file.

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Funds Available for
Fiscal Year 2022-2023: \$460,594

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Authority ID: 15754
Fund ID: 10020
Department ID: 228875
Project ID: 10001291
Account ID: 506070
Activity ID: 0026

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/s/

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Michelle Allersma,
Budget and Analysis Division Director
on behalf of Ben Rosenfield, Controller

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21 RECOMMENDED:

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/s/
Andrico Q. Penick
Director of Property

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