

1 [Real Property Lease - Felton Institute - 1099 Sunnydale Avenue - \$24,216.48 Initial Yearly
2 Base Rent]

3 **Resolution approving and authorizing the Director of Property to enter into a real**
4 **property lease with Felton Institute, a California nonprofit public benefit corporation,**
5 **for approximately 1,506 square feet of The Village Community Facility located at 1099**
6 **Sunnydale Avenue, for an initial term of five years with two five-year options to extend,**
7 **at an initial rent of \$24,216.48 per year (\$2,018.04 per month) with 3% annual increases**
8 **thereafter effective upon approval of this Resolution; a finding that competitive bidding**
9 **procedures required under Administrative Code, Chapter 23, Section 23.33, are**
10 **impractical or impossible; a finding that the Lease furthers a proper public purpose**
11 **sufficient to meet Administrative Code, Section 23.30, market value requirements; and**
12 **authorizing the Director of Property to enter into any additions, amendments, or other**
13 **modifications to the Lease that do not materially increase the obligations or liabilities**
14 **of the City to effectuate the purposes of this Resolution.**

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16 WHEREAS, The City and County of San Francisco (“City”) owns the Village
17 Community Facility located at 1099 Sunnydale Avenue, San Francisco, which is under the
18 jurisdiction of the Real Estate Division (“RED”); and

19 WHEREAS, Over the last 11 years, Felton Institute (“Tenant”), has been and currently
20 provides adult employment training and job placement, tech training, and community activities
21 for the local community; and

22 WHEREAS, Tenant’s current lease is on holdover since 2022; and

23 WHEREAS, The City seeks to have the Tenant’s programming continue in the
24 community by entering into the proposed lease with the Tenant for the Community Facility, for
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1 a five-year term (the "Term") commencing on approval of this Resolution, a copy of which is
2 on file with the Clerk of the Board of Supervisors in File No. 250087 (the "Lease"); and

3 WHEREAS, The Lease provides for an initial monthly base rent of \$2,018.04 for a total
4 annual base rent of \$24,216.48 (\$16.08 per square foot); and

5 WHEREAS, The City is responsible for monthly utilities, including custodial services in
6 the approximate amount of \$0.47 per square foot or \$708 monthly; and

7 WHEREAS, The initial base rent will increase annually by three percent during the
8 Term; and

9 WHEREAS, Due to the Tenant's long-term occupancy and use of the Community
10 Facility and the public benefit it provides, competitive bidding procedures were impractical;
11 and

12 WHEREAS, The Director of Property determined the proposed rent payable under the
13 Lease to be below fair market rental value and therefore requires a Board of Supervisors
14 finding that the Lease furthers a proper public purpose sufficient to meet the requirements of
15 Administrator Code, Section 23.30; now, therefore, be it

16 RESOLVED, That in accordance with the recommendations of the Director of Property
17 after consultation with the City Attorney, the Board of Supervisors approves the Lease in
18 substantially the form presented to the Board, and authorizes the Director of Property to take
19 all actions necessary to execute the Lease and any other documents that are necessary or
20 advisable to effectuate the purpose of this Resolution; and, be it

21 FURTHER RESOLVED, That the Lease will commence upon the approval of this
22 Resolution and continue for five years; and, be it

23 FURTHER RESOLVED, That the initial base rent rate shall be \$24,216.48 per year, or
24 \$2,018.04 per month, with an annual three percent adjustment each subsequent year of the
25 Term; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors confirms that the below market
2 rental rate of the Lease furthers a proper public purpose sufficient to meet the requirements of
3 Administrative Code, Section 23.30 and 23.33; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors finds that competitive bidding
5 procedures for award of the Lease were impractical or impossible due to Tenant's current
6 possession and occupancy of the space and the public benefit provided by Tenant; and, be it

7 FURTHER RESOLVED, That all actions taken by any City employee or official with
8 respect to entering into this Lease are hereby approved, confirmed, and ratified; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
10 Property to take any actions in furtherance of entering into, amending, or modifying the Lease,
11 if said action is, determined by the Director of Property, in consultation with the City Attorney,
12 are in the best interest of the City, do not materially increase the obligations or liabilities of the
13 City, do not materially decrease the benefits to the City, or are necessary or advisable to
14 effectuate the purposes of this Resolution, and are in compliance with all applicable laws; and,
15 be it

16 FURTHER RESOLVED, That within 30 days of the Lease being fully executed, the
17 Director of Property shall provide a final copy to the Clerk of the Board for inclusion in the
18 Board's file.

1 RECOMMENDED:

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3 /s/
4 Andrico Q. Penick
5 Director of Property

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