

1 [Real Property Lease - Port Commission - 295 Terry Francois - Seven Percent of Gross or  
2 \$10,011.81 Monthly]

3 **Resolution approving Port Commission Lease No. L-15255 with East Street Ventures,**  
4 **LLC for restaurant space located at 295 Terry Francois Boulevard in the Central**  
5 **Waterfront with a 180 month term with one 60 month term extension option for an**  
6 **initial monthly rent of the greater amount of either seven percent of all gross revenue**  
7 **or \$10,011.81.**

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

13 WHEREAS, On August 14, 2012, Port staff requested and received authorization from  
14 the Port Commission (Resolution No. 12-63) to issue a Request for Proposal ("RFP") for a  
15 restaurant operator for the renovation and the operation of the restaurant site located at 295  
16 Terry Francois Boulevard, (the "Restaurant") formerly known as Jelly's a Dance Café; and

17 WHEREAS, As a result of the RFP, the Port negotiated a lease, L-15255, with East  
18 Street Ventures LLC, a California Limited Liability Company, for the renovation and  
19 operation of the Restaurant with a term of one hundred eighty (180) months with one  
20 sixty (60) month term extension option (the "Lease"), a copy of which is on file  
21 with the Clerk of the Board In File No. 130732; and

22 WHEREAS, The Port Commission approved lease L-15255 at its July 11, 2013  
23 Meeting pursuant to Port Resolution No. 13-27, and

24 WHEREAS, The Lease has an Initial rent of the greater amount of either 7% of all  
25 gross revenue or \$10,011.81 per month (\$2.33 per sq. ft. for the interior space and \$0.31 for

1 the exterior space) for the approximately 3,389 square feet of interior space and 6,824 square  
2 feet of exterior space. The Lease provides a 270-day rent abatement period to allow East  
3 Street Ventures to construct tenant improvements in the amount of approximately \$2 million  
4 and

5 WHEREAS, The lease provides a one- time improvement credit in the amount of  
6 \$380,000 for the construction of base building core and shell improvement only; and

7 WHEREAS, Pursuant to requirements under the California Environmental Quality Act  
8 (CEQA), the environmental effects of the Lease were reviewed and determined to be exempt  
9 from CEQA under a General Rule Exclusion issued by the San Francisco Planning  
10 Department on June 15, 2012, and

11 WHEREAS, San Francisco Charter Section 9.118 requires Board of Supervisors'  
12 approval of real property leases with a term of ten (10) or more years, or having anticipated  
13 revenue to the City of One Million Dollars (\$1,000,000.00) or more; and

14 WHEREAS, This Lease will have revenues that exceed One Million Dollars  
15 (\$1,000,000.00) and the term will exceed ten (10) years; now, therefore, be it

16 RESOLVED, That the Board of Supervisors approves the Lease; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive  
18 Director of the Port (the "Executive Director") or her designee to execute the Lease in a form  
19 approved by the City Attorney and in substantially the form of the lease on file with the Clerk  
20 of the Board of Supervisors; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive  
22 Director to enter into any additions, amendments or other modifications to the Lease  
23 (including, without limitation, preparation and attachment of, or changes to, any or all of the  
24 exhibits and ancillary agreements) that the Executive Director, in consultation with the City  
25 Attorney, determines when taken as a whole, are in the best interest of the Port, do not

1 materially increase the obligations or liabilities of the Port or City or materially decrease the  
2 public benefits accruing to the Port, and are necessary or advisable to complete the  
3 transactions contemplated and effectuate the purpose and intent of this Resolution, such  
4 determination to be conclusively evidenced by the execution and delivery by the Executive  
5 Director of any such documents; and, be it

6           FURTHER RESOLVED, That the Board of Supervisors approves, and ratifies all prior  
7 actions taken by the officials, employees and agents of the Port Commission, or the City with  
8 respect to the Lease.

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