

1 [Commercial Lease Agreement - Les Joulins, USA - 44 Ellis Street - \$5,127,000]

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3 **Resolution retroactively authorizing the San Francisco Municipal Transportation**
4 **Agency to execute a Commercial Lease Agreement with Les Joulins, USA, Inc., and**
5 **Osman Uner for approximately 5,368 square feet of restaurant/night club space at 44**
6 **Ellis Street, for a 10-year term to commence on March 1, 2015, plus two five-year**
7 **options to extend, which includes a rent schedule for the 10-year base term that will**
8 **result in \$5,127,000 in revenue to the City.**
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10 WHEREAS, The Ellis O'Farrell Garage, owned by the City and County of San
11 Francisco, a municipal corporation, and managed by the San Francisco Municipal
12 Transportation Agency (SFMTA), offers three retail spaces, one of which is in occupied by
13 Les Joulins on a month-to-month lease; and

14 WHEREAS, Les Joulins, USA, Inc. and Osman Uner (together, Tenant) desire to
15 lease the vacant retail space designated as 44 Ellis Street and comprised of approximately
16 5,368 square feet (Premises) for an initial term of 10 years with two (2) five-year options to
17 renew; and

18 WHEREAS, Over the past 30-plus years, Les Joulins has successfully operated a
19 restaurant/night club at the 44 Ellis location; and

20 WHEREAS, Tenant desires to extend its tenancy at the Premises pursuant to a lease
21 agreement negotiated by Tenant and SFMTA staff; and

22 WHEREAS, The lease agreement includes a rent schedule for the 10-year base term
23 that will result in \$5,127,000 in revenue to the city, and includes two five-year options with
24 annual rent increases of 3 percent; and
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1 WHEREAS, Tenant shall pay the possessory interest taxes and all associated broker
2 fees and commissions; and

3 WHEREAS, the lease includes \$250,000 in rent credits that the tenant will be
4 authorized to take following completion, and SFMTA verification, of a mutually agreed-upon
5 list of tenant-improvement projects; and

6 WHEREAS, On March 3, 2015, the SFMTA Board of Directors adopted Resolution
7 No. 15-045 authorizing the Director of Transportation to execute the Lease Agreement and
8 to forward to the Board of Supervisors for final approval; and

9 WHEREAS, A copy of the said contract is on file with the Clerk of the Board of
10 Supervisors in File No. _____, which is hereby declared to be part of this motion as if set
11 forth fully herein; now, therefore, be it

12 RESOLVED, That all actions heretofore taken by the officers of the City with respect
13 to the Lease are hereby approved, confirmed and ratified; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
15 Transportation of the SFMTA to enter into any amendments or modifications to the Lease
16 (including without limitation, the exhibits) that the Director of Transportation determines, in
17 consultation with the City Attorney, are in the best interest of the City, do not increase the
18 rent or otherwise materially increase the obligations or liabilities of the City, are necessary or
19 advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance
20 with all applicable laws, including City's Charter; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors approves the Lease
22 Agreement between the City and County of San Francisco and Les Joulins, USA, Inc.
23 (Sega) and Osman Uner; and, be it

1 FURTHER RESOLVED, That within 30 days of the document being fully executed by
2 all parties, the final document shall be provided to the Clerk of the Board for inclusion in the
3 official file.

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