

1 [Lease of City Property - ArtSpan - 45 Onondaga Avenue - \$50,928 Per Year Rent]

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3 **Resolution authorizing the Director of Property to execute a commercial lease, between**  
4 **the City and County of San Francisco and ArtSpan, for the City-owned property located**  
5 **at 45 Onondaga Avenue for \$50,928 per year; authorizing the reimbursement of up to**  
6 **\$410,000 for tenant improvements; for a term of ten years with two five-year options to**  
7 **extend, to commence following Board approval; making findings that the proposed**  
8 **transaction is in conformance with the General Plan, and the eight priority policies of**  
9 **Planning Code, Section 101.1; and adopting California Environmental Quality Act**  
10 **findings.**

11

12 WHEREAS, The City owns the real property and improvements consisting of an  
13 approximately 4,244 square foot building (the “Premises”), Assessor’s Parcel Block No. 6959,  
14 Lot No. 016, located at 45 Onondaga Avenue in the City and County of San Francisco (the  
15 “Property”); and

16 WHEREAS, The City owns the real property and improvements consisting of an  
17 approximately 3,960 square foot building (the “Adjacent Premises”), Assessor’s Parcel Block  
18 No. 6959, Lot No. 017, located at 35 Onondaga Avenue in the City and County of San  
19 Francisco (the “Adjacent Property”); and

20 WHEREAS, The Property and Adjacent Property are collectively referred to herein as  
21 the “Project”; and

22 WHEREAS, The Project has been unused and vacant for over 10 years; and

23 WHEREAS, The City’s Office of Economic and Workforce Development (“OEWD”),  
24 through the City’s Real Estate Division (“RED”), issued a request for proposal in late 2016  
25 (“RFP”) soliciting competitive bids from 501c3 non-profit public benefit corporations, to award

1 the right to negotiate a long term, below market rate, lease of either the Property, the Adjacent  
2 Property, or the Project, for the specified purpose of improving the Premises, and operating  
3 an active, community-serving use at the location; and

4 WHEREAS, The proposal submitted by ArtSpan (“Tenant”) requesting use of the  
5 Property was determined by representatives from San Francisco Arts Commission (“SFAC”),  
6 OEWD and RED to be the proposal that best met the goals and objectives of the RFP; and

7 WHEREAS, The proposal submitted by Volunteers in Medicine – San Francisco, DBA  
8 Clinic By the Bay (“Adjacent Tenant”) requesting use of the Adjacent Property was determined  
9 by representatives from SFAC, OEWD and RED to be the proposal that best met the goals  
10 and objectives of the RFP; and

11 WHEREAS, RED, in consultation with the Office of the City Attorney, negotiated a ten -  
12 year commercial lease, with two five year extensions subject to future approval by the Board  
13 of Supervisors and the Mayor, between City and Tenant dated December\_\_\_\_, 2018 (the  
14 “Lease”) for Tenant, in conjunction with Adjacent Tenant regarding the Adjacent Property, to  
15 undertake improvements for purposes of operating a local arts support and exhibit space  
16 within the Premises (the “Improvements”), with rent payments to begin upon the date Tenant  
17 has received all permits necessary to safely occupy the Premises for the intended uses  
18 described in the Lease after the Lease has been fully executed by all parties after approval of  
19 this resolution by the Board of Supervisors and Mayor in their absolute and sole discretion  
20 (“Rent Commencement Date”), at an annual rent of \$50,928; and

21 WHEREAS, A copy of the Lease is on file with the Clerk of the Board of Supervisors in  
22 File No. 181094, which is hereby declared to be a part of this resolution as if set forth fully  
23 herein; and

24 WHEREAS, City is providing \$410,000 as a contribution towards rehabilitation of the  
25 roofs, walls, windows and exterior shells of the Premises and Adjacent Premises, to be

1 allocated as agreed to by the Tenant, the Adjacent Tenant, and the City (the "Allowance");  
2 and

3 WHEREAS, SFAC is providing sufficient funding, estimated to be \$90,000, for the sole  
4 purpose of restoring the historic mural located in the Adjacent Premises ("Mural Funding");  
5 and

6 WHEREAS, The Planning Department, through General Plan Referral letter dated  
7 November 28, 2018 , ("Planning Letter"), which is on file with the Clerk of the Board of  
8 Supervisors under File No. 181094, has verified that the Lease is consistent with the General  
9 Plan, and the eight priority policies under Planning Code, Section 101.1 that the project is  
10 categorically exempt under CEQA Guidelines, Section 15303; and

11 RESOLVED, That the Board of Supervisors finds the Lease is consistent with the  
12 General Plan, and the eight priority policies of Planning Code, Section 101.1 and adopts  
13 CEQA findings and hereby incorporates such findings by reference as though fully set forth in  
14 this Resolution; and, be it

15 FURTHER RESOLVED, RED is authorized to expend the Allowance for the purposes  
16 contemplated in this resolution; and, be it

17 FURTHER RESOLVED, That the Director of Property is hereby authorized to take all  
18 actions, on behalf of the City, to execute the Lease on the terms and conditions herein; and,  
19 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 Lease (including in each  
22 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, including the Director of SFAC and the Director of OEWD, with respect to  
5 the Lease are hereby approved, confirmed and ratified by this Board of Supervisors; and, be it

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

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FY 18/19 Funds Available: \$410,000

Fund ID: 14300  
Department ID: 228875  
Project ID: 10001302  
Authority ID: 17375  
Account ID: 528000

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Controller:

Subject to enactment of the Annual  
Appropriation Ordinance for  
Fiscal Year 2019/2020

RECOMMENDED:

\_\_\_\_\_  
Andrico Q. Penick  
Director of Property  
Real Estate Division