

1 [Approval of Lease Agreement]

2
3 **Resolution approving a lease agreement with Corzac, Inc. d.b.a Jelly's - A Dance Café**
4 **and the City and County of San Francisco operating by and through the San Francisco**
5 **Port Commission for Restaurant Space at Pier 50, San Francisco, California.**

6
7 WHEREAS, City Charter Section B3.581 (g) authorizes the Port Commission to enter
8 into leases and franchises for the operation of property within the jurisdiction of the Port
9 Commission; and,

10 WHEREAS, the San Francisco Administrative Code, Section 23.24, provides that
11 retail sites should generally be offered to the public through competitive bidding; and,

12 WHEREAS, the Port remains committed to fostering and encouraging full and
13 equitable opportunities for leasing of retail sites on the waterfront; and,

14 WHEREAS, in order to balance the benefits of competitive bidding with the benefits of
15 direct negotiation with existing tenants, the Port Commission adopted the Policy for Leasing
16 Retail Business Sites ("Retail Policy") on April 28, 1993 through Port Commission Resolution
17 No.93-52; and,

18 WHEREAS, Corzac, Inc., an existing Port tenant, has requested a renewal lease for
19 Jelly's – A Dance Cafe site at Pier 50, pursuant to the Retail Policy; and,

20 WHEREAS, the Retail Policy provides that a retail lease may be directly negotiated
21 when:

- 22 1. The tenant is in good standing;
- 23 2. The tenant is committed to making a significant capital investment supported by a
24 sound business plan which will benefit the Port;

1 3. The tenancy is in the best economic interest of the Port, and the tenant is the best
2 economic tenant available; and

3 4. The tenant has a good record of affirmative action and nondiscrimination and is
4 committed to future compliance;

5 WHEREAS, the Retail Policy further requires that, prior to granting a lease pursuant to
6 said policy, the Port Commission must make findings that the tenant satisfies the criteria for
7 direct negotiation and that the benefits of direct negotiation outweigh the benefits of
8 competitive bidding; and,

9 WHEREAS, the Port Commission found that Corzac, Inc., satisfies the criteria for
10 direct negotiation, qualifying it to directly negotiate with the Port for a long term lease pursuant
11 to the Retail Policy, and finds that the benefits to the Port of directly negotiating a lease with
12 Corzac, Inc., outweigh the benefits of competitive bidding; and,

13 WHEREAS, Port staff and Corzac, Inc. have negotiated the terms of a lease (Lease
14 No. L-12498; or the "Lease"), consistent with said proposal on terms and conditions as
15 outlined in the Memorandum to the Port Commission for Agenda Item 8A of the Port
16 Commission meeting on April 18, 2001, a copy of which lease was available for public
17 inspection with the Port Commission Secretary; and,

18 WHEREAS, the Port Commission adopted and incorporated the findings of the
19 Certificate of Determination of Exemption/Exclusion from Environmental Review issued by the
20 Planning Department of the City and County of San Francisco, Office of Environmental
21 Review which concluded that the use of the Premises affected by the proposed Lease No. L-
22 12498 will have no significant impact on the environment and, accordingly, further
23 environmental review to comply with the California Environmental Quality Act ("CEQA") is not
24 required; and,

25 WHEREAS, the Lease is for a term of ten (10) years; and,

1 WHEREAS, Section 9.118 of the Charter of the City and County of San Francisco
2 requires that leases of ten (10) years or longer in length and/or having anticipated revenues to
3 the City of one million dollars or more are subject to the approval of the Board of Supervisors
4 of the City and County of San Francisco; and,

5 WHEREAS, On April 18, 2001, by Resolution No. 01-27, the Port Commission
6 authorized and directed the Executive Director of the Port, after approval by the Board of
7 Supervisors, to execute the Lease to Corzac, Inc., for Restaurant Space located at Pier 50,
8 San Francisco, California, in accordance with the terms set forth in the Memorandum to the
9 Commission; and,

10 WHEREAS, A copy of the Memorandum, Resolution No. 01-27, and the Lease are on
11 file with the Clerk of the Board of Supervisors under File No. 010827 ; now
12 therefore, be it,

13 RESOLVED, That the Board of Supervisors authorizes the Executive Director of the
14 Port to execute Lease No. L-12498, with Corzac, Inc., a California Corporation, on behalf of
15 the City, by and through its Port Commission, in substantially the form of such agreement
16 presented to this Board of Supervisors, and to make such non-material amendments thereto
17 in consultation with the City Attorney that would not significantly increase the liability of the
18 City or the Port.

19
20 APPROVED AS TO FORM

21 LOUISE H. RENNE

22 City Attorney

23
24 By: 

25 LISA CLAY, Deputy City Attorney



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Resolution

File Number: 010827

Date Passed:

Resolution approving a lease agreement with Corzac, Inc. d.b.a. Jelly's - A Dance Cafe' and the City and County of San Francisco operating by and through the San Francisco Port Commission for restaurant space at Pier 50, San Francisco, California.

May 29, 2001 Board of Supervisors — ADOPTED

Ayes: 8 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, Newsom, Peskin

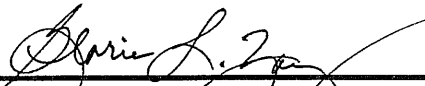
Absent: 3 - McGoldrick, Sandoval, Yee

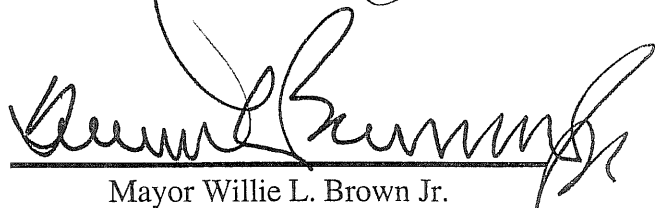
File No. 010827

I hereby certify that the foregoing Resolution was ADOPTED on May 29, 2001 by the Board of Supervisors of the City and County of San Francisco.

JUN 08 2001

Date Approved


Gloria L. Young
Clerk of the Board


Mayor Willie L. Brown Jr.