

1 [Real Property Sublease Amendment - Southeast Corner of Octavia Boulevard and Hayes
2 Street

3 **Resolution approving an amendment of sublease between the City and County of San**
4 **Francisco and PROXYdevelopment, LLC, for property located at the southeast corner**
5 **of Octavia Boulevard and Hayes Street, commonly known as a portion of Assessor's**
6 **Block No. 0817, Lot No. 30 (Parcel K), to extend the sublease term from three years to**
7 **five years.**

8
9 WHEREAS, The State of California transferred certain real property located at the
10 southeast corner of Octavia Boulevard and Hayes Street and commonly known as a portion of
11 Assessor's Block No. 0817, Lot No.30 (Parcel K) to the City and County of San Francisco
12 (City) as part of the demolition of the former Central Freeway and on the condition that City
13 use the proceeds from any disposition of Parcel K in connection with City's Octavia Boulevard
14 project and for transportation and related purposes set forth in Section 72.1(f)(1) of the
15 California Streets and Highways Code; and,

16 WHEREAS, City sold Parcel K to the Redevelopment Agency of the City and County of
17 San Francisco (Agency) and leases Parcel K from the Agency under a Ground Lease dated
18 as of January 30, 2004, as amended by a First Amendment to Ground Lease dated as of
19 March 16, 2010, and a Second Amendment to Ground Lease dated as of April 19, 2011
20 (Ground Lease), copies of which are on file with the Clerk of the Board of Supervisors in File
21 No. 110917; and,

22 WHEREAS, The current Ground Lease term is for three years and Agency's Executive
23 Director is authorized to extend the current Ground Lease term to five years if City requests
24 such extension, the Executive Director approves such request, and City's subtenant provides
25 adequate trash control, makes good faith efforts to outreach to vendors who currently do

1 business in current Redevelopment Project Areas and in the former Western Addition A-2
2 Redevelopment Project Area, and provides, installs and maintains signage indicating Parcel K
3 is intended to be developed into affordable housing and any other activities or uses are
4 temporary in nature; and,

5 WHEREAS, The Board of Supervisors authorized the Director of Property to execute a
6 three year sublease for Parcel K (Original Sublease) with PROXYdevelopment, LLC
7 (Subtenant) for an initial monthly base rent of \$5,000, adjusted annually, and a share of bonus
8 rent under Resolution No. 386-10, adopted by the Board of Supervisors on August 3, 2010
9 and approved by the City's Mayor on August 12, 2010, a copy of which is on file with the Clerk
10 of the Board of Supervisors in File No. 100670; and,

11 WHEREAS, Subtenant and City wish to extend the term of the Original Sublease to five
12 years under an amendment to sublease substantially in the form on file with the Clerk of the
13 Board of Supervisors in File No. 110917 (Sublease Amendment) if Agency's Executive
14 Director agrees to extend the term of the Ground Lease to five years; and,

15 WHEREAS, The Director of Planning, by letter dated ~~April 26, 2011~~^{May 14, 2010}, a copy of which is
16 on file with the Clerk of the Board of Supervisors in File No. 110917, found that the
17 proposed Sublease Amendment is categorically exempt from environmental review and in
18 conformance with the City's General Plan; now, therefore, be it

19 RESOLVED, That in accordance with the recommendation of the Director of Office of
20 Economic and Workforce Development and the Director of Property, the Director of Property
21 is hereby authorized to request the Agency's Executive Director approval to revise the Ground
22 Lease term to five years; and, be it

23 FURTHER RESOLVED, If the Agency's Executive Director approves such request to
24 revise the Ground Lease term, the Director of Property is hereby authorized to execute the
25 Sublease Amendment; and, be it

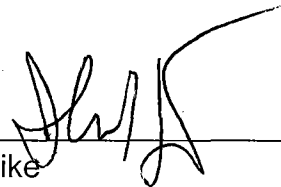
1 FURTHER RESOLVED, That all actions heretofore taken by any City employee or
2 official with respect to the Ground Lease and the Sublease Amendment are hereby approved,
3 confirmed and ratified; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
5 Property to enter into any amendments or modifications to the Sublease Amendment that the
6 Director of Property determines, in consultation with the City Attorney, are in the best interest
7 of the City, do not materially reduce the rent or otherwise materially increase the obligations or
8 liabilities of the City, are necessary or advisable to effectuate the purposes of the Sublease
9 Amendment and are in compliance with all applicable laws, including City's Charter.

10
11 RECOMMENDED:

12 

13 _____
14 Jennifer Matz
15 Director, Office of Economic
and Workforce Development

16 

17 _____
18 John Updike
19 Acting Director of Property



City and County of San Francisco

Tails
Resolution

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

File Number: 110917

Date Passed: September 20, 2011

Resolution approving an amendment of sublease between the City and County of San Francisco and PROXYdevelopment, LLC, for property located at the southeast corner of Octavia Boulevard and Hayes Street, commonly known as a portion of Assessor's Block No. 0817, Lot No. 30 (Parcel K), to extend the sublease term from three years to five years.

September 14, 2011 Budget and Finance Committee - AMENDED

September 14, 2011 Budget and Finance Committee - RECOMMENDED AS AMENDED

September 20, 2011 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

File No. 110917

I hereby certify that the foregoing Resolution was ADOPTED on 9/20/2011 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Edwin Lee

Date Approved