Resolution authorizing the exercise of an option to extend the lease of 3,900 square feet at 1449 Webster Street with WCPI Commercial, LLC, as Landlord, for three years, subject to City’s right to terminate, for the Office of Economic and Workforce Development’s Western Addition employment assistance programs, for $13,000 monthly with annual increases between 2% and 5%, for a maximum rent of $157,300 in the initial year of the lease extension term of September 1, 2017, through August 31, 2020; and adding one further option to extend the term with the same terms and conditions for an additional three year term.

WHEREAS, The City and County of San Francisco, Tenant, and WCPI Commercial LLC., Landlord, executed a lease dated September 2, 2008 (the “Lease”), authorized by Board of Supervisors Resolution No. 354-09 for Premises commonly known and numbered as 1449 Webster Street and consisting of approximately 3,900 square feet on the ground floor; and

WHEREAS, Such Lease was extended from September 1, 2011, to August 30, 2014, by Board of Supervisors Resolution No. 178-11; and

WHEREAS, Such Lease was extended from September 1, 2014, to August 31, 2017, by Board of Supervisors Resolution No. 115-14; and

WHEREAS, Such Lease currently expires on August 31, 2017, and contains an additional option to extend the Lease for another three (3) years on the same terms and conditions except that the Base Monthly Rental is to be adjusted to 95% of the market rental value; and
WHEREAS, Many Western Addition residents continue to face a number of barriers to employment such as lack of occupational and job readiness skills, a lack of basic education and numeric skills, substance abuse, and prior incarceration among other barriers; and

WHEREAS, The Office of Economic and Workforce Development (OEWD) has contracted with Collective Impact, a 501(c) 3 non-profit organization to operate the Western Addition Neighborhood Access Point to provide the tools necessary for residents to find good employment such as job search services, job readiness skills training, resume and interview coaching, job training and education services, access to public training funding, and coordination with supportive services such as childcare and transportation assistance; and

WHEREAS, Pursuant to the terms of the Lease, the Real Estate Division and the Landlord have negotiated such 95% of fair market rental, considering all factors, for the three (3) year extension period to be $13,000 (approximately $40 per square foot) per year with a continuation of the existing annual increases as described herein; and

WHEREAS, The extension Term is subject to enactment of a resolution by the Board of Supervisors and the Mayor, in their respective sole and absolute direction, approving and authorizing such exercise; now, therefore, be it

RESOLVED, That the Director of Real Estate is hereby authorized to take all actions, on behalf of the City and County of San Francisco, as tenant, to extend the lease and other related documents with WCPI Commercial, LLC, ("Landlord"), for the retail area commonly known as 1449 Webster Street, San Francisco, California, which comprises an area of approximately 3,900 square feet on the terms and conditions herein; and, be it

FURTHER RESOLVED, That the Lease extension shall be for a term of three (3) years (through August 31, 2020) at a base rent $13,000 per month, and the base rate shall
continue to be increased annually on July 1 by proportionate increase in the Consumer
Price Index with a two percent (2%) minimum increase and a five (5%) maximum increase
per year; and, be it

FURTHER RESOLVED, The City shall also continue to pay for its own janitorial and
its prorata share of common area expenses such as utilities, refuse removal, common area
maintenance at an estimated current cost of $2,500 per month and other typical tenant
costs; and, be it

FURTHER RESOLVED, That the Lease shall continue to include the lease clause
providing the City the unilateral right of early termination with one hundred eighty (180) days
advance written notice; and, be it

FURTHER RESOLVED, That the Lease shall include one (1) further option to extend
the term for a further three (3) years (September 1, 2020, through August 31, 2023) on the
same terms and conditions subject to further approval by the Board of Supervisors and the
Mayor, in their respective sole and absolute direction, approving and authorizing such
exercise; and, be it

FURTHER RESOLVED, That the Lease shall continue to include the lease clause
indemnifying and holding harmless the Landlord, from and agreeing to defend the Landlord
against any and all claims, costs and expenses, including, without limitation, reasonable
attorney's fees, incurred as a result of City's use of the premises, any default by the City in
the performance of any of its obligations under the lease or any acts or omissions of City or
its agents, in, on or about the premises or the property on which the premises are located,
excluding those claims, costs and expenses incurred as a result of the active gross
negligence or willful misconduct of Landlord or its agents; and, be it

FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
with respect to such lease are hereby approved, confirmed and ratified; and, be it
FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Real Estate to enter into any amendments or modifications to the Lease (including without limitation, the exhibits) that the Director of Real Estate determines, in consultation with the City Attorney, are in the best interest of the City, do not increase the rent or otherwise materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the Lease or this resolution, and are in compliance with all applicable laws, including City's Charter; and, be it

FURTHER RESOLVED, That the City shall occupy the entire Premises for the full term of the lease unless funds for rental payments are not appropriated in any subsequent fiscal year at which time City may terminate the lease with ninety (90) days advance written notice to Landlord; said Lease shall be subject to certification as to funds by the Controller, pursuant to Section 3.105 of the Charter; and, be it

FURTHER RESOLVED, That within thirty (30) days of the agreements being fully executed by all parties, the Director of Real Estate shall provide the agreements to the Clerk of the Board for inclusion into the official file.

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Signatures on next page
Available: $149,228.44
(2 months current rent plus 10 months extension rent)
Index code – ECNWDGF
Project - PBEWFD00
Subobject – 03011

Controller
Subject to the enactment of the Annual Appropriation Ordinance for Fiscal Year 2017/2018

RECOMMENDED:

Director of Real Estate

Director
Office of Economic and Workforce Development
Resolution authorizing the exercise of an option to extend the lease of 3,900 square feet at 1449 Webster Street with WCPI Commercial, LLC, as Landlord, for three years, subject to City's right to terminate, for the Office of Economic and Workforce Development's Western Addition employment assistance programs, for $13,000 monthly with annual increases between 2% and 5%, for a maximum rent of $157,300 in the initial year of the lease extension term of September 1, 2017, through August 31, 2020; and adding one further option to extend the term with the same terms and conditions for an additional three year term.

April 27, 2017 Budget and Finance Sub-Committee - RECOMMENDED

May 09, 2017 Board of Supervisors - ADOPTED
Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 5/9/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved