FILE NO. 240577

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## **RESOLUTION NO. 411-24**

[Real Property Lease - Five Keys Schools and Programs - 1099 Sunnydale Avenue - \$10,870.08 Initial Yearly Base Rent]

Resolution approving and authorizing the Director of Property to enter into a real 3 4 property lease with Five Keys Schools and Programs, a California nonprofit public 5 benefit corporation, for approximately 676 square feet of The Village Community 6 Facility located at 1099 Sunnydale Avenue, effective upon approval of this Resolution 7 for an initial term of five years with two five-year options to extend, at an initial rent of 8 \$10.870.08 per year (\$905.84 per month) with 3% annual increases thereafter; a finding that competitive bidding procedures required under Administrative Code, Chapter 23, 9 Section 23.33, are impractical or impossible; a finding that the Lease furthers a proper 10 11 public purpose sufficient to meet Section 23.30 market value requirements; and authorizing the Director of Property to enter into any additions, amendments, or other 12 modifications to the Lease that do not materially increase the obligations or liabilities 13 14 of the City to effectuate the purposes of this Resolution.

16 WHEREAS, The City and County of San Francisco ("City") owns the Village
17 Community Facility located at 1099 Sunnydale Avenue, which is under the jurisdiction of the
18 Real Estate Division ("RED"); and

WHEREAS, Over the last 11 years, Five Keys Schools and Programs ("Tenant"), has been and currently provides basic adult educational options for obtaining a high school diploma or high school equivalency; and

WHEREAS, Tenant's current lease is on holdover since 2022; and

WHEREAS, The City seeks to have the Tenant's programming continue in the community by entering into the proposed lease with the Tenant for the Community Facility, for

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Real Estate Division BOARD OF SUPERVISORS a five-year term (the "Term") commencing on approval of this Resolution, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 240577 (the "Lease"); and

WHEREAS, The Lease provides for an initial monthly base rent of \$905.84 for a total annual base rent of \$10,870.08; and

WHEREAS, The City is responsible for monthly utilities, including custodial services in the approximate amount of \$0.47 per square foot or \$318 per month; and

WHEREAS, The initial base rent will increase annually by three percent during the Term: and

WHEREAS, Due to the Tenant's long-term presence and services to the community and the public benefit it provides, competitive bidding procedures were impractical; and

WHEREAS. The Director of Property determined the proposed rent payable under the Lease to be below fair market rental value and therefore requires a Board of Supervisors finding that the Lease furthers a proper public purpose sufficient to meet the requirements of Administrative Code, Section 23.30; now, therefore, be it

RESOLVED, That in accordance with the recommendations of the Director of Property 15 after consultation with the City Attorney, the Board of Supervisors approves the Lease in substantially the form presented to the Board, and authorizes the Director of Property to take 18 all actions necessary to execute the Lease and any other documents that are necessary or 19 advisable to effectuate the purpose of this Resolution; and, be it

FURTHER RESOLVED, That the Lease will commence upon the approval of this Resolution and continue for five years; and, be it

FURTHER RESOLVED, That the initial base rent rate shall be \$10,870.08 per year, or \$905.84 per month, with an annual three percent adjustment each subsequent year of the Term; and, be it

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**Real Estate Division BOARD OF SUPERVISORS**  FURTHER RESOLVED, That the Board of Supervisors confirms that the below market rental rate of the Lease furthers a proper public purpose sufficient to meet the requirements of Administrative Code, Sections 23.30 and 23.33; and, be it

FURTHER RESOLVED, That the Board of Supervisors finds that competitive bidding procedures for award of the Lease were impractical or impossible due to Tenant's current possession and occupancy of the space and the public benefit provided by Tenant; and, be it

FURTHER RESOLVED, That all actions taken by any City employee or official with respect to entering into this Lease are hereby approved, confirmed, and ratified; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Property to take any actions in furtherance of entering into, amending, or modifying the Lease, if said action is, determined by the Director of Property, in consultation with the City Attorney, are in the best interest of the City, do not materially increase the obligations or liabilities of the City, do not materially decrease the benefits to the City, or are necessary or advisable to effectuate the purposes of this Resolution, and are in compliance with all applicable laws; and, be it

FURTHER RESOLVED, That within 30 days of the Lease being fully executed, the Director of Property shall provide a final copy to the Clerk of the Board for inclusion in the Board's file.

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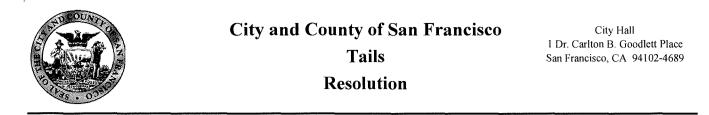
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**RECOMMENDED**:

<u>/s/</u> Andrico Penick Director of Property

Real Estate Division BOARD OF SUPERVISORS



File Number: 240577

Date Passed: July 23, 2024

Resolution approving and authorizing the Director of Property to enter into a real property lease with Five Keys Schools and Programs, a California nonprofit public benefit corporation, for approximately 676 square feet of The Village Community Facility located at 1099 Sunnydale Avenue, effective upon approval of this Resolution for an initial term of five years with two five-year options to extend, at an initial rent of \$10,870.08 per year (\$905.84 per month) with 3% annual increases thereafter; a finding that competitive bidding procedures required under Administrative Code, Chapter 23, Section 23.33, are impractical or impossible; a finding that the Lease furthers a proper public purpose sufficient to meet Section 23.30 market value requirements; and authorizing the Director of Property to enter into any additions, amendments, or other modifications to the Lease that do not materially increase the obligations or liabilities of the City to effectuate the purposes of this Resolution.

July 17, 2024 Budget and Finance Committee - RECOMMENDED

July 23, 2024 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 240577

I hereby certify that the foregoing Resolution was ADOPTED on 7/23/2024 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

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London N. Breed Mayor

**Date Approved**