

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
25

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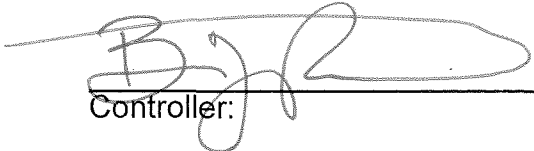
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FY 18/19 Funds Available: \$410,000

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


Controller:

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

RECOMMENDED:


Andrico Q. Penick **ACTING DIRECTOR**
Director of Property
Real Estate Division



City and County of San Francisco

Tails
Resolution

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

File Number: 181094

Date Passed: December 11, 2018

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

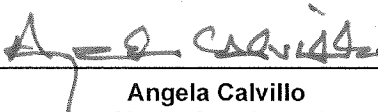
November 29, 2018 Budget and Finance Committee - RECOMMENDED

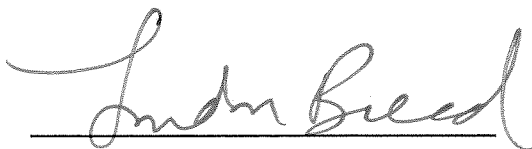
December 11, 2018 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

File No. 181094

I hereby certify that the foregoing
Resolution was ADOPTED on 12/11/2018
by the Board of Supervisors of the City and
County of San Francisco.


Angela Calvillo
Clerk of the Board


London N. Breed
Mayor


Date Approved