

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 13-052

WHEREAS, The Ellis O'Farrell Garage, owned by the City and County of San Francisco, a municipal corporation, and managed by the San Francisco Municipal Transportation Agency (SFMTA), offers three retail spaces, one of which is currently vacant; and

WHEREAS, Sega Food Groups, Inc. (Sega) and Ramin Vahabi (together, Tenant) desire to lease the vacant retail space designated as 133 O'Farrell Street and comprised of approximately 1,125 square feet (Premises) for an initial term of 10 years with two five-year options to renew; and

WHEREAS, Over the past 10 years, Sega has successfully operated seven food and beverage outlets in the very high traffic, high profile areas of the City; and

WHEREAS, Tenant desires to open a retail food and beverage outlet in the Premises pursuant to a lease agreement negotiated by Tenant and SFMTA staff; and

WHEREAS, The lease Agreement provides an initial term of 10 years starting at the base rent of \$15,000 per month, with annual rent increases of three percent and two five-year extensions; and

WHEREAS, Over the 10-year initial term, the lease agreement will generate \$2.1 million in additional revenue; and

WHEREAS, Tenant shall pay the possessory interest taxes and all associated broker fees and commissions; and

WHEREAS, No tenant improvement allowance or rent credits will be provided to Tenant; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors approves a lease agreement with the Sega Food Group, Inc./Ramin Vahabi, for the vacant retail space designated as 133 O'Farrell Street for an initial term of 10 years, starting at the base rent of \$15,000 per month, with annual rent increases and with two five-year options to renew and be it

FURTHER RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to execute a lease agreement on terms substantially similar to the agreement (Lease) pending approval by the San Francisco Board of Supervisors; and be it

FURTHER RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors requests the Board of Supervisors' approval of the Lease.

I hereby certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of May 7, 2013

R. Borner

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency