

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 190305-027

WHEREAS, The Ellis-O'Farrell Garage (Garage), located at 123 O'Farrell Street, is owned by the City and County of San Francisco (City) and under the jurisdiction of the SFMTA; and,

WHEREAS, On May 17, 2013, the SFMTA issued a Request for Proposal for the retail space designated as 44 Ellis Street and comprised of approximately 5,368 square feet, and only received one response from Les Joulins USA Inc. (Les Joulins); and,

WHEREAS, On March 1, 2015, the SFMTA entered into a lease agreement with Les Joulins for an initial term of ten years (Lease); and,

WHEREAS, On March 1, 2017, the Lease was assumed by Tad's Inc. (Tenant); and,

WHEREAS, The Lease agreement includes a rent schedule for the ten-year initial term that will result in \$5,127,000 in revenue to the city and includes \$250,000 in rent credits upon completion of pre-authorized improvements; and,

WHEREAS, For over 20 years, the retail space has been occupied and no major improvements have been performed. When Tenant assumed the Lease, Tenant determined the space needed additional work on top of the pre-authorized work in order to comply with current building codes. The rent credits in the Lease anticipated some tenant improvements but did not contemplate the investment cost it now requires; and,

WHEREAS, Tenant desires to enter into a new lease agreement which allows them to make investments in the necessary improvements to the space and lease the property for a longer term than the six years that remain in the Lease; and,


WHEREAS, In order to enter into a new lease agreement with Tenant, SFMTA and Tenant must terminate the existing Lease agreement; and,

WHEREAS, On January 3, 2019, the SFMTA, under authority delegated by the Planning Department, determined that the termination of the Lease is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute a Lease Termination Agreement with Tad's Inc. for the Ellis-O'Farrell Garage retail space, located at 44 Ellis Street; and be it further,

RESOLVED, That the SFMTA Board of Directors requests the Board of Supervisors' approval of the Lease Termination Agreement.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of March 5, 2019.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency