

City and County of San Francisco



**Real Estate Division
Office of the City Administrator**

*Amy L. Brown
Director of Real Estate*

May 26, 2009

Through Edwin M. Lee, City Administrator

Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

Re: Proposed lease of the Main Library Lower Level for Cafe at 100 Larkin Street

Dear Board Members:

Attached for your consideration is a proposed Resolution awarding a two year lease of a portion of the lower level of the Main Library at 100 Larkin Street, comprising approximately 683 rentable square feet, to the Nasra Family Partnership.

On February 27, 2009 a Request for Proposals was issued to secure a long term lease of a café operator in this space. The response provided by the Nasra Family Partnership (the "Partnership") was rated the most responsive to the City's RFP in April, 2009, and negotiations on the terms and conditions of the lease ensued shortly thereafter.

The proposed lease is for a term of two (2) years commencing July 1, 2009. The Partnership shall have two 2-year options to extend the term, if mutually agreed to by the Library, based on the same terms and conditions except that the base rent shall be adjusted to a rate agreeable to both the Library and Tenant.

The base monthly rent is \$1,250 (\$1.83/s.f.) modified gross, in that the Partnership is responsible for janitorial, pest control and telephone charges, while the City is responsible for heating, cooling, lighting, water, sewer and refuse removal from the exterior containers.

For comparison purposes, the ground floor café at City Hall generates approximately \$500/month to the City in lease revenue (7% of gross) for comparable space. The café at the Courthouse at 400 McCallister Street generates approximately \$1,500/month (\$1.34/s.f.) in lease revenue to the Administration Office of the Courts, a State Agency. The lease rate for the lower level of the Main Library is therefore considered to be no less than market rate.

All tenant improvements made to the space will be completed by the Partnership, at their sole expense. The lease also contains the provisions necessary to insure compliance with the recently adopted Food Service Waste Reduction Ordinance (San Francisco Environmental Code Chapter 16).

The Real Estate Division recommends approval of the proposed lease. If you have any questions in this regard, please contact Jason Hinson of my staff at 554-9873.

Very truly yours,

Amy L. Brown
Director of Property

Attachments

cc: