

BOARD of SUPERVISORS



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MEMORANDUM

BUDGET AND FINANCE SUB-COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Malia Cohen, Chair
Budget and Finance Sub-Committee

FROM: Linda Wong, Assistant Clerk

DATE: April 24, 2017

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, April 25, 2017

The following file should be presented as a **COMMITTEE REPORT** at the Board meeting on Tuesday, April 25, 2017, at 2:00 p.m. This item was acted upon at the Sub-Committee Meeting on Thursday, April 20, 2017, at 10:00 a.m., by the votes indicated.

Item No. 17 **File No. 170201**

Ordinance appropriating \$122,000,000 sales proceeds of City property and \$321,765,000 of proceeds from Certificates of Participation to fund the retirement and defeasance of Series 2001A & 2007A Certificates of Participation, and to fund the development costs of the 1500 Mission Street office building development and related FF&E (furniture, fixture, or other equipment), technology, and moving costs in FY2016-2017, and placing a total \$443,765,000 of proceeds on Controller's Reserve pending sales of the buildings and sales of the Certificates of Participation.

(Vice Chair Yee requested this Ordinance be duplicated. See duplicated File No. 170464)

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

Vote: Supervisor Malia Cohen - Aye
Supervisor Norman Yee - Aye
Supervisor Katy Tang - Aye

Ordinance appropriating \$122,000,000 sales proceeds of City property to fund the retirement and defeasance of Series 2001A & 2007A Certificates of Participation, and to fund the development costs of the 1500 Mission Street office building development and placing \$122,000,000 of proceeds on Controller's Reserve pending receipt of sales proceeds.

RECOMMENDED AS AMENDED AS A COMMITTEE REPORT

Vote: Supervisor Malia Cohen - Aye
Supervisor Norman Yee - Aye
Supervisor Katy Tang - Aye

c: Board of Supervisors
Angela Calvillo, Clerk of the Board
Jon Givner, Deputy City Attorney
Alisa Somera, Legislative Deputy Director

1 [Appropriation – Sales Proceeds of City Property for \$122,000,000 and Proceeds from
2 Certificates of Participation for ~~\$321,765,000~~ to the General Service Agency - FY 2016-17]

3 Ordinance appropriating \$122,000,000 sales proceeds of City property and ~~\$321,765,000~~
4 ~~of proceeds from Certificates of Participation~~ to fund the retirement and defeasance of
5 Series 2001A & 2007A Certificates of Participation, and to fund the development costs of
6 the potential 1500 Mission Street office building development and related FF&E
7 (furniture, fixture, or other equipment), technology, and moving costs in Fiscal Year
8 2016-17, and placing total ~~\$443,765,000~~ \$122,000,000 of proceeds on Controller's
9 Reserve pending receipt of sales proceeds ~~sales of the buildings and sales of the~~
10 ~~Certificates of Participation.~~

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12 Note: **Unchanged Code text and uncodified text** are in plain Arial font.
13 **Additions to Codes** are in *single-underline italics Times New Roman font*.
14 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
15 **Board amendment additions** are in double underlined Arial font.
16 **Board amendment deletions** are in ~~strikethrough Arial font~~.
17 **Asterisks (* * *)** indicate the omission of unchanged Code
18 subsections or parts of tables.

19 Be it ordained by the People of the City and County of San Francisco:

20 Section 1. The sources of funding outlined below are herein appropriated to reflect
21 funding available in Fiscal Year 2016-17. ~~Commercial Paper may be used as a funding source~~
22 ~~in the interim, prior to sale of the Certificates of Participation.~~

1 **SOURCES Appropriation**

2	Fund	Index Code /	Subobject	Description	Amount
3		Project Code			
4	1G XXX XXX	XXXXXXXXXX	76123	Gain from Sales of	\$122,000,000
5	General Fund	TBD		Building &	
6				Structures	
7					
8	3C XXX XXX	XXXXXXXXXX	80144	Proceeds from	\$321,765,000
9	Capital Project	TBD		Certificates of	
10	Funds			Participation	
11					
12	Total SOURCES Appropriation				\$443,765,000
13					<u>\$122,000,000</u>

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15 Section 2. The uses of funding outlined below are herein appropriated in 06700

16 (Buildings, Structures, and Improvement Project-Budget), Subobject ~~081C4~~ (City Services

17 Auditor Internal Audits and the Controller's Audit Fund), Subobject 07111 (Bond Redemption

18 for Defeasance of Debt), Subobject ~~07311~~ (Cost of Issuance, Underwriter's Discount, COP

19 Reserve for Market Uncertainty), Subobject ~~07211~~ (Reserve Payment), Subobject 02741

20 (Realty Services for Sales Cost) and reflect the projected uses to fund the development costs

21 of the potential 1500 Mission Street office building development and related furniture, fixture, or

22 other equipment (FF&E), technology, and moving costs in Fiscal Year 2016-17.

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1 **USES Appropriation**

2	Fund	Index Code /	Subobject	Description	Amount
3		Project Code			
4	3C XXX XXX -	XXXXXXXXXX	06700 Buildings,	Development	\$325,440,953
5	Capital Project	TBD	Structures, and	Cost	<u>\$93,935,000</u>
6	Fund		Improvement		
7			Project-Budget		
8					
9	3C XXX XXX -	XXXXXXXXXX	06000 Equipment	FF&E,	\$29,397,433
10	Capital Project	TBD	Purchase-	Technology	
11	Fund		Budget	Equipment, and	
12				Moving Cost	
13					
14	3C XXX XXX -	XXXXXXXXXX	081C4	GSA 0.2%	\$653,382
15	Capital Project	TBD	Controller's	Controller's	
16	Fund		Internal Audit	Audit Fund	
17					
18	3C XXX XXX -	XXXXXXXXXX	07214	Reserve Fund	\$21,832,100
19	Capital Project	TBD	Bond Reserve		
20	Fund		Payments		
21					
22	3C XXX XXX -	XXXXXXXXXX	06811 Interest	Interest &	\$31,051,471
23	Capital Project	TBD	Expense-	Fees/Capitalize	
24	Fund		Capitalized Asset	d Interest	

	Fund	Index Code / Project Code	Subobject	Description	Amount
3	3C XXX XXX	XXXXXXXXXX	07311	Bond Issuance	\$603,807
4	Capital Project	TBD	Bond Issuance	Cost	
5	Fund		Cost		
7	3C XXX XXX	XXXXXXXXXX	07311	Underwriter's	\$2,220,855
8	Capital Project	TBD	Bond Issuance	Discount	
9	Fund		Cost		
11	3C XXX XXX	XXXXXXXXXX	07311	Reserve for	\$4,500,000
12	Capital Project	TBD	Bond Issuance	Market	
13	Fund		Cost	Uncertainty	
15	3C XXX XXX	XXXXXXXXXX	02741	Sales Cost	\$1,000,000
16	Capital Project	TBD	Realty Services		
17	Fund				
18	<u>1G XXX XXX</u>				
19	<u>General Fund</u>				

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Fund	Index Code / Project Code	Subobject	Description	Amount
3G XXX XXX Capital Project Fund	XXXXXXXXXX TBD	07111 Bond Redemption	Defeasance of Series 2001A & 2007A	\$27,065,000
<u>1G XXX XXX</u> <u>General Fund</u>				
Total USES Appropriation				\$443,765,000
				<u>\$122,000,000</u>

Section 3. The uses of funding outlined above for ~~\$443,765,000~~ \$122,000,000 are herein placed on Controller's Reserve pending receipt of sales proceeds ~~sales of the building and sales of the Certificates of Participation.~~

Section 4. The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this ordinance as necessary to conform with Generally Accepted Accounting Principles.

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APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE
BEN ROSENFELD, Controller

By: 
for BUCK DELVENTHAL
Deputy City Attorney

By: 
BEN ROSENFELD
Controller

<p>Item 8 File 17-0201 <i>Continued on April 13, 2017</i></p>	<p>Departments: General Services Agency - Department of Public Works (DPW), Controller’s Office, Real Estate Division</p>
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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance would appropriate (a) \$122,000,000 sales proceeds from the sale of City property and (b) \$321,765,000 of proceeds from Certificates of Participation (COPs) to fund the (c) retirement and defeasance of Series 2001A and 2007A COPs and (d) development costs for a potential office building at 1500 Mission Street and related furniture, fixtures and equipment, technology and moving costs in FY 2016-17, placing the total \$443,765,000 on Controller’s Reserve pending the sale of the buildings and sale of the COPs.

Key Points

- On December 9, 2014, the Board of Supervisors approved a Conditional Land Disposition and Acquisition Agreement with Related to develop a City-owned office building at 1500 Mission Street, subject to environmental approval, at a total project cost of \$338,989,353, including \$326,690,953 for development costs and \$12,298,400 for FF&E, technology and moving expenses. The City intended to sell three City-owned buildings and finance the balance of these costs with commercial paper and Certificates of Participation (COPs).
- On March 21, 2017, the Board of Supervisors approved the sale of three City-owned properties at (a) 1660 and 1680 Mission Street for \$52,000,000 and (b) 30 Van Ness for \$70,000,000 for total sales proceeds of \$122,000,000.
- On March 23, 2017, the Planning Commission approved actions, which are subject to Board of Supervisors approval regarding a new City office building at 1500 Mission Street.
- A 2014 report projected consolidating office space for: (a) Public Works, (b) Building Inspection (DBI), (c) Planning, (d) Retirement and (e) Health Service System, currently in City-owned or leased space. This new City office building was anticipated to add approximately 100,000 square feet of new City-owned office space and reduce the amount of leased space in the Civic Center. However, the use plan has now changed, such that Public Works, DBI and Planning will expand to primarily occupy the new City building.

Fiscal Impact

- The ordinance would appropriate \$122,000,000 from the sale proceeds from three City office buildings, net of commission, fees and defeasance of existing bonds. The net remaining proceeds together with \$321,765,000 of COP proceeds would fund \$326,690,953 for the development of the new City office building at 1500 Mission Street, \$29,397,433 for FF&E, technology and moving expenses and related issuance costs.

Policy Consideration

- To approve funds to develop a project that has not yet been approved by the Board of Supervisors is premature, and should not be approved at this time.

- The proposed square footage use and City departments that would occupy the new City office building is not consistent with the information provided to the Board of Supervisors in 2014, when the Board approved this project.
- The requested \$29,397,433 for FF&E, technology and moving expenses is \$17,117,865 or 139% more than previously estimated, with no details or bids provided.

Recommendations

- Amend the ordinance to approve \$122,000,000 of the total requested \$433,765,000 as shown in Table 5 below, and place on Controller's Reserve pending sale of the buildings.
- Continue the balance of \$321,765,000 to the Call of the Chair, pending approval of all legislative actions by the Board of Supervisors. When the Controller, Public Works and Real Estate request these funds, FF&E, technology and moving expenses should be significantly reduced, justified and detailed and the COPs commensurately reduced. Real Estate and Public Works should also report to the Board of Supervisors before approving FF&E, technology and moving expenses, regarding the specific use of the new City office building, identifying specific reductions of leases and related savings to the City.

MANDATE STATEMENT

City Charter Section 9.105 states that amendments to the Annual Appropriation Ordinance are subject to Board of Supervisors approval by ordinance after the Controller certifies the availability of funds.

BACKGROUND

Development of City Office Building at 1500 Mission Street

Board of Supervisors Approvals

In July 2014, the Board of Supervisors approved a resolution authorizing the City to enter into an Exclusive Negotiation Agreement and Letter of Intent with Related California Urban Housing, LLC (Related)¹ to develop a new City-owned office building at an estimated cost of \$253 million (Resolution No. 312-14). On December 9, 2014, the Board of Supervisors approved a Conditional Land Disposition and Acquisition Agreement (Agreement) with Related to develop this City-owned office building at 1500 Mission Street, subject to environmental review and approval based on a total estimated project cost of \$338,989,353. Related plans to develop this site to include (a) an approximately 463,300 gross square foot 16-story City-owned office building along 11th Street and (b) a 39-story, 550 residential unit development with ground floor retail, at Mission Street and South Van Ness Avenue (Ordinance 254-14).

When the Board of Supervisors approved this Agreement, the total estimated cost of the project was \$338,989,353, including a guaranteed maximum cost of \$326,690,953 for land acquisition, architecture, engineering and construction expenses and \$12,298,400 for furniture, fixtures and equipment (FF&E), technology and moving expenses. To fund these costs, the City intended to use the proceeds from the sale of three City-owned buildings and finance the balance with commercial paper and Certificates of Participation (COPs).

On March 21, 2017, the Board of Supervisors approved the sale of three City-owned properties at (a) 1660 and 1680 Mission Street for \$52,000,000 (File 17-0213) and (b) 30 Van Ness for \$70,000,000 (File 17-0214) for total sales proceeds of \$122,000,000. According to Mr. John Updike, Director of Real Estate, escrow will close on these three City properties on May 1, 2017. The City will receive the net proceeds from the sales, immediately upon closing.

Planning Commission Approvals

On March 23, 2017, the Planning Commission

(a) Certified the Final Environmental Impact Report (FEIR) and adopted California Environmental Quality Act (CEQA) findings for the 1500 Mission Street projects;

(b) Recommended a General Plan Amendment to revise the height and bulk limits, allow for additional office use parking and permit office uses above the fourth floor for non-City occupancy for this project;

¹ Related California Urban Housing LLC created a subsidiary, Goodwill SF Urban Development, to acquire and develop this site.

(c) Recommended a Planning Code Amendment to create the 1500 Mission Street Special Use District to modify the height and bulk limits and related office enhancements while requiring the developer to provide 20% affordable housing units, instead of the required 13.5%;

(d) Adopted Shadow Findings that would not adversely affect public open space; and

(e) Approved a Downtown Project Authorization, which approves the office and residential development projects as proposed, subject to a lengthy list of conditions of approval and the Board of Supervisors approval of the General Plan Amendment and the Special Use District.

Future Board of Supervisors Actions Required

The Planning Commission's approval of the Amendment to the General Plan and creation of a 1500 Mission Street Special Use District also require separate ordinances to be approved by the Board of Supervisors. The adopted CEQA findings by the Planning Commission will also be included as approval actions within each of these ordinances. These ordinances were introduced on April 4, 2017 and are anticipated to be heard by the Board of Supervisors in May 2017.

In addition, the Board of Supervisors still must ratify the previously approved conditional Purchase and Sale Agreement with Related for the entitled land at 1500 Mission Street. Mr. Updike advises that this legislation will be forwarded to the Board of Supervisors in April of 2017, such that the City would acquire the property by July 1, 2017. According to Mr. Updike, there will be no changes to the conditional Purchase and Sale Agreement that was previously approved by the Board of Supervisors in 2014.

As discussed above, to fund the development of the new 1500 Mission Street office building, the City would use the net proceeds from the sale of three City-owned buildings and finance the balance with commercial paper and Certificates of Participation (COPs). However, the Board of Supervisors has not yet approved the issuance of any COPs for this project. According to Ms. Nadia Sesay, Director of the Office of Public Finance, the Office of Public Finance anticipates requesting authorization from the Board of Supervisors for the issuance of a not-to-exceed \$321,765,000 of COPs in May of 2017.

If the Board of Supervisors approves all of the above-noted legislation, construction of the 1500 Mission Street City office development project is anticipated to begin in October 2017 and extend for two years. The development is anticipated to be substantially complete by November 2019. City staff would then move into this building through the spring of 2020.

Relocation of City Departments and Use of Space at 1500 Mission Street

As noted above, in July 2014, the Board of Supervisors approved Resolution No. 312-14 authorizing the City to enter into an Exclusive Negotiation Agreement and Letter of Intent with Related to develop a new City-owned office building. Resolution No. 312-14 also authorized the Director of Property to provide a report detailing City office space requirements, the specified projected uses and staffing of the new City office building and the City's overall plan for Civic Center office space. In response, working with Real Estate, the Controller's Office provided a report to the Board of Supervisors in the fall 2014 that projected potential City staff and square footage space requirements in a new office building for FY 2018-19.

This 2014 report projected consolidating office space for five City departments, including (a) Public Works, (b) Department of Building Inspection, (c) City Planning, (d) Retirement and (e) Health Services System, which are currently in City-owned space or leasing office space in the Civic Center. At the time, the Board of Supervisors was advised that this new City office building was anticipated to add approximately 100,000 square feet of new City-owned office space and reduce the amount of leased space in the Civic Center². With the information contained in this report, the Board of Supervisors on December 9, 2014 approved the conditional Agreement with Related to develop the City-owned office building at 1500 Mission Street.

Table 1 below compares the square footage requirements specified in this 2014 report projected for FY 2018-19 to what Public Works and Real Estate are now reporting will be City department square feet requirements for the new City office building at 1500 Mission Street. Although the size of the new City office building has not changed, the total 463,300 square feet in 2014 represents the gross square feet and the total 430,845 square feet in 2017 represents the rentable square feet, with the difference in the total square footage primarily due to the space for an exterior concourse, elevators, stairwells, emergency exits, life-safety systems, etc. But if the total amounts in the 2014 report reflected gross square feet, the amounts for each City department should have decreased to reflect the net square footage requirements in 2017. However, the square feet allocated to Public Works, Planning and DBI actually increased.

Table 1: Comparison of Square Footage Use of 1500 Mission Street

Departments	2014 Gross Square Feet	2017 Rentable Square Feet	Increase/(Decrease) Square Feet
Public Works	193,257	194,279	1,022
Building Inspection	67,351	56,819	(10,532)
Planning	52,926	59,910	6,984
Health Service System ³	19,945	-	(19,945)
Retirement ⁴	37,751	-	(37,751)
Other Tenants (TBD)	5,770	24,682	18,912
Permit Center ⁵	30,738	38,960	8,222
Common Areas and Building Support	42,962	56,195	13,233
Exterior concourse open to the public	12,600	-	(12,600)
TOTAL	463,300	430,845	(32,455)

² According to Mr. John Updike, Director of Real Estate, the net increase in square feet of City office space is now estimated at 154,760 square feet.

³ Health Service System currently occupies 19,500 square feet of leased office space at 1145 Market Street, a ten-year lease, which commenced in 2013 and terminates in 2023, at a current rental rate of approximately \$42 per square foot, or total annual costs of \$826,000 in FY 2017-18, with 3% annual rent increases.

⁴ San Francisco Employees Retirement System currently occupies 35,579 square feet of leased office space at 1145 Market Street, under a ten-year lease which commenced in 2014 and terminates in 2024, at a current rental rate of approximately \$42 per square foot, or total annual rental costs of \$1,488,000 in FY 2017-18, with 3% annual rent increases.

⁵ Of the 38,960 square feet proposed, approximately 22,000 square feet, or 56% will be used by DBI.

Regarding the differences in square footage for the various City departments, Mr. Samuel Chui, Project Manager at Public Works advises that Building Inspection’s 10,532 square foot reduction in space is more than offset by the estimated 22,000 square feet of space that DBI will occupy in the new one-stop permit center, in which Building Inspection will be the anchor tenant, along with at least 11 other City departments. Mr. Chui also notes that the 6,984 square foot increase in Planning’s space may enable another tenant to occupy a portion of this space. The Common Areas and Building Support include the lobby, conference center, childcare facilities, potential wellness center and other building support functions. According to Mr. Updike, the square footage requirements for the common areas and building support increased by 13,233 square feet because the entire first floor will now be common areas, with additional conference and training rooms and facilities.

However, the most notable change in the proposed plans is the elimination of Health Service System for 19,945 square feet and Retirement System for 37,751 square feet or a total of 57,696 square feet from the new City office building. Currently, both of these City departments rent space at 1145 Market Street at an annual rental cost of approximately \$2,314,000, with leases that expire in 2023 and 2024 respectively. In addition, the previous plan provided for an additional 5,770 square feet for other potential tenants, or 63,466 square feet total. Instead, the current proposal only allows for 24,682 square feet for other City departments to potentially relocate to 1500 Mission Street, a reduction of 38,784 square feet of space or 61%.

Based on information provided by Real Estate, Table 2 below shows the number of rentable square feet currently occupied by the three main City departments (Public Works, Building Inspection (DBI) and Planning) that are proposed to occupy the new City office building at 1500 Mission Street. As shown in Table 2 below, all three City departments would increase their amount of rentable space in the new City office building by a combined total of 27,667 square feet. At the same time, two City departments, notably Health Service System and Retirement System, which were originally to have moved into 1500 Mission, will not relocate into this new City office building.

Table 2: Current and Proposed Square Footage for 3 City Departments

Location	Public Works	DBI	Planning	Total
30 Van Ness	101,144			101,144
1650 Mission		4,280	48,704	52,984
1660 Mission	748	68,821	543	70,112
1680 Mission	36,753			36,753
City Hall	5,426			5,426
1155 Market	38,922			38,922
Total	182,993	73,101	49,247	305,341
Proposed	194,279	78,819	59,910	333,008
Increased Space	11,286	5,718	10,663	27,667

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would (1) appropriate \$122,000,000 of sales proceeds from three City-owned buildings and \$321,765,000 from the sale of Certificates of Participation, for a total of \$443,765,000, to fund the retirement and defeasance of Series 2001A and 2007A Certificates of Participation, the development of a pending new office building at 1500 Mission Street and related furniture, fixture and other equipment (FF&E), technology, and moving costs, and (2) place the total \$443,765,000 on Controller's Reserve pending the sale of the buildings and sales of the Certificates of Participation.

FISCAL IMPACT

Table 3 below identifies the sources and uses included in the proposed supplemental appropriation.

Table 3: Sources and Uses for Requested \$443,765,000

Sources and Uses	Total
Sources	
Gross sales proceeds from 30 Van Ness and 1660 and 1680 Mission Street	\$122,000,000
Proceeds from Certificates of Participation	321,765,000
Total Sources	\$443,765,000
Uses	
Building, Structures and Improvement Development Costs	\$325,440,953
FF&E, Technology Equipment and Moving Costs	29,397,433
Controller's Internal Audit Fund (0.2%)	653,382
Bond Reserve	21,832,100
Capitalized Interest and Fees	31,051,471
Bond Issuance Costs	603,807
Underwriter's Discount Fee	2,220,855
Reserve for Market Uncertainty	4,500,000
Sales Commissions and Expenses	1,000,000
Defeasance of Series 2001A and 2007A COPs	27,065,000
Total Uses	\$443,765,000

Sources of Funds**Property Sale Proceeds**

As noted above, on March 21, 2017, the Board of Supervisors approved the sale of 1660 and 1680 Mission Street for \$52,000,000 and 30 Van Ness for \$70,000,000, for total sales proceeds of \$122,000,000, which is anticipated to be received on May 1, 2017.

Certificates of Participation

The balance of the cost for the proposed new City office building is anticipated to be funded with Certificates of Participation (COPs), shown in Table 3 above as totaling \$321,765,000. Ms.

Sesay advises that their office will request authorization to issue these COPs from the Board of Supervisors in May 2017. The Office of Public Finance anticipates issuing this transaction on a competitive basis however, the underwriter has not yet been selected. According to Ms. Sesay, the City's plan is to finance the initial acquisition and development of the 1500 Mission Street building's expenses from the City property net sales proceeds and then to issue commercial paper as interim funding for up to two years, while the project is being constructed, before issuing the COPs.

Ms. Jamie Querubin in the Controller's Office of Public Finance advises that the COPs are anticipated to be issued in the fall of 2019 at a par amount of \$317,265,000. Assuming a 30-year term and an estimated interest rate of 5.5%, the total estimated debt service to the City will be \$660,705,075⁶, which includes \$317,265,000 principal and \$343,440,075 of interest expense. The estimated average annual debt service on the COPs is \$21,044,000, which would be repaid by the City over the 30-year term, subject to Board of Supervisors annual appropriation approval.

Ms. Querubin estimates the cost per square foot will be approximately \$64 in year one, increasing to \$78 per square foot in the last year of the 30-year term, which includes debt service costs plus operating expenses. Mr. Updike advises that new Civic Center leases currently range from approximately \$60 to \$65 per year.⁷ Mr. Updike further advises that if the City was to lease office space beginning in 2019, the rate would be at least \$60 per square foot per year and under a very conservative annual escalation of 1% per year, the rate per square foot per year after 30 years would be \$80 per square foot. After 30 years, assuming no major tenant improvements, the cost per square foot for the City-owned 1500 Mission Street would decrease, after completing all the debt service payments.

As most of the City departments that would occupy 1500 Mission Street do not receive General Fund support, the additional funds to pay for these lease and operating expenses will likely come from increased permit fees, overhead and other department charges.

Uses of Funds

Project Development Costs

Based on what the Board of Supervisors previously approved and Public Works' current budget, development of a new City office building at 1500 Mission Street is projected to cost \$326,690,953. As shown in Table 4 below, \$1,250,000 was previously appropriated for this project, such that the proposed supplemental includes \$325,440,953 to cover the total development expenses.

⁶ The \$660,705,075 reflects total gross debt service, including capitalized interest, reserve fund for the final debt service payment and ongoing annual costs of administration (i.e., insurance, trustee fees).

⁷ Based on CRBE 2016 fourth quarter data reported by Mr. Updike.

Table 4: Project Development Costs

Land Acquisition Costs	\$32,332,524
Financing Costs during Predevelopment	8,904,313
Architectural and Engineering, Professional Fees and Insurance	15,906,196
Construction Costs/ Fees, Permits & Taxes/ Development Management Fees and Return on Equity	269,547,920
Total Project Development Costs	\$326,690,953
FY 2014-15 funds appropriated for land acquisition and design ⁸	(\$1,250,000)
Total Appropriation Funds for Project Development	\$325,440,953

Source: Samuel Chui, Public Works and Joshua Keene, Real Estate.

Mr. Chui advises that the total project development budget of \$326,690,953 will not increase because (a) 50% of the construction documents for the core and shell of the building are now complete, (b) the project budget has remained constant since 2014, and (c) the budget already includes a contingency of \$16,300,000 to address unforeseen issues. In addition, Mr. Joshua Keene of the Real Estate Division advises that the Purchase and Sale Agreement is structured to include the \$326,690,953 as the Guaranteed Maximum Price. Therefore, the developer would be in default and allow the City to enforce performance under the Agreement, if the project is not completed within this budget.

FF&E, Technology Equipment and Moving Costs

In December 2014, when the Board of Supervisors approved the Conditional Land Disposition and Acquisition Agreement with Related to develop a new City office building at 1500 Mission Street, the total estimated cost of the project was \$338,989,353, including \$326,690,953 maximum cost for project development and \$12,298,400 for furniture, fixtures and equipment (FF&E), technology and moving expenses. However, as shown in Table 3 above, the proposed supplemental appropriation includes \$29,397,433 for FF&E, technology and moving costs, an increase of \$17,099,033 or 139%.

Mr. Chui now estimates the FF&E, technology equipment and moving costs will be \$29,416,265, a further increase of \$18,832 more than the requested supplemental appropriation amount of \$29,397,433. Table 5 below compares the earlier \$12,298,400 estimate with the current \$29,416,265 estimate provided by DPW for FF&E, technology and moving costs, an increase of \$17,117,865 or 139%.

⁸ In accordance with the original agreement between the City and Related in 2014, the City, through the Department of Building Inspection, paid Related non-reimbursable \$1,000,000 toward acquisition of the property at 1500 Mission Street and \$250,000 for schematic design.

Table 5: Comparison of Costs for FF&E, Technology and Moving Expenses

Description and Assumptions	2014 Costs	Current Estimated Costs	Increase/ (Decrease) Over 2014 Costs
Furniture, fixtures and equipment (FF&E)	\$4,500,000*	\$6,750,000**	\$2,250,000
Ancillary Furniture***	0	5,170,140	5,170,140
Moving	5,000,000	4,500,000	(500,000)
Department of Technology/IT Expenses	2,798,400	10,771,125	7,972,725
City staff and consultant services	0	2,225,000	2,225,000
Total	\$12,298,400	\$29,416,265	\$17,117,865

Source: Josh Keene of Real Estate Division and Samuel Chui of Public Works

* Assumes \$3,000 per FTE @ 1,500 FTEs.

** Assumes \$4,500 per FTE @ 1,500 FTEs.

*** Assumes \$12 per square feet of net rentable area of 430,845 square feet.

According to Mr. Chui, Public Works began formally managing this project in 2016. Mr. Chui advises that the Real Estate Division's earlier estimate is comparable to the costs of moving into an existing office building and does not reflect the realities of new construction, which requires furniture and equipment that is not part of tenant improvements, furniture and equipment for a new permit center, common areas and building support, building connection to the City's fiber infrastructure in the streets, application of Voice over Internet Protocol (VoIP) for the telephony system, network equipment and infrastructure for building systems and City business needs. In addition, while Mr. Chui advises that Related feels these costs are reasonable, the projected \$29,416,265 is not based on actual bids, such that these costs may change further.

Controller's Internal Audit Fund

The Controller's City Services Auditor would receive \$653,382 from the proposed supplemental appropriation to provide internal audit functions. In accordance with Appendix F of the City's Charter, this amount is based on 0.2% of City project development costs of \$326,690,954.

Certificate of Participation (COP) Fees and Expenses

The COP fees and expenses include the bond reserve, capitalized interest and fees, bond issuance costs, underwriter's discount, and a reserve for market uncertainty. According to Ms. Jamie Querubin of the Controller's Office of Public Finance, the bond reserve amount of \$21,832,100 (Table 3 above) is calculated at 100% of the maximum annual debt service for the COPs over the 30-year term and is required to be set aside. The capitalized interest and fees amount of \$31,051,471 (Table 3 above) assumes estimated accrued interest and fees for the potential use of commercial paper for up to two years prior to the issuance of the COPs and the capitalized interest for up to one year from the date of bond issuance. Bond issuance costs of \$603,807 (Table 3 above) include legal fees, financial advisory fees, rating agency fees, printing, bond insurance and other issuance expenses. Underwriter's discount of \$2,220,855 (Table 3 above) is the fee paid to the underwriter of the COPs for dissemination of the bonds. The reserve for market uncertainty of \$4,500,000 (Table 3 above) represents the additional amount

included in the supplemental to allow for fluctuations in market interest rates from the date of authorization by the Board of Supervisors until the time of the sale of the COPs.

As noted above, the Office of Public Finance anticipates requesting authorization for the sale of these COPs in May of 2017. The actual issuance of the COPs would not likely occur until the fall of 2019.

Sales Commissions and Expenses

The \$1,000,000 Sales Commission and Expenses included in Table 3 above are based on the costs shown in Table 4 below.

Table 4: Sales Commission and Expenses

Sales commission for 30 Van Ness	\$350,000
Fees for 30 Van Ness	40,000
Sales commission for 1660 and 1680 Mission Street	240,000
Bond defeasance fees for outstanding debt on 30 Van Ness	100,000
Escrow costs (.05% of \$122 million)	61,000
Contingency	209,000
Total Sources	\$1,000,000

Source: Real Estate Division

A sales commission of \$350,000, based on the agreed upon rate of 0.5% of the \$70,000,000 sale price, plus up to \$40,000 for marketing materials for 30 Van Ness will be paid by the City to Newmark, Cornish & Carey brokerage firm. A sales commission of \$240,000 based on an all-inclusive fixed fee for the \$52,000,000 sale of 1660 and 1680 Mission Street will be paid by the City to Colliers International brokerage firm. Escrow costs which are split between the buyers and the City include payments for coordination of closing, assessments on the title, recording of final documents, wire transfers, etc. and are calculated at 0.05% of the combined \$122 million total sales price or \$61,000.

Defeasance of Series 2001A and 2007A COPs

In October 2001, the City purchased 30 Van Ness and to date, has incurred approximately \$44 million to purchase, renovate and refinance 30 Van Ness. The total current balance on the outstanding 2001A and 2007A Certificates of Participation (COPs) for 30 Van Ness is \$27,065,000. As shown in Table 3 above, \$27,065,000 for the outstanding 2001A and 2007A COPs would be paid off with the proceeds from the sale of the 30 Van Ness property. As shown in Table 4 above, Mr. Keene estimates costs of approximately \$100,000 to defease the outstanding debt on the 30 Van Ness COPs. The defeasance of the bonds is anticipated to occur on May 1, 2017, as part of the escrow on the sale of 30 Van Ness.

POLICY CONSIDERATION

Board of Supervisors Legislative Actions Still Required

The subject supplemental appropriation ordinance is requesting the Board of Supervisors to appropriate \$443,765,000 for funds to develop a new City office building at 1500 Mission

Street. However, several legislative actions are still required to be taken by the Board of Supervisors before this development project can move forward, including the following:

- Approval of Amendment to the General Plan;
- Approval of creation of a 1500 Mission Street Special Use District;
- Adoption of the Planning Commission's CEQA findings;
- Approval of a conditional Purchase and Sale Agreement with Related for entitled land;
- Approval of the issuance of a not-to-exceed \$321,765,000 of COPs.

Therefore, to approve the funds to develop a project that has not yet been approved by the Board of Supervisors is premature, and should not be approved at this time.

Use of 1500 Mission Street Not Consistent with Prior Report on Use and Lease Reduction

The current proposed square footage use and City departments that would occupy the new 1500 Mission Street office building is not consistent with the information the Real Estate Division and the Controller's Office provided to the Board of Supervisors in 2014, when the Board approved this project. Most notably, the proposed use significantly expands the amount of space for three City departments, Public Works, Planning and Building Inspection and excludes Health Service System and Retirement System. Furthermore, the Board of Supervisors was advised that this new City office building was anticipated to result in approximately 100,000 square feet of additional net new City-owned office space and reduce the amount of leased space and lease costs in the Civic Center, thereby resulting in the termination of some existing City leases. Mr. Updike notes that the proposed new office building will actually create an estimated 154,760 square feet of new space.

However, Mr. Updike advises that currently, there are no plans to terminate any existing leases and all available space that will be vacated will be backfilled with other City employees. Therefore, obtaining a new 1500 Mission Street office building with approximately 463,300 gross square feet, with net additional office space of approximately 154,760 square feet, will result in zero terminations of existing City leases and zero lease cost savings to the City.

Need for Clear Report on Use of 1500 Mission Street and Lease Savings Identified

Before the Board of Supervisors approves the funding for a new City office building, the Real Estate Division should provide a report to the Board of Supervisors that clearly identifies the (a) number of employees and amount of space that are currently used by each City department, (b) number of employees and amount of space that are proposed to be used by each City department in the new City building, and (c) existing City leases that will be terminated, backfilled or otherwise reused, including the square footage of such leases and the amount of rent savings or additional costs assumed. The City should be maximizing the number of leases being terminated and the number of City departments and employees relocated into the new City office building, as was originally proposed to the Board of Supervisors when this project was approved.

Need for Reduction in City FF&E, Technology and Moving Expenses

In addition, given the requested increase of \$17,117,865 or 139% for FF&E, technology and moving expenses, the Board of Supervisors should not approve this \$29,397,433 request. As part of the report identifying which City departments would be relocated to 1500 Mission Street, Public Works should rework the \$29,397,433 amount to maximize the amount of furniture that is reused and moved into the new building and minimize the additional City expenses. Details should be provided and bids obtained prior to requesting a reduced amount of funding for this purpose.

RECOMMENDATIONS

1. Three City-owned properties (30 Van Ness and 1660 and 1680 Mission Street) have been sold and will close on May 1, 2017 with total proceeds of \$122,000,000 to be received by the City. Such proceeds are needed by the City to pay for required commissions, fees and to defease the remaining COPs on the 30 Van Ness Avenue building, such that these funds should be appropriated. The balance of \$93,935,000 should be set aside by the Controller for development of a new City office building capital project. Therefore, the Budget and Legislative Analyst recommends approval of \$122,000,000 out of the total requested amount of \$433,765,000 for the sources and uses as shown in Table 5 below, with the entire \$122,000,000 placed on Controller’s Reserve pending the sale of the buildings:

Table 5: Recommended Appropriation

Sources and Uses	Total
Sources	
Sales proceeds from 30 Van Ness and 1660 and 1680 Mission Street	\$122,000,000
Total Sources	\$122,000,000
Uses	
Sales Commissions and Expenses	1,000,000
Defeasance of Series 2001A and 2007A COPs	27,065,000
Balance to Controller’s Capital Project Fund Account for new Office Building	93,935,000
Total Uses	\$122,000,000

2. The balance of the total requested \$433,765,000 supplemental appropriation, or \$321,765,000 from the sale of the Certificates of Participation should be continued to the Call of the Chair, pending approval of all legislative actions by the Board of Supervisors, as itemized above, for this project. When the Controller, Public Works and Real Estate return to the Board of Supervisors to request appropriation of these funds, the request for FF&E, technology and moving expenses should be significantly reduced, justified and detailed. To match such reductions, the request for the size of the COPs should be commensurately reduced. Real Estate and Public Works should also report back to the Board of Supervisors prior to approval of the FF&E, technology and moving

expenses for 1500 Mission Street, regarding the specific use of the new City office building, identifying specific terminations of leases and related lease cost savings to the City.

The Budget and Legislative Analyst is making these recommendations because:

1. The new City office building project at 1500 Mission Street has not yet been approved by the Board of Supervisors;
2. FF&E, technology and moving expenses are proposed to increase by \$17 million, or 139% without any supporting bids or detail; and
3. Despite an additional estimated 154,760 net square feet of additional space as a result of the new City office building, and despite what the Board of Supervisors was previously advised regarding this new City office building, zero existing City leases are proposed to be terminated and zero lease cost savings will be realized by the City.



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator

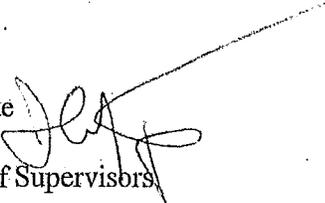


John Updike
Director of Real Estate

File # 170201

Memorandum

Date: April 11, 2017

From: John Updike, Director of Real Estate 

To: Honorable Members of the Board of Supervisors

Subject: City's Leasehold Portfolio

In light of on-going discussions regarding the upcoming 1500 Mission Street new office project, it seemed appropriate that a snapshot of the City's leasing portfolio be provided to the governing body, to assist you in decision-making around the project in the coming weeks and months:

Over the past few years, Real Estate has been adjusting the leasehold portfolio to strategically shift renewal dates, consolidate leases to improve negotiating leverage with landlords, and create timely opportunities for lease terminations in the future.

Excluding leases outside of the city limits; leases for residential purposes; parking leases; telecommunication site leases; and the ground lease for the San Francisco Wholesale Produce Market, our City as Tenant lease portfolio looks as follows:

- 65 leases for 1,362,985 square feet of privately owned space
- Overall cost to City of portfolio: \$3,424,998/month
- Overall rate paid by City as tenant across portfolio: \$30.12/sf/year in rent*
 - *CBRE Q4 2016 report has entire average SF market rate at \$72.79/sf/year
 - *CBRE Q4 2016 report has civic center market rate at \$53.39/sf/year
- 48% (or 660,752 square feet) of the leasehold portfolio lies in relative proximity to, or within, civic center
- 40% of the leasehold portfolio renews between 2022 and 2026

We have purposefully migrated several large leases into a renewal window of 5 to 10 years from now, to improve the long-term fiscal stability of the portfolio and make use of advantageous rates when opportunities arose in the past few years. This strategy included executing more leases of longer than 5 years in term - some 7, some 10, some 12 years in length. Our current portfolio compares very well to the market in general, at a cost of 41% of market rate overall. **Said differently, the City is currently enjoying the use of leased private space at a savings of over \$50,000,000 per year from market rates.**

The 1500 Mission Street project is first and foremost an opportunity to finally consolidate all permitting functions in one location – from today a disparate set of staff and functions spread across six different locations. This one-stop permitting center will provide efficient effective service to our citizens and to the development community. It will provide one office location for city permit and construction related functions of the Planning Department, Department of Building Inspection and Department of Public Works.

1500 Mission also involves the delivery of 430,845 square feet of new office space to the City's owned portfolio, replacing 276,085 owned but dysfunctional and seismically deficient square feet that the City is selling, creating a net increase of owned space of 154,760 square feet. Delivery of this space in early 2020 certainly creates the opportunity to effect lease terminations following a domino-effect of re-stacking our overall office portfolio (leased and owned) in the civic center area in the coming years. The office space stacking plan for 1500 Mission is not yet finalized. We continue to actively review our civic center lease portfolio and will make recommendations to re-balance our leased/owned space ratio as opportunities arise to potentially terminate those leases where substantive occupancy cost increases are anticipated.

We look forward to providing the Board of Supervisors further details on our overall office space use and locational strategies later this year.

Attachment: City as Tenant report, for leases of private property within county limits only, excluding San Francisco Wholesale Produce Market, residential facilities, telecommunication sites and parking lots (civic center area leases are highlighted in yellow)

c: Naomi Kelly, City Administrator
Mayor Edwin M. Lee

CITY AS TENANT LEASE REPORT (Civic Center Area Leases highlighted in yellow)

Expiration Date	St. #	Street	Lease #	Landlord	Rentable Area	Base Mo. Rent	Agent	Use	Tenant
2/28/2014	1315 and 1319	Evans	378	Raul & Denise Aviaza & Carol & Linda Olson	1128	3,384.00	CV 7059	Office	Adult Probation
2/28/2017	1701	Ocean	422	Huey Lan & Stacy Huey	5000	15,123.00	CV 7065	Office	DPH
6/30/2017	1740	Folsom	352	14th St. Partnership	18862	44,294.00	CD 7117	Office/Training	Sheriff
8/31/2017	1449	Webster	461	WPCI Commercial LLC	3900	9,142.00	CD 7118	Office - Job Assistance Center	MOEWD
11/30/2017	3801	3rd	578	Bayview Plaza, LLC (#250)	864	2,445.00	CV	Office	Human Services
12/31/2017	1380	Howard	15	Vera Cort, 1380 Howard Street Partners	79950	131,584.00	CD 7056	Office Administration	DPH Mental Health
12/31/2017	1390	Market	278	BRCP 1390 Market, LLC	69402	173,505.00	CD 7084	Office	City Attorney
1/31/2018	605	7th	457	Farallon Properties	9680	37,132.00	JU	Office	MTA (MTA HANDLING)
1/31/2018	711	Van Ness	499	SFOC LLC	9800	29,400.00	JK	General Office	DEM/Assessor-Recorder/SFPUC
2/28/2018	72	6th	490	ORS Management, LLC	1932	2,898.00	MB 7131	office/substation	Police
6/30/2018	3801	3rd	2	Bayview Plaza LLC	14825	41,675.00	CV	Clinic	DPH Mental Health
6/30/2018	732	Brannan	9	First California Investments	17625	66,510.00	JH	Office	District Attorney (3 divisions)
6/30/2018	729	Filbert	12	PACE Properties	11067	26,827.00	CV	Clinic	DPH Behavioral Health
6/30/2018	1145	Market	512	1145 Market St., L.P.	20000	65,000.00	CD	Law Library	Law Library
6/30/2018	720	Sacramento	24	716 Sacramento LLC	9250	26,980.00	CV	Clinic	DPH Mental Health
6/30/2018	755	So. Van Ness	371	AIM Two Real Estate Partnership	13545	42,644.00	CV	Clinics	DPH - CBHS
9/30/2018		Mission	17	SFP2 1360 Mission St, LLC	6300	24,675.00	CV	Office	DPH AIDS Counseling
11/2/2018	1700	17th	463	1415 16th Street Assoc., LLC	52125	156,375.00	MB	Tactical Headquarters	Police
11/30/2018	1390	Market	52	John Osmond, BRCP 1390 Market, LLC	27826	62,818.00	CD	Office	DPH Environmental Health
12/31/2018	1325A	Evans	464	Raul & Denise Aviaza & Carol & Linda Olson	3287	7,231.00	CV	Office	PUC
3/30/2019	1740	Cesar Chavez	527	Potrero Investor I and II, LLC	11000	21,450.00	JH	Testing Center	Human Resources
5/30/2019	70	Oak Grove	381	Ruth & Randy Mellingner	10000	36,000.00	CD	Office & Classrooms	Sheriff
6/30/2019	258 A	Laguna Honda	377	Laguna Honda Properties	1800	3,605.00	MB	Office	Public Defender
10/18/2019	649-651	Bryant	471	William Banker Jr. Successor	14000	20,090.00	MAB	Warehouse, Storage..	PUC
12/1/2019	3801	3rd	539	Bayview Plaza, LLC	15083	42,722.00	CV	Office and counseling services	Human Services
12/31/2019	109	New Montgomery	56	Conner Children's Trust, No. 2	33998	121,118.00	CD	Office	Child Support Services - Family Support

CITY AS TENANT LEASE REPORT (Civic Center Area Leases highlighted in yellow)

2/28/2020	1455	Market	500	Hudson Pacific Properties	24440	59,145.00	MB	Office	Environment
4/23/2020	100 - 110	Blanken	353	Celestina Jimenez	3000	7,800.00	CV	Office	DPH
6/30/2020	2	Gough	541	Celebrity Consultant Group, Inc.	13936	40,653.00	CV	Office and Clinic	Human Services, Aging & Adult Services
6/30/2020	3119-3125	Mission	63	KLW, LLC	11085	50,575.00	CD	Training and office	HSA
6/30/2020	3120 and 3425	Mission/Cesar Chavez	318	KLW LLC	39251	179,083.00	CD	Office	HSA
8/31/2020	160	South Van Ness	240	Aronoff Rev. Trust & R. Cohn	15000	29,300.00	CV	Office	HSA
9/21/2020	1360	Mission	569	SFP2 1360 Mission St., LLC	16958	63,593.00	CV	Office	Human Services
11/30/2020	1390	Market	345	John Osmond, BRCP 1390 Market, LLC	5956	26,306.00	CD	Office	CFC - First Five
11/30/2020	1390	Market	416	John Osmond, BRCP 1390 Market, LLC	10846	47,903.00	CD	Office	DCYF
12/31/2020	234-238	Eddy	552	TJT LLC	3000	3,420.00	CV	Office and Clinic	DPH - St James Infirmary
6/30/2021	3901	3rd	558	Bayview Plaza, LLC	10740	30,287.00	JK	Office	PUC-BERM
6/30/2021	650	5th	567	Townsend Assoc., LLC	3060	14,790.00	CV	Office	DPH - Forensics Services
7/31/2021	555-575	Polk	523	Mattison Family Trust	18000	41,697.00	CD	Community Justice Center & Sublease	
7/31/2021	601	Van Ness	564	Opera Plaza, L.P.	8646	30,261.00	JK	Office	Human Services
9/21/2021	165	Capp	577	BC Capp, LLC	6500	20,042.00	CV	Office and Homeless Drop In Clinic	Human Services
3/25/2022	2712	Mission	354	Zepporah Glass, Trustee	32000	72,032.00	CV	Office & clinic	DPH, CMHS
6/30/2022	760	Harrison	13	Verá Cort, Cort Family Living Trust	13000	25,350.00	CD	Clinic	DPH Mental Health
12/31/2022	230	Golden Gate	503	220 Golden Gate Clinic, LLC	11700	12,636.00	CD	Clinic	DPH
1/31/2023	1155	Market	504	CUOF IV PATSON 1155 LLC	103388	337,217.00	AQP	Office	Various, Multi-Tenants
1/31/2023	101	South Van Ness	505	St. James Family Partnership, LLP	10469	28,080.00	CD	Reproduction & Mail Services	Reproduction & Mail, GSA
11/30/2023	1145	Market	511	1145 Market St., L.P.	19550	64,418.00	CD	Office	Health Services
7/31/2024	1145	Market	534	1145 Market St., L.P.	35579	113,728.00	CD	Office	Retirement
9/30/2025	1440	Harrison	42	Harrison Assets, LLC	56788	298,197.00	7049	Office - Assistance	HSA
12/14/2025	450	Toland	573	Four Fifty Toland, LLC	46221	61,300.00	Jeff Suesse	Central Shops	Central Shops
3/23/2026	3450	3rd	530	S.F. Child Abuse Prevention Ctr.	6024	22,113.00	MB	Children's Advocacy Center	Advocacy Ctr.
4/30/2026	1235	Mission	537	SFUSD	117826	228,288.00	JU	Office - General Assistance	Human Services
6/30/2026	564	6th	570	PBV II, LLC	17500	70,683.00	CD	Adult Probation Services	Adult Probation
12/31/2026	750	Brannan	566	750 Brannan Street Properties	24173	78,562.00	CD	Library Archives	Library
12/31/2026	200	Paul	563	200 Paul LLC	53934	67,418.00	CD	Vehicle radio installation/repair shop/office	Department of Technology
4/22/2027	1345	Ocean	429	City & County of S.F.		0.00	JU	Art Work Installation - Public Art	Arts Commission
1/31/2031		19th & Lexington	147	P.G. & E.	2170	1,089.00	JH	Substation DC Conversion Facility	MTA - Muni
6/30/2031	222	Leidesdorff	150	P.G.&E.	1750	934.00	CV	Substation	MTA - Muni

CITY AS TENANT LEASE REPORT (Civic Center Area Leases highlighted in yellow)

7/31/2033		Otis at Duboce	533	CA Department of Transportation	16910	10,404.00	JU	Stakepark	Real Estate for Rec-Park
10/20/2033		Duboce	531	CA Department of Transportation	26026		JU	Dog Park and Parking	Real Estate for Rec-Park
3/31/2101	167	Jessie	574	Thurd and Mission Associates	4124	0.00	JK	Office for non-profits	MOHCD
6/16/9999	538	Holloway	540	Larkin Street Youth Services	3300	500.00	JK	youth services	Human Services Agency
6/30/9999	798	Brannen	78	Keith Cochrane, Cochrane, Keith Kely, David	988	2,000.00	CV	Office & clinic	DPH - Forensic AIDS
6/30/9999	1305 and 1309	Evans	11	Raul & Denise Aviaza & Carol & Linda Olson,	12690	18,401.00	CV	Office	DPH Mental Health
6/30/9999	CsO	Hunters Point	145	S.F. Redevelopment Agency	90000	27,083.00	MB	Special Operations	Police - Special Operations
6/30/9999	3901-3905	Mission	19	Diodati, Giovacchino & Armando	2196	5,140.00	CV	Clinic	DPH Mental Health

1500 Mission: Existing vs. 1500 Mission Program

Function	Existing Today	Programmed 1500 Mission	Change / %	
Public Works	182,993	194,279	11,286	6%
Planning	49,247	59,910	10,663	22%
DBI Admin.	50,962	56,819	5,857	11%
Permit Center	22,139	38,960	16,821	76%
TBD Tenants	N/A	24,682	N/A	N/A
Training/Childcare/ Common Area, etc.	N/A	56,195	N/A	N/A
Total Area Growth	305,341	430,845	125,504	

	Original Projection for 2018 (2014 Estimate)	Current (April 2017) Headcount	Variance	Variance (%)
Public Works	698	784	86	12.3%
Planning	183	240	57	31.2%
DBI	265	280	15	5.7%

