



April 1, 2024

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

RE: Lease Agreement – Department of Public Health, Office of Civic Engagement and Immigrant Affairs and Drug Market Agency Coordination Center - 1145 Market Street

Dear Board Members:

Attached for your consideration is a Resolution authorizing and approving a lease agreement of approximately 45,691 square feet at 1145 Market Street, floors, 1 and 8 through 11 for the Department of Public Health (DPH), Office of Civic Engagement and Immigrant Affairs ("OCEIA") and the Drug Market Agency Coordination Center ("DMACC").

The Mayor, the City Administrator and the Board of Supervisors directed the Real Estate Division to identify market opportunities wherein the City could reduce its leasing costs through competitively priced leases and reduce the City's leased footprint by a more efficient use of space in light of the City's telecommuting policy. The Real Estate Division ("RED") is bringing this resolution and a number of other resolutions for the Board of Supervisor's consideration that are all apart of a larger consolidation plan.

The proposed lease agreement is for the term of ten years with two options of five years to extend the term, with the current owner, Trinity Center, LLC, at a base rent of \$1,368,445.44 per year (\$114,037.12 per month) (\$29.95 psf annually) with 3% annual rent increases throughout the entire agreement. The lease is fully serviced except for electricity, which is separately metered.

DPH's central office building at 101 Grove, has a City Seismic Hazard Rating 4 and is a functionally obsolete building. DPH has been working on a multi-phased 101 Grove St. Exit Plan for several years. They are in the process of relocating or has completed relocation of the following programs out of the 101 Grove St. Complex: Maria X Martinez Health Resource Center (formerly known as the Tom Waddell Urgent Care Clinic) was moved in 2022 to City owned property at 555 Stevenson; a new Public Health Lab is under construction at Zuckerberg San Francisco General Hospital ("ZSFG") to be completed in 2025; administrative and operations staff will be relocated to two building (previously inpatient wards) at Laguna Honda once seismic and tenant renovations are complete in 2025; the Adult Immunization Travel Clinic will relocate to 27 Van Ness upon completion of tenant improvements which will start in April 2024. If approved, under the proposed lease, DPH would begin the relocation of the

remaining staff from 101 Grove. This proposed group to move includes, the executive team, Office of Health Equity, Policy and Planning, Finance and Facilities, as well as the Health Commission Secretary.

In addition, DPH Population Health staff responsible for the preventing the spread of communicable and chronic disease, would also consolidate at 1145 Market. Relocating DPH Population health staff to 1145 Market allows DPH to not renew Leases at 1360 Mission, and 101 New Montgomery. The relocation and consolidation would reduce the Departments involved footprint from 47,153 rentable square feet ("RSF") to 27,928 RSF, for 101 Grove, 101 New Montgomery and 1360 Mission.

OCEIA is a policy, compliance, direct services, and grantmaking office focused on promoting inclusive policies and immigrant assistance programs that lead to full civic, economic and linguistic inclusion. OCEIA's innovative programs and initiatives focus on Civic Engagement, Community Safety, Immigrant & Newcomer Assistance, and Language Access. Core projects include: The Community Ambassadors Program (CAP), San Francisco Pathways to Citizenship Initiative, DreamSF Fellows, Community Interpreters Training, Immigrant Support Hub, and other community assistance grants. Notably – two of their direct programs named above (CAP and DreamSF Fellows) are workforce initiatives with large numbers of participants with significant needs in terms of staff size, training/meeting space needed, and computer workstations.

If approved the new site would allow ground floor access to the public facing aspects of their program as well as allowing them to meet the needs of their department.

OCEIA is currently located at 1155 Market Street, sharing space with the Mayor's Office of Disability. This Lease would allow the Department to be right sized on the first floor of 1145 Market to support 27 positions and 60 Community Ambassadors in 6,450 RSF.

DMACC is a vital, multi-agency group led by the San Francisco Police Department. Agencies such as the Sheriff's Department, Fire Department, Department of Emergency Management, DPH and many more coordinate their efforts towards fighting the drug epidemic that has taken over the mid-market region of San Francisco. Controlled by a Police Department Commander and Captain from the Narcotics division, DMACC houses a 24/7 operation focusing on the following mission:

"The mission of the DMACC is to coordinate all lines of operational effort—including engagement, enforcement and treatment—related to disrupting and reducing the severity and number of open-air drug markets on the streets of San Francisco, with the ultimate objective to identify paths to recovery for those sick with substance use disorder"

We recommend approval of the proposed lease agreement.

If you have any questions regarding this matter, please contact me at 415-554-9860.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Andrico Q. Penick', is written over the word 'Respectfully,'.

Andrico Q. Penick

Director of Real Estate