

File No. 111193

Committee Item No. 2

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: November 30, 2011

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget & Legislative Analyst Report          |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ethics Form 126                              |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
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#### OTHER

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Completed by: Victor Young

Date: November 21, 2011

Completed by: Victor Young

Date: \_\_\_\_\_

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Lease of Real Property - Sixth Street Baldwin House, LLC - 72-Sixth Street]

2  
3 **Resolution authorizing the lease with Sixth Street Baldwin House, LLC, of**  
4 **approximately 1,932 rentable square feet of ground space located at 72-Sixth Street for**  
5 **the San Francisco Police Department.**

6  
7 WHEREAS, The San Francisco Police Department is a law enforcement agency  
8 committed to the protection of life and property and the prevention of crime; and,

9 WHEREAS, The Real Estate Division has negotiated a lease with Sixth Street Baldwin  
10 House, LLC, for 1,932 rentable square feet at 72-Sixth Street (the "Premises") which  
11 accommodates a San Francisco Police Department substation within the South of Market  
12 Redevelopment Project Area; and,

13 WHEREAS, In accordance with the recommendation of the Chief of Police and the  
14 Director of Property, the Director of Property is hereby authorized to take all actions, on behalf  
15 of the City and County of San Francisco ("City"), as tenant, to execute a lease (the "Lease")  
16 with Sixth Street Baldwin House, LLC as Landlord ("Landlord"), for the Premises on file with  
17 the Clerk of the Board of Supervisors in File No. 111193; and,

18 WHEREAS, The initial term of the Lease shall be three years with an estimated  
19 commencement date of June 1, 2012 following the substantial completion of the leasehold  
20 improvements and acceptance by City's Director of Property (the "Commencement Date");  
21 and,

22 WHEREAS, The monthly base rent of the Lease shall be \$2,898 per month and such  
23 rent shall be adjusted annually using the Consumer Price Index, however in no event shall the  
24 monthly base rent be less than 1.5% or more than 3% of the monthly base rent in effect for  
25 the last full month immediately prior to the adjustment date; and,

1           WHEREAS, The Lease shall provide three extension options of two years each; and,  
2           WHEREAS, The Landlord shall construct substantial leasehold improvements at  
3 Landlord's sole cost pursuant to construction documents approved by City as more  
4 particularly described in the Lease; and,

5           WHEREAS, The Director of Planning Department, by letter dated September 23, 2011,  
6 has found that the Lease is consistent with the City's General Plan and with the Eight Priority  
7 Policies of City Planning Code Section 101.1, and is categorically exempt from Environmental  
8 Review, a copy of these findings is on file with the Clerk of the Board of Supervisors under  
9 File No. 111193 and are incorporated herein by reference, now, therefore, be it

10           RESOLVED, That the Lease shall include a clause approved by the City Attorney,  
11 indemnifying and holding harmless the Landlord from and agreeing to defend the Landlord  
12 against any and all claims, costs and expenses, including, without limitation, reasonable  
13 attorney's fees, incurred as a result of City's use of the Premises, any default by the City in  
14 the performance of any obligations under the Lease, any negligent acts or omissions of City or  
15 its agents or invitees, in, on or about the Premises or the property on which the Premises are  
16 located, excluding those claims, costs and expenses incurred as a result of the active gross  
17 negligence or willfull misconduct of Landlord or its agents, or any breach of City's  
18 representations or warranties under the Lease; and, be it

19           FURTHER RESOLVED, That in accordance with the recommendation of the Chief of  
20 Police and Director of Property, the Board of Supervisors hereby approves the Lease and the  
21 transaction contemplated thereby in substantially the form of such agreement

22 //  
23 //  
24 //  
25 //

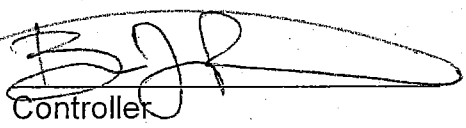
1 presented to the Board and authorizes the Director of Property to execute the Lease; and, be  
2 it

3 FURTHER RESOLVED, That all actions heretofore taken by any employee or  
4 official of the City with respect to this Lease are hereby approved, confirmed and ratified; and,  
5 be it


6 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
7 Property to enter into any amendments or modifications to the Lease or Consent that the  
8 Director of Property determines, in consultation with the City Attorney, are in the best interest  
9 of the City, do not increase the rent or otherwise materially increase the obligations or  
10 liabilities of the City, are necessary or advisable to effectuate the purposes of the Lease and  
11 Consent and are in compliance with all applicable laws, including City's Charter.


12 \$2,898.00

13 Index Code: 385036

14  
15   
16 Controller

17 Recommended:

18  
19   
20 Chief of Police  
San Francisco Police Department

21  
22   
23 Director of Property

**Item 2**  
**File 11-1193**

**Department:**  
Police Department;  
Real Estate Division

## EXECUTIVE SUMMARY

### Legislative Objective

- The proposed resolution would approve a new three-year lease between the City and County of San Francisco, on behalf of the San Francisco Police Department (SFPD), as lessee, and Sixth Street Baldwin House, LLC, as lessor, for 1,932 square feet of ground floor office space at 72 Sixth Street to be used as a new Police Department Substation from June 1, 2012 through May 31, 2015, with three, two-year options to extend the proposed lease for a total maximum term of nine years, or through May 31, 2021.

### Key Points

- As part of the South of Market Redevelopment Project Area, the San Francisco Redevelopment Agency (SFRA) has focused on revitalizing the Sixth Street corridor by increasing the amount of businesses and affordable housing units in the area.
- In furthering the City's goals of community policing and to help revitalize the Sixth Street Corridor by providing a visual deterrent to crime, since 2009, the SFRA and the SFPD have been considering locating a Police Department Substation near Sixth Street.
- The initial rental rate to be paid by the SFPD to the Sixth Street Baldwin House, LLC of \$2,898 per month, or \$1.50 per square foot per month for the proposed 1,932 square feet of space, was determined to be the fair market value by the City's Real Estate Division based on comparable rents in the neighborhood.
- Under the proposed lease, after the first year, the rental rates would be subject to annual Consumer Price Index adjustments at no less than 1.5 percent and no more than 3 percent.

### Fiscal Analysis

- Under the proposed lease, SFPD would pay a first year rent of \$34,776 (\$2,898 per month x 12 months).
- Based on annual Consumer Price Index (CPI) increases of no less than 1.5 percent and no more than 3 percent, the rent under the proposed lease would cost up to \$107,489 for the three-year base lease and up to \$353,293 over the potential nine year term of the lease if all options are exercised.
- All rental expenditures would be subject to annual appropriation approval of the Board of Supervisors.
- While not part of the proposed resolution, the lessor, Sixth Street Baldwin House, LLC, would be granted a forgivable loan of up to \$500,000 from the SFRA. In consideration for forgiving the loan, the lessor would make the necessary renovations to the subject premises for the new Police Department Substation, estimated to cost up to \$500,000 as shown in Attachment II provided by Mr. Mike Grisso, Senior Project Manager for the SFRA. Therefore, the total estimated cost of the proposed new Police Department Substation for nine years would be up to \$853,293, including \$500,000 for renovations and \$353,293 for rent, based on an annual 3 percent CPI.
- Given that the proposed resolution would approve a new lease for a new SFPD Substation to be funded with General Fund revenues, the Budget and Legislative Analyst considers approval of the proposed resolution to be a policy decision for the Board of Supervisors.

### Recommendation

- Approval of the proposed resolution is a policy decision for the Board of Supervisors

**MANDATE STATEMENT / BACKGROUND****Mandate Statement**

In accordance with Section 23.27 of the City's Administrative Code, except for specified short-term leases, leases, in which the City is the lessee, are subject to Board of Supervisors approval.

**Background**

On June 11, 1990, the Board of Supervisors approved the South of Market Redevelopment Project Area<sup>1</sup> (Ordinance 234-90) to redevelop the South of Market neighborhood by repairing buildings damaged in the 1989 Loma Prieta Earthquake in order to create additional affordable housing units. Attachment I to this report is a map provided by Mr. Mike Grisso, Senior Project Manager for the SFRA, identifying the boundaries of the South of Market Redevelopment Project Area.

On December 6, 2005, the Board of Supervisors approved an ordinance (Ordinance 265-05) broadening the initial housing goals of the South of Market Redevelopment Project Area to include attracting more small businesses in order to revitalize the overall South of Market Redevelopment Project Area, and identifying the Sixth Street Corridor, from Market Street to Harrison Street, as an area that needed significant investment.

According to Mr. Grisso, since 2009, the SFPD and the SFRA have been working together to find a location for a SFPD Substation<sup>2</sup> to further the City's goals of community policing, and help efforts at revitalizing the South of Market Redevelopment Project Area by providing a visual deterrent to crime along the Sixth Street Corridor.

According to SFPD Deputy Chief Kevin Cashman, a SFPD Substation in the South of Market Redevelopment Project Area is intended to allow Police Officers working in the area on foot patrols or on bicycles, to use the Substation to check in and write reports, as opposed to returning to Southern Station at 850 Bryant Street in the Hall of Justice. As of the writing of this report, a staffing plan has not been finalized but, according to Deputy Chief Cashman, the SFPD Substation would consist of staff from the Southern Station and would require no additional personnel. In addition, with the Southern Station moving to a new Mission Bay Police Headquarters in 2014, Deputy Chief Cashman advises that the proposed Police Substation would allow Police Officers working in the South of Market Redevelopment Project Area to be closer to the community on a regular basis.

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<sup>1</sup> Originally titled The South of Market Earthquake Recovery Redevelopment Project Area.

<sup>2</sup> Currently, the City has ten District Police Stations throughout the City. In addition, the Police Department has two satellite facilities, one each in the Bayview and Ingleside Housing Projects, which are used for report writing, breaks, and occasionally for community events. The proposed SFPD Substation would be the first of its kind in the City.

## DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve a new three-year lease between the City and County of San Francisco, on behalf of the SFPD, as lessee, and Sixth Street Baldwin House, LLC, as lessor, for 1,932 square feet of ground floor office space at 72 Sixth Street to be used as a new Police Department Substation. The specific location of the proposed Substation is identified with an asterisk on Attachment 1. The term of the proposed lease is from June 1, 2012 through May 31, 2015, with three, two-year options to extend the proposed lease for a total maximum term of nine years, or through May 31, 2021.

Under the proposed lease, the initial rental rate, payable by the SFPD to Sixth Street Baldwin House, LLC, would be \$2,898 per month or \$1.50 per square foot per month for the 1,932 square feet of space, or \$34,776 (\$2,898 per month x 12 months) for the first year. Under the proposed lease, after the first year, the rental rate would be subject to annual Consumer Price Index adjustments of no less than 1.5 percent and no more than 3 percent.

The proposed lease stipulates that the lessor, Sixth Street Baldwin House, LLC, would be responsible for completing the necessary tenant improvements to transform the existing ground floor vacant storefront space into a Police Substation prior to the June 1, 2012 commencement of the lease. The improvements are described in Attachment II as provided by Asian Neighborhood Design, a non-profit agency. The total preliminary cost estimate for such improvements is \$495,000.

According to Mr. Grisso, while not directly part of the proposed lease or proposed resolution, in order to further the SFRA's goal of revitalizing the Sixth Street Corridor, within the South of Market Redevelopment Project Area, the lessor, Sixth Street Baldwin House, LLC, will be granted a forgivable loan<sup>3</sup> of up to \$500,000, from the SFRA to make the needed tenant improvements. Mr. Grisso advises that the lessor, SFRA and SFPD have already approved the design of the space and the lessor has solicited bids for the construction contract.

## FISCAL ANALYSIS

Approval of the proposed resolution would result in additional annual rent payable from General Fund revenues by the SFPD as lessee, to Sixth Street Baldwin House, LLC, as lessor, under the proposed new lease, totaling \$2,898 per month, or \$1.50 per square foot per month, or \$34,776 (\$2,898 per month x 12 months) for the first year of the proposed lease.

<sup>3</sup> According to Mr. Grisso, the SFRA commonly uses forgivable loans to rehabilitate privately owned ground-floor spaces on Sixth Street. Usually, there is a match required from the property owner (for example, the property owner invests \$1 for every \$1 invested by the SFRA) and the term of the loan is five years with 1/5th of the loan forgiven each year. However, Mr. Grisso advises that because the proposed Police Substation is considered a vital public improvement, the SFRA is not requiring a matching contribution from the lessor. According to Mr. Grisso, the loan funds would be paid by the SFRA to the lessor as reimbursements based on invoices that the lessor submits to the SFRA and based on the lessor's payments to their selected construction contractor. In addition, Mr. Grisso advises that the SFRA would monitor the construction to ensure that the work is completed according to the specified plans. The term of the up to \$500,000 forgivable loan would match the up to nine-year term of the proposed lease (including the three two-year extensions), such that 1/9<sup>th</sup> of the loan would be forgiven each year. If the property owner sells the building before the entire loan is forgiven, the property owner would be required to repay the balance of the loan to the SFRA.

As shown in the Table below, the annual rental rate over the term of the lease, based on the Consumer Price Index (CPI) increases, would range from \$34,776 in the first year to up to \$44,053 in the ninth year of the lease. The proposed lease would cost up to \$107,489 for the three-year base lease, or a maximum total cost of \$353,293 over the potential nine year term of the lease based on a CPI adjustment of 3 percent per year.

<b>Table: Estimated Annual Rent For 1,932 Square Feet During the Initial Three Year Term and Potential Nine Year Term of Lease</b>		
	<b>Annual Rent Based on:</b>	
	<b>1.5 Percent Annual Increase</b>	<b>3 Percent Annual Increase</b>
Year 1	\$34,776	\$34,776
Year 2	35,298	35,819
Year 3	35,827	36,894
<b>Subtotal</b>	<b>\$105,901</b>	<b>\$107,489</b>
Year 4	36,365	38,001
Year 5	36,910	39,141
Year 6	37,464	40,315
Year 7	38,026	41,524
Year 8	38,596	42,770
Year 9	39,175	44,053
<b>Total</b>	<b>\$332,437</b>	<b>\$353,293</b>

As explained in a memorandum from Mr. Grisso, (see attachment II to this report), the SFRA has allocated \$500,000 for the tenant improvements needed to renovate 72 Sixth Street for the SFPD Substation. Such SFRA funds have been previously appropriated by the Board of Supervisors in the SFRA's FY 2011-2012 budget for the South of Market Redevelopment Project Area.

According to Ms. Marta Bayol, Senior Real Property Manager for the Real Estate Division, the proposed rent was determined to be the fair market value based on comparable rents in the neighborhood. According to Ms. Bayol, the proposed lease would be funded from General Fund monies as part of the SFPD's annual budget appropriation. All rental expenditures would be subject to annual appropriation approval by the Board of Supervisors.

The Budget and Legislative Analyst notes that the total estimated cost of the proposed new lease, including the one-time cost to renovate the space for a new SFPD Substation, is up to \$853,293, including \$500,000 for renovations plus \$353,293 (see Table above) for rent, based on an annual 3 percent CPI increase over the up to nine year lease term.


Given that the proposed resolution would approve a new lease for a new SFPD Substation, to be funded with General Fund revenues, the Budget and Legislative Analyst considers approval of the proposed resolution to be a policy decision for the Board of Supervisors.

**RECOMMENDATION**

Approval of the proposed resolution is a policy decision for the Board of Supervisors.

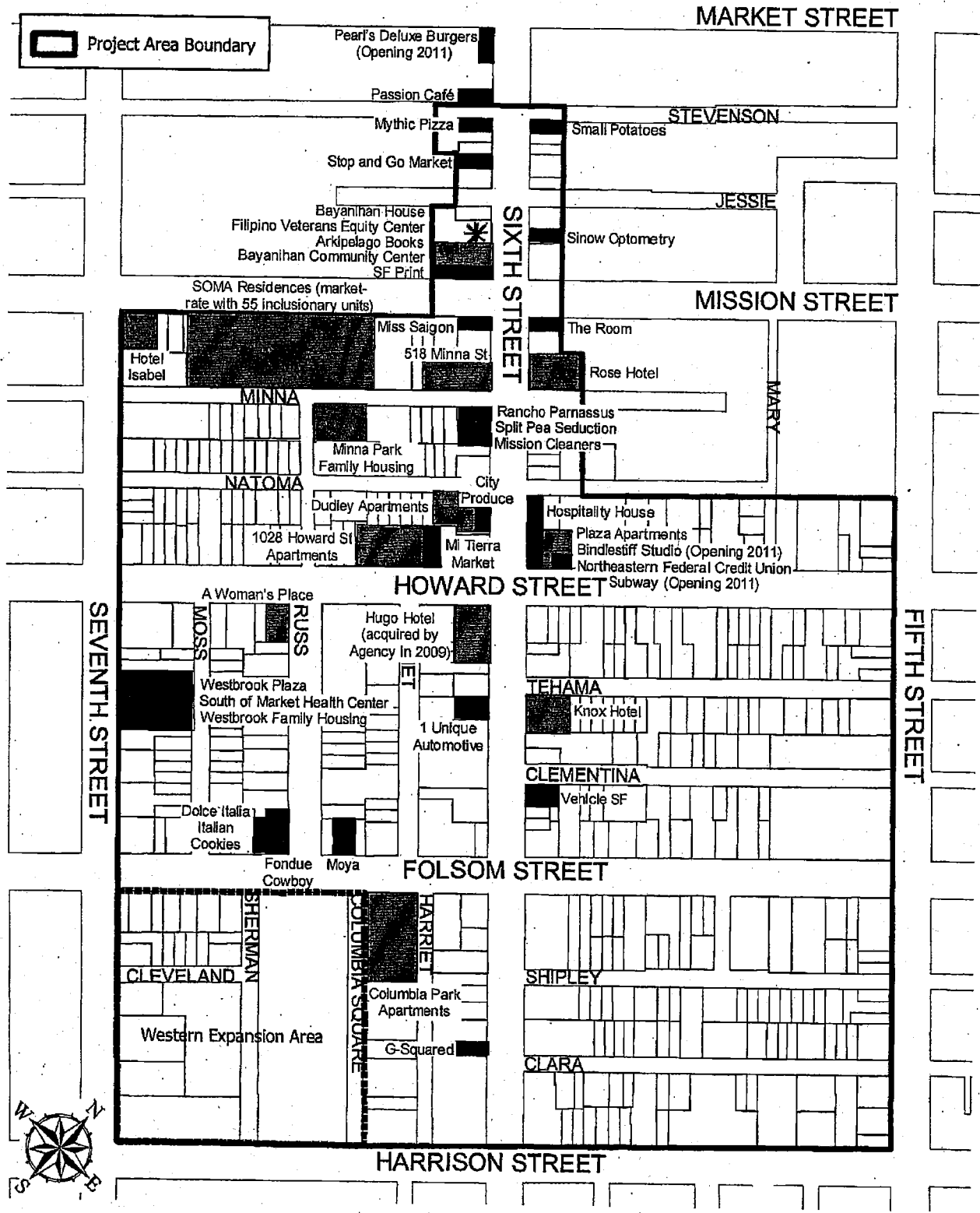


# South of Market Redevelopment Project Area Affordable Housing and Economic/Community Development Projects

 Affordable Housing Projects:  
New Construction/Significant Rehabs

 Economic/Community Dev Projects:  
New Businesses/Community Centers

 Project Area Boundary



San Francisco  
Redevelopment Agency

One South Van Ness Avenue  
San Francisco, CA 94103

415.749.2400



EDWIN M. LEE, Mayor

Rick Swig, President  
Darshan Singh, Vice President  
Rosario M. Anaya  
Miguel M. Bustos  
Francee Covington  
Leroy King  
Agnes Briones Ubalde

Tiffany Bohee, Interim Executive Director

MEMORANDUM

TO: James Baird, Budget and Legislative Analyst's Office  
FROM: Mike Grisso, Senior Project Manager  
RE: Forgivable loan for the construction of the Sixth Street SFPD Substation  
DATE: 11/17/11

The purpose of the memorandum is to respond to the Budget and Legislative Analyst's Office request for more information about the San Francisco Redevelopment Agency's ("Agency") forgivable loan program in the South of Market Redevelopment Project Area ("Project Area").

The Agency has been providing forgivable loans to property and business owners in the Project Area as part of its Sixth Street Economic Revitalization Program since 2003, with a focus on Sixth Street between Market and Harrison Streets. The loans are available only for actual construction costs for façade and/or tenant improvements to ground-floor retail spaces on Sixth Street and are completely forgiven over the term of the loan, which can be between 5 and 15 years depending on the type of property, unless the business is sold or transferred before the loan is forgiven, in which case the borrower must repay the remaining balance to the Agency. The borrowers are typically business owners of either new or existing businesses on Sixth Street. For example, the owner of the new Pearl's Deluxe Burgers on Sixth and Market Streets received a \$400,000 forgivable loan in 2010 with a term of five years. At the end of the five year period, the loan is completely forgiven. In this case, the formula calls for 4/5<sup>th</sup> of the loan amount to be forgiven in Year 4 and the remainder to be forgiven in Year 5. If the owner were to sell the business before the end of the five years, she would be responsible for repaying the balance. The Sixth Street Economic Revitalization Program has been responsible for attracting more than 25 new businesses to the Sixth Street neighborhood since 2003.

In the case of the Sixth Street Police Substation, instead of a business owner, the tenant will be the San Francisco Police Department (SFPD). SFPD will provide all of the furniture and equipment for the substation, but the Agency is fully funding the construction cost of the façade and tenant improvements. Because SFPD is not contributing to the cost of construction, the forgivable loan will be provided to the property owner. The Agency's forgivable loans typically have a matching requirement. For example, Pearl's Deluxe Burgers was required to invest \$200,000 (or \$1 for every \$2 invested by the Agency) in order to receive a forgivable loan of

\$400,000. In the case of the substation, SFPD will not be required to provide a match. Because the property owner is charging a very affordable rent, only \$1.50 per square foot, and is effectively forgoing any opportunity to attract a more profitable use to the space for at least the term of the lease, the property owner will also not be required to provide a match. The substation is a high priority project for the Agency and there are no other available spaces on Sixth Street that would be suitable for this use. The Agency has fully funded the cost of other façade and tenant improvement projects on Sixth Street. For example, the \$400,000 construction cost of Bindlestiff Studio, a performing arts space on the ground floor and in the basement of the Plaza Apartments at Sixth and Howard Streets, was fully funded by the Agency.

The forgivable loan to the property owner for the construction of the substation will be treated the same as other forgivable loans that the Agency has provided to property and business owners on Sixth Street. Agency staff will be proposing a term of 9 years for the forgivable loan, which matches the maximum term of the lease between SFPD and the property owner. As currently proposed, the loan amount would be forgiven at a rate of 1/9<sup>th</sup> per year. Like all of the Agency's forgivable loans on Sixth Street, the loan will not be disbursed in a lump sum but rather will be provided to the property owner as a reimbursement for actual construction costs based on invoices received from the contractor. The standard process, described in the loan agreement, is that each invoice from the contractor is paid by the property owner and then submitted to the Agency for reimbursement. All of these terms are subject to review and approval by the San Francisco Redevelopment Agency Commission.

The Agency has allocated \$500,000 in its Fiscal Year 2011-12 Budget to fund the cost of constructing the façade and tenant improvements for the substation, based on a preliminary cost estimate from Asian Neighborhood Design (AND), which is attached to this memorandum. AND is a local nonprofit under contract with the Agency to provide architectural design services to all new businesses on Sixth Street and AND completed the designs for the substation. Both SFPD and the property owner have approved the plans. The construction manager for the project, who is working closely with both the property owner and the Agency, is another local nonprofit, Urban Solutions, which is under contract with the Agency to help attract businesses to Sixth Street and provide technical assistance to both new and existing businesses in the neighborhood. Urban Solutions issued a public Request for Bids in late October 2011 for a construction contractor for the substation and responses are due in December 2011. Once a final bid has been selected by the Agency and the property owner, Agency staff will prepare the loan agreement for consideration by the Agency Commission. The loan agreement will include the actual amount of the contractor's final bid, which will be the maximum forgivable loan amount.

The Sixth Street Substation is a vital public improvement that will greatly assist the Agency's efforts to revitalize Sixth Street. Building a "satellite police station" is a primary goal of the South of Market Redevelopment Plan adopted by the Board of Supervisors and the substation is strongly supported by businesses and residents in the Project Area.

Attachment

## Asian Neighborhood Design

November 17, 2011

Michael J. Grisso  
Senior Project Manager  
San Francisco Redevelopment Agency  
1 South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103

1245 Howard Street,  
San Francisco, CA 94103  
(415) 575-0423, Fax (415)-575-0424

TDD: California Relay Service  
800.735.2922

[www.andnet.org](http://www.andnet.org)

RE: South of Market- SF Police Sub-Station

Dear Mike,

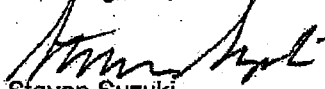
Per your request, the following is AND's estimate of the hard-construction cost for the Tenant Improvements on the above referenced project: The scope of work for the Tenant Improvements includes the following:

1. Bullet resistant panels installed at the following areas of the proposed space:
  - a. Basement Ceiling below
  - b. Ground Floor Ceiling
  - c. Wall adjacent to Residential Lobby/Spaces
2. Bullet-resistant glazing at the Storefront
3. Bullet-resistant glazing at the secondary storefront & bullet-resistant doors
4. New Offices and Conference Room
5. Men's and Women's Restrooms/Showers and Locker Rooms
6. Security System
7. New Mechanical, Plumbing and Electrical Systems
8. Structural reinforcement above the women's locker room for mechanical systems, at the roof for the chiller, closing off the stairwell to basement, at the existing lightwells, and at the floor assemblies for bullet-proofing materials.
9. Restoring the existing fire-damaged masonry
10. Hazardous-Materials involved demo work

Asian Neighborhood Design's preliminary construction cost estimate for the above Tenant Improvements will be \$495,000. The cost estimate does not include architectural/engineering soft costs.

If there are any questions please contact Frank Ahn Baumgartner, Intermediate Project Coordinator, at 415-575-0423 x 207.

Best Regards,



Steven Suzuki,  
Executive Director



# SAN FRANCISCO PLANNING DEPARTMENT

## General Plan Referral

RECEIVED

SEP 28 2011

REAL ESTATE DIV.

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
415.558.6378

Fax:  
415.558.6409

Planning  
Information:  
415.558.6377

Date: 9/23/2011  
Case No. Case No. 2011.0771R  
Lease of 72 6<sup>th</sup> Street for San Francisco Police Dept

Block/Lot No.: AB 3703/028  
Project Sponsor: John Updike, Acting Director  
San Francisco Real Estate Department  
25 Van Ness Ave. Suite 400  
San Francisco, CA 94102

Applicant: Same as Above

Staff Contact: Aksel Olsen – (415) 558-6616  
[aksel.olsen@sfgov.org](mailto:aksel.olsen@sfgov.org)

Recommendation: Finding the project, on balance, is in conformity with  
the General Plan

Recommended  
By:   
John Rahnaim, Director of Planning

### PROJECT DESCRIPTION

The project is the lease of a property, the ground floor of 72 6th Street to the San Francisco Police Department for use as an office and substation. It would maintain a clean, transparent and active storefront that would be accessible to the public. The property is zoned NC-T.

The submittal is for a General Plan Referral to recommend whether the Project is in conformity with the General Plan, pursuant to Section 4.105 of the Charter, and Section 2A.53 of the Administrative Code.

### SITE DESCRIPTION AND PRESENT USE

The site is in the South of Market district and a part of the East Soma Area Plan. The zoning is NC-T, which allows for convenience shopping and eating and drinking uses. Active, neighborhood-serving commercial development is required at the ground story.

## ENVIRONMENTAL REVIEW

The Environmental Planning section of the Planning Department has determined that the Project is Categorically Exempt from Environmental Review under CEQA Guidelines Section 15378, pertaining to this project's lease agreement nature.

## GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

The project is consistent with the following objectives and policies in the General Plan:

### CASE REPORT SUMMARY

#### COMMUNITY FACILITIES ELEMENT

The effectiveness of police service is enhanced when provided on a neighborhood level. ... In an effort to strengthen rapport and cooperation between the police and community, citizens and officers alike have sought means for reestablishing police/community relations. The decentralization of police services through district stations is viewed as an effective means for developing and maintaining police community ties.

#### OBJECTIVE 1

**DISTRIBUTE, LOCATE, AND DESIGN POLICE FACILITIES IN A MANNER THAT WILL ENHANCE THE EFFECTIVE, EFFICIENT AND RESPONSIVE PERFORMANCE OF POLICE FUNCTIONS. ASSURE THAT INSTITUTIONAL USES ARE LOCATED IN A MANNER THAT WILL ENHANCE THEIR EFFICIENT AND EFFECTIVE USE.**

In order to provide responsive police service, the organization of police operations should meet two basic concerns: police service on a neighborhood level, and overall citywide coordination of police activities.

#### POLICY 1.2

Provide the number of district stations that balance service effectiveness with community desires for neighborhood police facilities.

#### POLICY 1.3

Enhance closer police/community interaction through the decentralization of police services that need not be centralized.

#### POLICY 1.4

Distribute, locate, and design police support facilities so as to maximize their effectiveness, use, and accessibility for police personnel.

**OBJECTIVE 2**

**LOCATE AND DESIGN FACILITIES IN A MANNER THAT ENCOURAGES CONSTRUCTIVE POLICE/NEIGHBORHOOD INTERACTION.**

**POLICY 2.3**

Design police facilities to maximize opportunities for promoting community/police relations through dual use of facilities.

*This referral is a bit unusual in that it pertains to a public lease of a private property and is thus subject to the rules and regulations set forth in the San Francisco Planning Code as they pertain to uses. The use as a police station would fall under the heading of Planning Code §790.80 Public Use.*

*As far as the general plan is concerned, the applicable section is the Community Facilities Element, quoted, which favors a geographically distributed approach of policing with a view towards better serving the city's communities. The location is deemed to further this goal.*

**PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1**

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project, the sale of two neighboring properties, is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

**Eight Priority Policies Findings**

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

The proposed project is found to be consistent with the eight priority policies of Planning Code Section 101.1 in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

*The Project would have no adverse effect on neighborhood serving retail uses or opportunities for employment in or ownership of such businesses.*

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

*The Project would have no adverse effect on the City's housing stock or on neighborhood character. The existing housing and neighborhood character will be not be negatively affected*

3. That the City's supply of affordable housing be preserved and enhanced.  
*The Project would have no adverse effect on the City's supply of affordable housing.*

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

*The Project would not result in commuter traffic impeding MUNI's transit service, overburdening the streets or altering current neighborhood parking.*

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced.

*The Project would not significantly affect the existing economic base in this area.*

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

*The Project would not adversely affect achieving the greatest possible preparedness against injury and loss of life in an earthquake.*

7. That landmarks and historic buildings be preserved.

*The project would not result in the demolition of historic buildings.*

8. That our parks and open space and their access to sunlight and vistas be protected from development.

*The Project would have no adverse effect on parks and open space or their access to sunlight and vista.*

<b>RECOMMENDATION:</b>	<b>Finding the Project, on balance, in-conformity with the General Plan</b>
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\*\*Complete copy of document  
located in File No. 111193

OFFICE LEASE

between

Sixth Street Baldwin House, LLC,  
as Landlord

and

CITY AND COUNTY OF SAN FRANCISCO,  
as Tenant

Sixth Street Substation - 72 Sixth Street, San Francisco, California

August 15, 2011

**FORM SFEC-126:**  
**NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
<b>Contractor Information</b> <i>(Please print clearly.)</i>	
Name of contractor: SIXTH STREET BALDWIN HOUSE, LLC	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Shailendra Devdhara, Managing Member – 100% ownership interest	
Contractor address: 1761 University Avenue - Berkeley, CA 94703	
Date that contract was approved: <i>Subject to Board of Supervisors' and Mayor's approval</i>	Amount of contract: \$104,328 over a 3 year term
Describe the nature of the contract that was approved: Lease	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors  
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

<b>Filer Information</b> <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

\_\_\_\_\_  
Signature of City Elective Officer (if submitted by City elective officer)

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

\_\_\_\_\_  
Date Signed