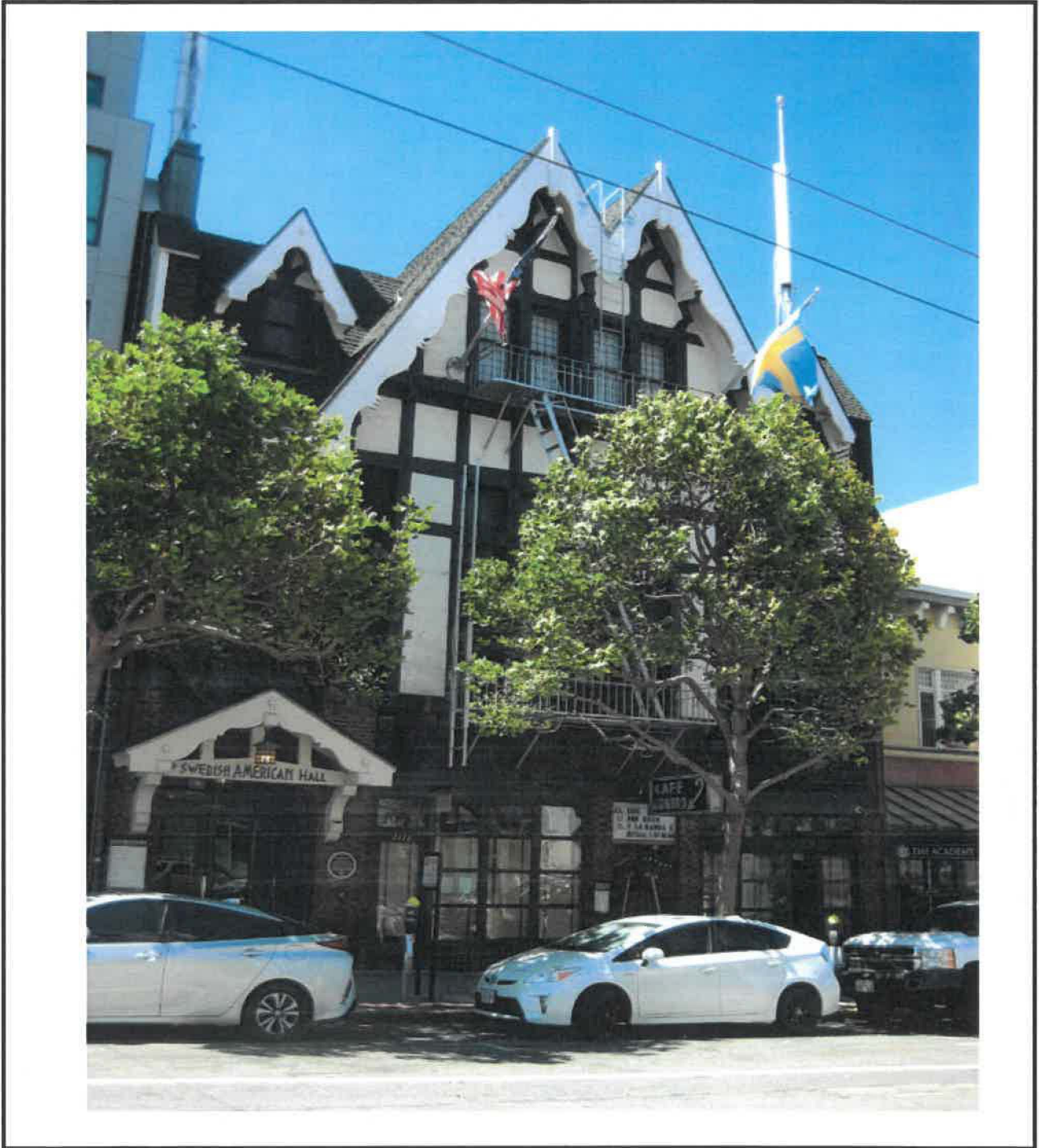




**Office of the Assessor / Recorder - City and County of San Francisco  
Mills Act Valuation**



**Swedish American Hall  
2168-2174 Market Street**

**OFFICE OF THE ASSESSOR-RECORDER - CITY & COUNTY OF SAN FRANCISCO  
MILLS ACT VALUATION**

<b>APN:</b>	3542 062	<b>Lien Date:</b>	1/1/2019
<b>Address:</b>	2168 Market Street	<b>Value Date:</b>	7/1/2019
<b>SF Landmark No.:</b>	#267	<b>Application Date:</b>	4/24/2019
<b>Applicant's Name:</b>	Swedish Society of San Francisco	<b>Valuation Term</b>	12 months
<b>Agt./Tax Rep./Atty:</b>	No	<b>Last Sale Date:</b>	Built for the Swedish Society in 1907
<b>Fee Appraisal Provided:</b>	No	<b>Last Sale Price:</b>	N/A

FACTORED BASE YEAR (Roll) VALUE		INCOME CAPITALIZATION APPROACH		SALES COMPARISON APPROACH	
Land	\$114,452	Land	\$2,418,000	Land	\$4,110,000
Imps.	\$569,766	Imps.	\$1,612,000	Imps.	\$2,740,000
Personal Prop	\$0	Personal Prop	\$0	Personal Prop	\$0
<b>Total</b>	<b>\$684,218</b>	<b>Total</b>	<b>\$4,030,000</b>	<b>Total</b>	<b>\$ 6,850,000</b>

**Property Description**

<b>Property Type:</b>	Commercial	<b>Year Built:</b>	1907	<b>Neighborhood:</b>	Duboce Triangle
<b>Type of Use:</b>	Commercial	<b>(Total) Rentable Area:</b>	17132	<b>Land Area:</b>	5,153
<b>Owner-Occupied:</b>	No	<b>Stories:</b>	3+ Basement	<b>Zoning:</b>	Upper Market NCT
<b>Unit Types:</b>	Retail/Office	<b>Parking Spaces:</b>	0		

**Total No. of Units:** 3

**Special Conditions (Where Applicable)**

**Conclusions and Recommendations**

	Per Unit	Per SF	Total
Factored Base Year Roll	\$ 228,073	\$ 40	\$ 684,218
Income Approach - Direct Capitalization	\$ 1,343,333	\$ 235	\$ 4,030,000
Sales Comparison Approach	\$ 2,283,333	\$ 400	\$ 6,850,000
<b>Recommended Value Estimate</b>	<b>\$ 228,073</b>	<b>\$ 40</b>	<b>\$ 684,218</b>

**Appraiser:** Anne Ferrel

**Principal Appraiser:** Rob Spencer

**Hearing Date:**

**SUBJECT PHOTOGRAPHS, ASSESSOR'S BLOCK MAP AND LOCATION MAP**

Address: 2168-2174 Market Street  
 APN: 3542 062



Subject 2168-2174 Market Street



Street Scene - Market Street between Church and Sanchez



2168 Market Street - Basement Level Café du Nord



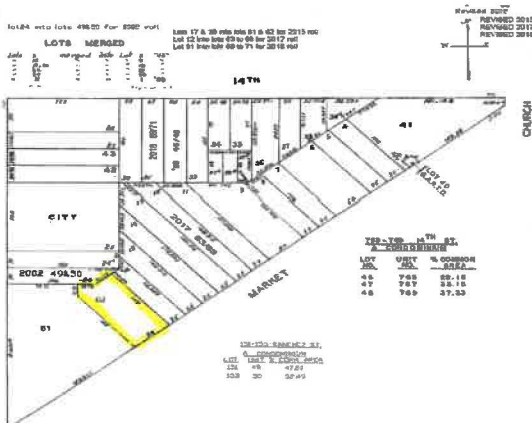
2170 Market Street - Street Level Restaurant "The Wooden Spoon"



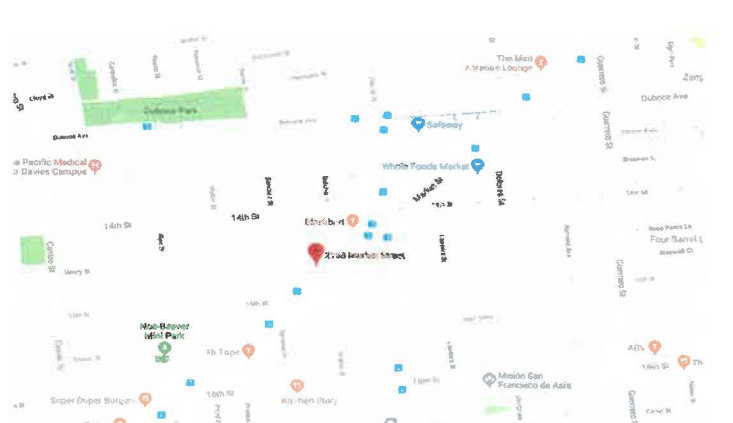
2174 Market Street - 2nd Level Event Space



2174 Market Street - 3rd Level Swedish Society Meeting Rooms



Assessor Recorder Parcel Map



Location Map

**INCOME APPROACH**

Address: 2168 Market Street  
Date of Value: 7/1/2019

	Sq. Ft.		Annual Rent/SF		Totals
<b>Potential Gross Income</b>					
Retail					
Basement Level Retail	5,222	x	\$25.00	MG	\$130,550
1st Floor Retail	5,087	x	\$30.00	MG	\$152,610
2nd Floor Retail	5,203	x	\$25.00	MG	\$130,075
<b>Subtotal Retail</b>	<b>15,512</b>		<b>\$27.00</b>	<b>Avg</b>	<b>\$413,235</b>
Office					
3rd Floor Office	1,620	x	\$25.00	MG	\$40,500
	1620		\$25.00		
<b>Total Potential Income/Square Feet</b>	<b>17,132</b>		<b>\$28.48</b>		<b>\$453,735</b>
Less: Vacancy & Collection Loss					
Retail	\$413,235	@	5%		\$20,662
Office	\$40,500	@	5%		\$2,025
<b>Total</b>					<b>\$22,687</b>
<b>Effective Gross Income</b>					<b>\$431,048</b>
Other Income					
Cell Antenna					\$47,222
<b>Effective Gross Income</b>					<b>\$478,270</b>
Less: Anticipated Operating Expenses (Pre-Property Tax)*			15% of EGI		\$71,741
<b>Net Operating Income (Pre-Property Tax)</b>					<b>\$359,308</b>
					\$20.07
<b>Restricted Capitalization Rate</b>					
2019 interest rate per State Board of Equalization					4.7500%
Risk rate (4% owner occupied / 2% all other property types)					2.0000%
2018 property tax rate **					1.1630%
Amortization rate for improvements only					
Remaining economic life (in years)	40		0.0250		1.0000%
Improvements constitute % of total property value			40%		8.9130%

**RESTRICTED VALUE ESTIMATE**

\$4,030,000

**Rent Roll as of Calendar year 2019**

Unit	Tenant	SF Per DBI Floorplans	Moved In	Renewal Date	Monthly Contract Rent	Annual Rent	Annual Rent / Foot
2168-2170-2174 Market	Upper Market Vikings	17,132	Feb-08	01/2014 Amendment	\$22,575	\$270,900	\$15.81
Cell Tower	AT&T - New Cingular Wireless	111sf equipment space + airspace not to exceed ceiling height of room. 248sf of antenna space on structure's roof and/or facade.	Jun-99	09/2017 Amendment	\$3,935	\$47,222	
<b>Total Income from Leases</b>					<b>\$26,510</b>	<b>\$318,122</b>	

NOTE: Reference Section 24.3 of the lease, 3rd floor Swedish American Archives and/or Board Room can be used by the Lessee for "Events".

**Additional Income as of Calendar year 2018**

Category	Description	SF	Notes	Amount
Rental	Swedish American Society - 2 Upper Rooms (Archives and Board Room)	1,620	No historical income data obtained for the rental of 2 rooms on the 3rd floor that the Swedish Society maintains for its personal use and rents out occasionally.	\$6,775
Other Income	Concert and film sponsored by the Swedish American Hall		1) \$180 for tickets sold for Neumann concert + \$1000 donation to defray the cost of the concert. 2) \$200 for 3 viewings of films sponsored by the Swedish Society and Young Scandinavians.	\$1,480
<b>Total Additional Income</b>				<b>\$8,255</b>

Notes:  
Annual Operating Expenses includes water service, refuse collection, insurance, and common maintenance. Assumes payment of PG&E by lessee.  
Based on 2018 actuals, income to expense ratio = 12.5%  
The 2019 property tax rate will be determined in September 2019

**Actual Income and Expense Information - Swedish American Hall**

**Rental Income Information**

Amounts listed are calendar year 2018 actual, considered typical. Mortgage debt service (substantial) is excluded.

Item	Amount
<b>Income</b>	
Lease	\$ 317,372
Rental	\$ 6,775
Other Income	\$ 1,480
<b>Expenses</b>	
Advertising	\$ 180
Cleaning & Maintenance	\$ 999
Events Expense	\$ 6,996
Fees	\$ 555
Insurance	\$ 22,504
Professional Services	\$ 4,780
Repairs	\$ 1,256
Supplies	\$ 2,603
Other	\$ 825
Taxes	
Federal	\$ 16,500
Property	\$ 10,108
State	\$ 7,000

Summary of Subject and Comparable Retail Leases												
Address:		2168-2174 Market Street										
APN:		3542 062										
Value Date:		7/1/2019										
No.	Block/Lot	Address	Tenant	Floor	Lease Signed	Lease Start	Term - Mo's	NRA	Starting Rent	Lease Type	Expense Terms	Escalations/Comments
<b>Subject Property Retail Leases</b>												
<b>Lease #1</b>												
Subj.	3542 062	2168 Market Street	United Market Vikings - The Wooden Spoon	1	1/1/2014	1/1/2014	360	5,087		A	MG	Rental of 2168, 2170 and 2174 Market Street to United Market Vikings are all under 1 lease agreement. Lease amended 01/01/14: Pre-Reno rent on 01/01/2014 was \$14,500/mo. Post Reno rent as of 02/01/2017: \$21,500/month + CPI adjustments every 2 years not to exceed 5%. Tenant to pay utilities, pro-rata share of increase in prop taxes, on-going repair and maintenance costs and CAM.
Subj.	3542 062	2170 Market Street	United Market Vikings - Café Du Nord	Bsmt	1/1/2014	1/1/2014	360	5,222		A	MG	
Subj.	3542 062	2174 Market Street	United Market Vikings - Event Space (5203sf) Meeting Rooms (1620sf)	2nd-3rd	1/1/2014	1/1/2014	360	6,823		A	MG	
								17,132	\$15.06			
<b>Lease #2</b>												
Subj.	3542 062	2174 Market Street	AT&T - New Cingular Wireless PCS, LLC	3rd Floor Equipment Room and Rooftop	9/22/2017	9/22/2017	38	359sf	\$10.43	A		Structure License Agreement for cellular antennas. Lease amendment beginning 09/22/2017: \$3745/mo with 2.5% annual increases. Licensee to repair and maintain equipment, pay all utility charges for gas and electric that they incur and pay the property taxes attributable to their leasehold improvements on the premises.
<b>Comparable Retail Rents (Sorted by Property Type)</b>												
1	0311 013	57 Post Street	Dada Bar	1	2/2/2016	8/23/2016	32	6,026	\$30.61	N	MG	GF 3014sf. Mezz 1350sf and Lower lvl 1682sf. 3% ann inc. Tenant to pay CAM and tax inc over BY. Tenant to pay all utilities and janitorial, rent abated until TI complete
2	0619 149	1810 Van Ness	Tokyo International Bar/Lounge		Unk	02/01/16	60	2,583	\$36.00	Unk	NNN	3% annual increases
3	3615 010	1096 South Van Ness	Urban Put/Restaurant		11/1/2012	Unk	120	6,745	\$22.24	Unk	IG	Lease includes use of ~3150sf bsmt space. Tenant pays owner for utilities and R&M. Landlord installed elevator @ \$20,000
4	0287 020	447 Bush Street	Event Space/Office Seminars: San Francisco Empowerment Center	1	6/11/2016	7/1/2016	30	2,000	\$24.30	R	NNN	Renewal, 1 scheduled increase 01/01/2018 to \$4150/month
<b>Average</b>									<b>\$28.29</b>			

All retail leases are triple net (NNN), unless otherwise indicated in the comments section.  
 Lease Type: N = New Lease, R = Renewal, A = Amendment to Lease, E = Expansion of Space, S = Sublease  
 Lease Structure: FSG - full service gross lease MG - modified gross lease IG - industrial gross lease NNN - triple net or net lease

Low: \$22.24  
 High: \$36.00  
 Average: \$28.29

**Summary of Comparable Office Leases**

**Address:** 2168-2174 Market Street  
**APN:** 3542 062  
**Value Date:** 7/1/2019

No.	Block/Lot	Address	Tenant	Floor	Lease Signed	Lease Start	Term - Mo's	NRA	Starting Rent	Lease Type	Expense Terms	Escalations/Comments
<b>Subject Property Retail Leases</b>												
<b>Lease #1</b>												
Subj.	3542 062	2168 Market Street	United Market Vikings - The Wooden Spoon	1	1/1/2014	1/1/2014	360	5,087		A	MG	Rental of 2168, 2170 and 2174 Market Street to United Market Vikings are all under 1 lease agreement. Lease amended 01/01/14: Pre-Reno rent on 01/01/2014 was \$14,500/mo. Post Reno rent as of 02/01/2017: \$21,500/month + CPI adjustments every 2 years not to exceed 5%. Tenant to pay utilities, pro-rata share of increase in prop taxes, on-going repair and maintenance costs and CAM.
Subj.	3542 062	2170 Market Street	United Market Vikings - Café Du Nord	Bsmt	1/1/2014	1/1/2014	360	5,222		A	MG	
Subj.	3542 062	2174 Market Street	United Market Vikings - Event Space (5203sf) Meeting Rooms (1620sf)	2nd-3rd	1/1/2014	1/1/2014	360	6,823		A	MG	
								17,132	\$15.06			
<b>Lease #2</b>												
Subj.	3542 062	2174 Market Street	AT&T - New Cingular Wireless	3rd Floor Equipment Room and Rooftop	9/22/2017	9/22/2017	38	359sf	\$10.43	A		Structure License Agreement for cellular antennas. Lease amendment beginning 09/22/2017: \$3745/mo with 2.5% annual increases. Licensee to repair and maintain equipment, pay all utility charges for gas and electric that they incur and pay the property taxes attributable to their leasehold improvements on the premises.
<b>Comparable Office Rents (Sorted by Property Type)</b>												
1	0163 009	1155 Mission	Cybernet Entertainment (Tech Office)	3-Jan	2/1/2018	3/1/2018	119	15,678	\$30.61	N	NNN	Flat rent for first 5 years at \$40,000/month, after which rent increases to \$44000 per mnth. Tenant bears all costs on a net basis.
2	0715 014	1000 Van Ness Avenue	Inifinite Returns	1	03/31/16		60	9,400	\$30.50	N	MG	No annual increases. Utilites to be paid by tenant. No CAM charges
3	0715 014	1000 Van Ness Avenue	Happy Inspector, Inc	1	7/11/2016	7/11/2016	24	4,840	\$20.50	N	MG	
4	3560 013	2282 Market	Zephyr Real Estate	2	2/28/2014	11/11/2014	120	10,772	\$22.28	N	NNN	3% annual increases. Two 5 year options @ 95% of FMR but no less than preceeding year. 8 roof top parking spaces.
<b>Average</b>									<b>\$25.97</b>			

All retail leases are triple net (NNN), unless otherwise indicated in the comments section.  
 Lease Type: N = New Lease, R = Renewal, A = Amendment to Lease, E = Expansion of Space, S = Sublease  
 Lease Structure: FSG - full service gross lease MG - modified gross lease IG - Industrial gross lease NNN - triple net or net lease

Low: \$20.50  
 High: \$30.61  
 Average: \$25.97

5

**SALES COMPARISON ANALYSIS**

ADDRESS	Sales Price \$ PER SQ.FT.	MARKET CONDITIONS	NEIGHBORHOOD	LOT SIZE	YEAR BUILT	SQUARE FEET	CONDITION	OVERALL ADJUSTMENT	ADJUSTED SALE PRICE
<b>Subj.</b> APN 2168 Market Street 3542 062			Duboce Triangle	5,153	1907	17,132	Average		
1 1081 Post Street 0693 016 (Office)	6/4/2019 \$3,497,000 \$383	Similar	Downtown 20%	2,352	1988 -10%	9,120 -7%	Good -15%	-12%	\$337
2 170 Valencia 3502 013 Specialty Property - House of Worship)	12/31/2018 \$9,600,000 \$413	Similar	Mission Dolores	8,245	1931	23,270 5%	Average	5%	\$433
3 240 Page 0839 032 (Specialty Property - House of Worship)	5/6/2019 \$2,780,000 \$506	Similar	Hayes Valley	3,920	1909	5,495 -15%	Average	-15%	\$430
4 1155 Mission 3727 102 (Office)	1/31/2018 \$9,500,000 \$606	Similar	Inner Mission -10%	4,792	1914	15,678	Good -15%	-25%	\$454
5 165 Page 0853 015 (Office)	5/7/2019 \$4,400,000 \$800.00	Similar	Hayes Valley	5,663	1984 -10%	5,500 -15%	Average	-25%	\$600

<b>RANGE OF VALUES</b>	\$337	to	\$600
	Average		\$451
	Median		\$433
Reconcile to the low end of the range of \$/sf			
			\$400
<b>ESTIMATED MARKET VALUE</b>	<b>\$6,850,000</b>		

**ADJUSTMENTS:**

Market Conditions           None  
 Location                       None  
 Lot Size                        None  
 Year Built                    10% for 1980's construction  
 Neighborhood:           20% for Downtown vs Duboce Triangle; -10% for Inner Mission vs Duboce Triangle  
 Square Feet                 5-15%  
 Condition                    15% Good vs Average