

1 [Lease of Real Property at 1700-1740 17<sup>th</sup> Street and 1415 16<sup>th</sup> Street, San Francisco]

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3 **Resolution authorizing the lease of property, with a first right of refusal to purchase,**  
4 **comprising approximately 52,125 square feet of improvements upon a lot area of**  
5 **62,373 square feet, located at 1700-1740 17<sup>th</sup> Street and 1415 16<sup>th</sup> Street (Assessor's**  
6 **Block 3955, Lot 002) in San Francisco for the San Francisco Police Department.**  
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8 WHEREAS, the San Francisco Police Department is a law enforcement agency  
9 committed to the protection of life and property and the prevention of crime; and,

10 WHEREAS, the San Francisco Police Department's Tactical Company are the first  
11 responders to critical incidents in the City; and,

12 WHEREAS, the Tactical Company is currently located at Hunter's Point Shipyard and  
13 must relocate to accommodate pending redevelopment; and

14 WHEREAS, the Real Estate Division has negotiated a lease (the "**Lease**") with 1415  
15 16<sup>th</sup> Street Associates, LLC ("**Landlord**"), as landlord, for the lease by City, as tenant, of  
16 52,125 rentable square feet at 1700-1740 17<sup>th</sup> Street and 1415 16<sup>th</sup> Street (the "**Premises**")  
17 that satisfies the requirements of the San Francisco Police Department's Tactical Company;  
18 and

19 WHEREAS, the Lease provides for the City's first right of refusal to purchase the  
20 building in which the Premises are located; and,

21 WHEREAS, the term of the Lease shall be ten years with an estimated commencement  
22 date of October 15, 2008; and,

23 WHEREAS, the monthly base rent of the Lease shall be \$143,344 per month and such  
24 rent shall escalate to \$146,602 per month in Year 2, \$149,859 per month in Year 3, \$154,117  
25 per month in Year 4, \$156,375 per month in Year 5, \$159,633 per month in Year 6, \$162,891

1 per month in Year 7, \$166,148 per month in Year 8, \$169,406 per month in Year 9 and  
2 \$172,664 per month in Year 10; and,

3 WHEREAS, the Lease shall provide for one extension option of an additional ten years  
4 with said option to be exercised by the Director of Property with ratification required by the  
5 Board of Supervisor prior to any effective date of the option; and,

6 WHEREAS, the Landlord shall provide a tenant improvement allowance in the amount  
7 of \$1,824,375 and construct substantial leasehold improvements as more particularly  
8 described in the Lease; and,

9 WHEREAS, the City will pay the verified leasehold improvement costs with respect to  
10 the Premises in excess of \$1,824,375, as more particularly described in the Lease; and,

11 WHEREAS, the Landlord shall offer the City the opportunity to amortize up to  
12 \$2,000,000 of such leasehold improvement expenses above the tenant improvement  
13 allowance over the first five years of the initial term at an interest rate equal to the prime  
14 commercial rate, plus two percent; and,

15 WHEREAS, the City shall, as a condition of approval of the Lease, effect streetscape  
16 improvements to the Premises' De Haro and 16<sup>th</sup> Street frontage, including substantial  
17 landscaping, and shall resurface Carolina Street from 16<sup>th</sup> Street to 17<sup>th</sup> Street prior to the end  
18 of the Lease term, and shall restrict City's occupant (Tactical Company) parking to an on-site  
19 parking lot within the leased Premises and to Carolina Street, with no Tactical Company  
20 parking on De Haro Street; and

21 WHEREAS, the City's Planning Department has found that the Lease is consistent with  
22 the City's General Plan and with the eight priority policies of City Planning Code Section  
23 101.1, and is categorically exempt from Environmental Review (a copy of these findings is on  
24 file with the Clerk of the Board of Supervisors under File No. \_\_\_\_\_ and are  
25 incorporated herein by reference), now, therefore, be it



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Controller

Recommended:

\_\_\_\_\_  
Chief of Police  
San Francisco Police Department

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Director of Property