

City & County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Andrico Q. Penick, Director of Real Estate

May 9, 2022

Through Supervisor Aaron Peskin,
City Administrator

Honorable Board of Supervisors
City and County of San Francisco
City Hall, 1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

Re: Proposed lease amendment of 752 Vallejo Street, San Francisco

Dear Board Members:

Attached for your consideration is a Resolution authorizing the amendment to the lease of 752 Vallejo Street expanding the site from 750 square feet, by an additional 1,820 square feet for a total of 2,570 for the San Francisco Police Department Central Station.

As a temporary measure until additional permanent space could be found, the San Francisco Police Department's investigative unit has been located in the squad room within Central Station, erecting cubicles to provide a modicum of privacy.

Central Station is severely undersized, and workstations are crowded in the main station squad room. 752 Vallejo is adjacent to Central Station and is separated by Emery Lane. The Department entered into a Lease in 2017 and would like to expand its space into the adjacent unit to move workstations from the crowded squad room. This will allow officers space in the station for line-ups and briefings. It will also allow for the activities previously functioning in the squad room to return, and create a workspace for investigators that is quiet, private, and more conducive to their work.

On behalf of the Police Department, the Real Estate Division negotiated an amendment to the lease, extending it for an additional 5 years and providing two additional 5-year options. The new fair market rent will be \$10,066 per month (\$3.91 psf), subject to annual

rent adjustments, tied to the San Francisco CPI index, with a minimum increase of 3% and a cap of 5%. An appraisal was obtained by CBRE which confirmed that the negotiated rent was at fair market rent.

On July 31, 2020, an Ordinance amending the Planning Code to allow the consolidation or merger of ground-floor storefronts in North Beach was passed, File No. 200114, which also affirmed the Planning Departments determination under CEQA, making findings of consistency with the General Plan.

Upon approval of the lease, the Landlord shall build out the premises through its general contractor in accordance with approved plans and specifications. The landlord shall provide a tenant improvement allowance of \$25,800 or approximately \$15.00 psf to improve the premises for City's use. Additional improvements shall be [aid for by the City and shall not exceed \$241,582

The San Francisco Police Department and Real Estate Division recommend approval of the proposed lease. Attached is a copy of the negotiated Lease.

If you have any questions in this regard, please contact Jeff Suess of my staff at 554-9873.

Respectfully,

A handwritten signature in blue ink, appearing to read "Andrico Penick". The signature is fluid and cursive, with a large initial "A" and "P".

Andrico Penick
Director of Property