



1908 – 1950 INNES AVENUE, SAN FRANCISCO

**REAL PROPERTY LEASE
CENTRAL SHOPS**

BUDGET AND FINANCE COMMITTEE | SEPTEMBER 17, 2025

REAL ESTATE DIVISION

Central Shops (Vehicle Fleet Management):

Central Shops provides fleet management services to over 70 City departments with a combined municipal fleet of approximately 8,000 vehicles and operates six maintenance and repair facilities across the City.

Why are we here?

- State Water Resource Control Board mandate
- Space for commissioning and decommissioning vehicles

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- LOCATION: Adjacent to Central Shops primary facility located at 555 Selby Avenue.
- INCREASED EFFICIENCY AND COST SAVINGS: Central Shops will have a site to process incoming and “turn-in” vehicles in one place.
- STATE MANDATE: The site provides a location for a temporary fueling station to meet the requirements of the State Water Resources Control Board.

Deal Points:

- Term:
 - Six years expiring September 30th, 2031
 - One five-year Option to Extend the Lease.
 - Option to Purchase during first three years of the term.

- Economics:
 - Base Annual Rent: \$631,800.00 with three percent annual increases.
 - City pays for utilities and services.
 - Landlord will provide improvements at City's cost not to exceed \$349,092.
 - City has an Option to Purchase for \$12,000,000.



QUESTIONS?

REAL ESTATE DIVISION