



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

March 10th 2016

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 of 752 Vallejo Street, San Francisco

Dear Board Members:

Attached for your consideration is a Resolution authorizing the lease of 752 Vallejo Street comprising approximately 750 square feet for the San Francisco Police Department.

The San Francisco Police Department's investigative unit, had been located within a below grade level storage room. Health concerns over the space were raised, given that it was designed to be storage space and upon investigation, it was found to have excessive CO₂ levels. The unit was relocated from the storage room to the squad room as a temporary measure until additional permanent space could be found, erecting cubicles to provide a modicum of privacy.

752 Vallejo is adjacent to Central Station and is separated by Emery Lane. The space is 750 square feet and would be able to provide sufficient room for 10 officers and one lieutenant. It will allow for the activities previously functioning in the squad room to return, create a work space for investigators that is quiet, private and more conducive their work.

The space is zoned retail and considered a retail corridor, however the presence of the Central Station, and the North Beach Garage on the south side of Vallejo causing a break in the retail corridor. A submitted change of use application was submitted and on August 11th 2016 a change of use was approved by the Planning Commission.

On behalf of the Police Department, the Real Estate Division negotiated a lease at a fair market rent of \$3,345.00 per month (\$4.46 psf), subject to annual rent adjustments, and tied to the San Francisco CPI index, with a minimum of 3% and a cap of 5%. An appraisal was obtained by CBRE and confirmed that the negotiated rent was at fair market.

Upon approval of the lease, Landlord shall buildout the premises through its general contractor in accordance with approved plans and specifications, with the exception of the required ballistic glass wall at the entrance, which shall be completed by Public Works.

Landlord shall provide a tenant improvement allowance of \$11,250 or approximately \$15.00 psf to improve the premises for City's use. Additional improvements above the \$11,250 provided by the Landlord shall be amortized into the Lease at a rate of 6%, not to exceed \$70,000

The San Francisco Police Department and Real Estate Division recommend approval of the proposed lease. Attached is a draft of the current Lease, with negotiations pending.

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

Respectfully,

John Updike
Director of Property

Attachments