

# 1455 Market Street - Hudson

LEASE AMENDMENT FOR 225,883 RSF

FOR HUMAN SERVICES AGENCY, COUNTY TRANSPORTATION AUTHORITY AND LIBRARY IT UNIT

AT 1455 MARKET STREET

BUDGET AND FINANCE COMMITTEE 4/16/25

# 1455 Market Street

2



# 1455 Market Street – Stack Plan

Department	Current Location	Current Square Footage	New Location	New Square Footage	FTEs
County Transportation Authority (CTA)	1455 Market St, 22nd floor	27,234 RSF	1455 Market St, 22nd floor	27,234 RSF	45
Library IT Unit	SF Main Library, 100 Larkin St	3,500 RSF	1455 Market St, 8th floor	7,660 RSF	27
Human Services Agency (HSA)	Staff coming from multiple HSA locations, with the highest concentration coming from 1235 Mission and 170 Otis	191,000	1455 Market St, 2nd, 4th & 18th floors	190,989 SF	730
		221,734 RSF		225,283 RSF	

# Lease Deal Points:

- Building Owner: Hudson Properties
- Total Building Size: 1,123,876 RSF
- Premises – Phase I: 157,154 RSF on Floors 7, 12, 13, 16 & 17.
- Premises – Phase II: 225,883 RSF on Floors 2, 4, 8, 18 & 22.
- Total Occupancy: 422,610 RSF (includes separate MTA lease on 7th floor of 39,573).
- Lease Term: 21 years (20 years remaining)
- Extension Options: Two 5-year options to extend
- Lease Expiration: April 30, 2045

# Lease Deal Points:

- Phase II Rent Start: *Approximately July 1, 2025 for CTA and Library IT and February 1, 2026 for HSA*
- Rent Rate: Will match and escalate same as original Lease
- Rent Rate: *\$41.20 psf fully serviced, net electricity*
- Rent Escalation: 3% annually
- Base Year: *Moves from 2025 to 2027 – No Operating Expenses until January 1, 2028*
- TI Allowance: \$100 psf or approximately \$22,588,300

# Lease Deal Points:

- Moving Allowance: \$15 psf or approximately \$2,979,735.
- Total Allowances: \$25,568,035
- One time City Costs: \$15,500,000 for HSA TIs.
- Additional Lease Options available until December 31, 2027
- Purchase Option opens upon 400,000 RSF of occupancy and remains available until December 31, 2027
- Turn it over to HSA to discuss Budget Supplemental



SAN FRANCISCO  
HUMAN SERVICES AGENCY

**Ordinance No: RO#25012, SA#45-12**

**File No. 250258**

**De-Appropriation and Appropriation - Human Services Agency -  
\$11,846,898 - FY2024-2025 (HSA)**

*\*Please note: Amendment to ordinance to indicate legislation is  
related to 1455 Market Street – not 1145 Market Street*

April 16, 2025



# HSA Occupies 2 Seismic Hazard 4-rated buildings

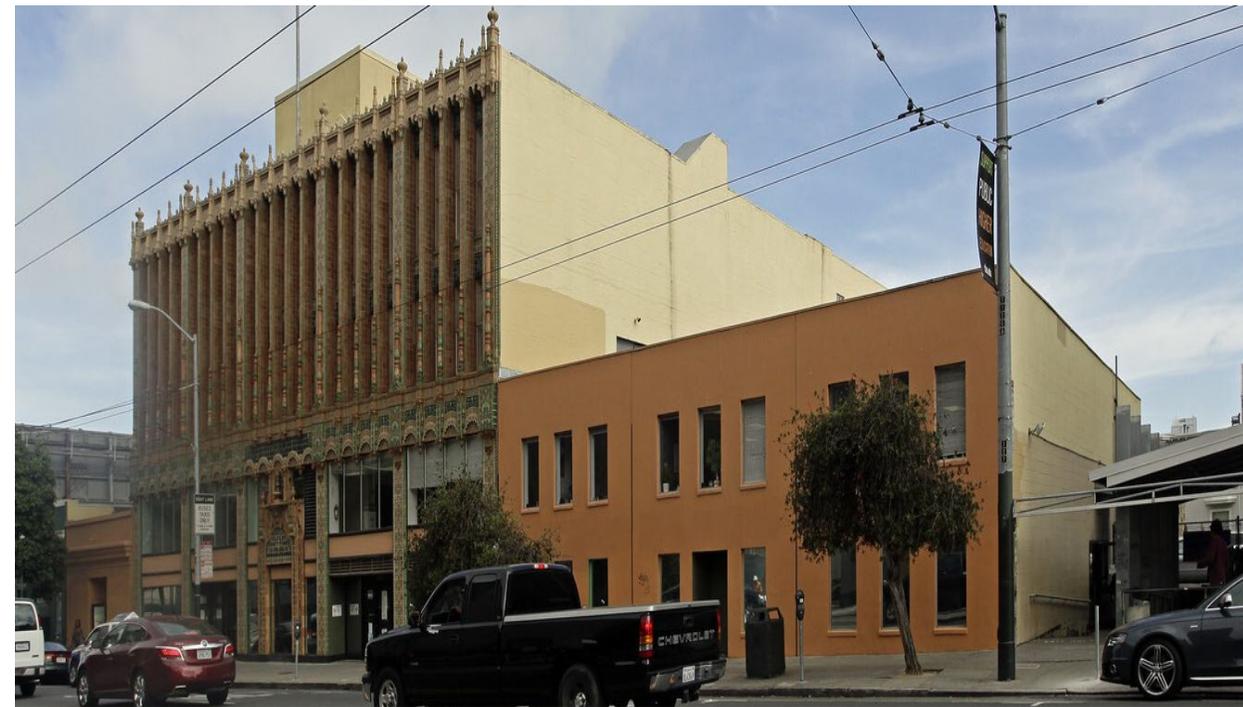
Plans to exit these structures have been ongoing in coordination with ADM-RED



## 170 Otis St. (City Owned)

135k sf of office and service center space, plus a basement with garage and storage space

Public service center, auditorium, garage space  
- Family & Children's Services, CalWORKs, Workforce Development, Admin, Execs



## 1235 Mission St. (Leased from SFUSD)

118k sf of office and service center space, plus a surface parking lot

- Main City entry point and service center for CAAP, and CalFresh/Medi-Cal eligibility programs

# Relocation plan: 1455 Market

\* RED will lease 191k of service center and office space for HSA at 1455 Market:

- Ground Floor Service Center (66k sf)
  - Programs: CAAP, CalFresh and Medi-Cal eligibility & Workforce Development
- 4<sup>th</sup> Floor ESSS Operations (98k sf)
- 18<sup>th</sup> Floor Admin/Exec/Analytic Teams (27k sf)

\*Lease will also include 5K of basement storage space

\*\*City's Capital Plan also includes funding for new HSA building in Southeast of San Francisco where many clients reside



# HSA Supplemental Appropriation: Funds most of the one-time costs at 1455 Market

- One-Time Tenant Improvement and FF&E costs at 1455 Market for HSA = **\$15.5 M**
  - Included in lease amendment from RED; costs above and beyond lease allowances
  - Largest share of cost = creating a public-facing, street-level service center
- Supplemental appropriation = **\$11.8 M**
  - **\$8.5 M** revenue surplus
  - **\$3.3 M** HSA capital project balances (1235 Mission)
- All appropriation will flow to RED, with expenses paid through 1455 lease
- Remaining balance shall be handled administratively through Surplus Transfers

<b>One-Time Costs 1455 Market per lease</b>	<b>\$15.5 million</b>
<b>SUPPLEMENTAL</b>	<b>\$11.8 million</b>
Surplus transfers	\$3.7 million