From: <u>Van Hart</u>

To: MandelmanStaff (BOS); ChanStaff (BOS); MelgarStaff (BOS); Jalipa, Brent (BOS); Breed, Mayor London (MYR)

Subject: Lease termination with Lighthouse for the Blind and new leases for 1145 Market and 1455 Market St.

Date: Tuesday, April 16, 2024 5:16:14 PM

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Dear San Francisco BOS Finance and Budget committee,

I am writing to question the decision to terminate the existing lease with The Lighthouse for the Blind which the city currently leases over 100,000 sq. ft. for over 10 years. It is my understanding that the city has continued to rent their space for over 2 years on a holdover lease. A new amended lease was placed on the BOS agenda to renew in the 4th quarter of 2023. With rents coming down Lighthouse had a revised proposal to reduce the terms to \$39 a sq. ft. with 2 years of free rent. The lack of transparency of these 2 new leases and the moving of city offices moving next door into similar space and disrupting existing operations brings into question of the city's management of its real estate needs. I could fully understand if Lighthouse was operating as an unreasonable landlord and was not willing to negotiate a fair deal for the new lease for the city but nothing has been shown as to that being the case.

Lighthouse for the Blind is a stalwart non-profit in the Bay Area providing services to over 3000 people a year. They have operated as a model citizen of the local community in the non-profit world. I am not sure what message the City of San Francisco is sending out to other parts of the country when it has the highest vacancy rate in the country and it goes out and undermines a major stakeholder in its non-profit community. I understand the desire of the city to get the best possible deal for the city and to take advantage of the current economic environment. As a citizen I would say I fully support that objective. Since these leases were only put before the public yesterday I have had no time t study the exact terms. That said, based on what I know I believe that Lighthouse would be competitive or cheaper over the long term than either of these proposals. Without time to fully evaluate these proposals it is far too difficult to say on such short notice. The most galling thing of this very smelly deal is that the Mayor's Office of Disability is located in the building with a Muni and Bart station at the front door; that's true accessibility for the community via public transportation.

In a city that prides itself for its progressive values, one would think that The City would bend over backwards to support one of its vibrant self-sufficient and self-sustaining non-profits. I would ask the city to reconsider the cancelling of the lease for 1155 Market St. as it plays musical chairs in its consolidation of space in the civic center area. There is no reason to give up its 100,000 sq. ft. of existing space with Lighthouse and not incorporate that footprint into its desire to support the Civic Center / UN Plaza area and create a more compact city government campus.

Sincerely,

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