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

March 7, 2022

Honorable Board of Supervisors City and County of San Francisco Room 244, City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

RE: Lease for portion of 1090 Quintara Street (Church)– Behavioral Sciences Unit of San Francisco Police Department (Department) – Christ Church Lutheran (Landlord)

Dear Board Members:

Attached for your consideration is a resolution authorizing a lease for use of a portion of the church building located at 1090 Quintara Street ("Lease") between the City and Christ Church Lutheran, a nonprofit religious organization ("Landlord"). The Lease has an in initial term of three years beginning April 1, 2022, and provides for two additional extensions of three years each.

The Department plans to conduct training programs for officers within the approximately 2,242 square feet of space in the Church. The Department currently uses a Treasure Island location for this training. The Treasure Island location is somewhat inconvenient and the physical condition of the facilities is suboptimal. The Church provides a much more convenient, and recently renovated, location at or below current market rate.

The Department, assisted by the Real Estate Division ("RED"), negotiated an initial annual base rent of \$42,000 (\$18.73 per square foot) with a monthly utility reimbursement of 20% of the entire building's utility costs, up to \$2,500 per month. The Lease provides an annual base rent adjustment of two percent.

Along with the recommendation of RED's Director, the Department recommends approval of the proposed resolution authorizing the Lease. If you have any questions regarding this matter, please contact Sandi Levine of RED at 415-361-1555 or by email at <u>sandi.levine@sfgov.org</u>.

Respectfully,

Andrico Q. Penick Director of Property