

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

May 9, 2022

Through Carmen Chu
City Administrator

Amended and Restated Lease
1740 Folsom Street
Sheriff

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

RE: Sheriff Department – Amended and Restated Lease - Office Lease With Parking
1740 Folsom Street, San Francisco, CA

Dear Board Members:

Attached for your consideration is a Resolution authorizing a five (5) year extension of an existing lease and use of approximately 18,862 square feet (office building and parking) at 1740 Folsom Street for the Sheriff's Department ("Sheriff").

In 2002, the City leased the entire property at 1740 Folsom Street (also known as 120 14th Street) for a ten-year term or until 2012 (Resolution No. 356-02). The Lease provided and was extended for two additional 5-year options (Resolutions 47-12 and 65-17 respectively). The Lease expires June 30, 2022. The proposed Resolution and Amended and Restated Lease extends the term another five years or until 2027, and includes one additional 5-year option to extend until 2032, both at 95% of the current market rate. All other terms and conditions of the original lease remain the same.

The facility at 1740 Folsom serves as the Sheriff Department's Emergency Command Center and is equipped with the necessary equipment and infrastructure. The building also serves as a training facility for approximately 820 sworn officers for State mandated annual training (Standards for Training and Corrections); bi-annual training for Peace Officer Standards and Training ("POST"); crisis intervention training and gender awareness training for both sworn and non-sworn personnel; and command staff meeting space (which is the only site located downtown that offers adequate meeting space for large group gatherings and meetings). In addition, the Sheriff uses this facility as the main site for its Backgrounds and Jail Clearance Unit, which manages approximately 200 comprehensive background investigations annually, for prospective Sheriff's Department candidates and conducts approximately 2500 jail clearance checks annually, for both City staff and the public involved in providing programs and services to the jails.

The Sheriff's Field Operations Divisions, the Planning and Projects Division and the Survivor Restoration Project, which provides services to victims and families of victims of domestic violence, also occupy the building.

Pursuant to Administrative Code Section 23, an appraisal was conducted and reviewed and established the 95% of Prevailing Market Rate as \$54.63 per square foot or \$1,030,400.00 for the Base Year. The Amended and Restated Lease provides for rent adjustments of 3% annually.

The proposed base rent is as follows:

<u>Period of Extended Term</u>	<u>Approx. Monthly Rental Rate Per Square Foot</u>	<u>Monthly Installment of Base Rent</u>
7/1/2022-6/30/2023	\$54.63	\$85,869.26
7/1/2023-6/30/2024	\$56.27	\$88,447.06
7/1/2024-6/30/2025	\$57.96	\$91,103.46
7/1/2025-6/30/2026	\$59.70	\$93,838.45
7/1/2026-6/30/2027	\$61.49	\$96,652.03

The Sheriff is also responsible for utilities consisting of electricity, gas, water, a generator and security estimated to be approximately \$5,000 per month or \$60,000 annually (approximately \$3.18 p.s.f. annually).

We recommend approval of the proposed Amended and Restated Lease which extends the Sheriff's occupancy. Should you have any questions regarding this matter, please contact Jeff Sues of our office at (415) 554-7850.

Respectfully



Andrico Q. Penick
Director of Property
Real Estate Division