

File No. 171110

Committee Item No. 7

Board Item No. \_\_\_\_\_

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date October 24, 2017

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER (Use back side if additional space is needed)

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|-------------------------------------|--------------------------|-------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Letter of Intent</u> |
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Completed by: Linda Wong Date \_\_\_\_\_

Completed by: Linda Wong Date \_\_\_\_\_

1 [Negotiate Real Property Lease - LCL Global - 777 Brannan Street, LLC - 777 Brannan  
2 Street- San Francisco Police Department - \$1,004,698 Initial Annual Base Rent]

3 **Resolution authorizing the Director of Property to negotiate a Lease for up to 27,154**  
4 **square feet consisting of the entire three floors of 777 Brannan Street, for the San**  
5 **Francisco Police Department, with LCL Global - 777 Brannan Street, LLC, a limited**  
6 **liability corporation, for a term of ten years from July 1, 2018, through June 30, 2028,**  
7 **with two five-year options for renewal, at an initial monthly base rent not to exceed**  
8 **\$83,724.83 for a total annual base rent of \$1,004,698 in the initial year with increases as**  
9 **set forth in the schedule of the Letter of Intent; and finding the proposed Lease is in**  
10 **conformance with the General Plan, and the eight priority policies of Planning Code,**  
11 **Section 101.1.**

12  
13 WHEREAS, The Hall of Justice at 850 Bryant was constructed in 1958 and is one of  
14 the few vertically integrated criminal justice facilities in the nation with a jail located above the  
15 prosecutorial staff and operating courtrooms and judges' chambers which for years has been  
16 the subject of emergency declarations due to health and human safety hazards posed by  
17 interior sewage floods caused by those in the jail facility, as well as due to aging  
18 infrastructure; and

19 WHEREAS, The Hall of Justice has an antiquated elevator system requiring millions of  
20 dollars in renovation and capital investment, with several out of service on any given day,  
21 negatively affecting prisoner transport, employee flow within the building, and patron access  
22 to services; and

23 WHEREAS, The Hall of Justice has a seismic rating that suggests very poor  
24 performance in the event of a major earthquake, wherein the building would be closed for an  
25 indefinite period of time for repairs due to significant damage, requiring an emergency

1 relocation of the these criminal justice system elements elsewhere and causing a serious  
2 disruption of the criminal justice system; and

3 WHEREAS, To effect repairs to the Hall of Justice to address these noted deficiencies  
4 would require significant capital investment and upon completion still leave the City with a  
5 dysfunctional building that does not adequately serve the criminal justice system; and

6 WHEREAS, The long term reorganization plans for Hall of Justice are encapsulated  
7 within the Justice Facilities Improvement Program, a part of the adopted ten-year Capital  
8 Improvement Program, and the adopted Capital Plan for Fiscal Years 2018-2027 contains an  
9 acceleration of previous schedules for relocation of District Attorney, Police Investigations,  
10 Evidence Storage and Adult Probation, pursuant to requests by Mayor Lee and City  
11 Administrator Kelly; and

12 WHEREAS, A lease of 27,154 square feet of 777 Brannan Street ("Lease") from LCL  
13 Global - 777 Brannan Street, LLC ("Landlord") would accommodate the space needs for  
14 Evidence Storage by the Police Department in a move-in to commence no earlier than July 1,  
15 2018; and

16 WHEREAS, The Planning Department, through General Plan Referral letter dated  
17 October \_\_, 2017, ("Planning Letter"), which is on file with the Clerk of the Board of  
18 Supervisors under File No. \_\_\_\_\_, has verified that the City's anticipated Lease is consistent  
19 with the General Plan, and the eight priority policies under Planning Code, Section 101.1; and

20 WHEREAS, The Real Estate Division and the Landlord have negotiated a ten-year  
21 Lease with two five-year renewal options through a Letter of Intent for 27,154 square feet of  
22 space; and

23 WHEREAS, The Lease provides the City broom clean shell condition at Landlord's  
24 expense; and

1           WHEREAS, The proposed initial annual rent of \$1,004,698 (\$37.00 per square foot),  
2 increasing pursuant to the schedule noted in the Letter of Intent, was determined to be at or  
3 less than fair market rent by an independent MAI appraisal as required by Administrative  
4 Code, Chapter 23; now, therefore, be it

5           RESOLVED, That the Board of Supervisors hereby finds that the anticipated Lease is  
6 consistent with the General Plan, and eight priority policies of Planning Code, Section 101.1,  
7 and hereby incorporates such findings by reference as though fully set forth in this Resolution;  
8 and, be it

9           FURTHER RESOLVED, That the Director of Property is hereby authorized to take all  
10 actions, on behalf of the City and County of San Francisco, as tenant, to negotiate a Lease  
11 consistent with the fully executed Letter of Intent, a copy of which is on file with the Clerk of  
12 the Board of the Board in File No. 171117, (the "Letter of Intent") and other related  
13 documents with LCL Global- 777 Brannan Street, LLC, for 27,154 rentable square feet  
14 consisting of all three floors of the building commonly known as 777 Brannan Street; and, be it

15           FURTHER RESOLVED, The annual base rent for the period from July 1, 2018 to  
16 June 30, 2019, shall be no greater than \$1,004,698 (approximately \$37.00 per square foot per  
17 year) and the base rent shall increase annually at a schedule as outlined in the Letter of  
18 Intent; and, be it

19           FURTHER RESOLVED, As set forth in the Letter of Intent, the City shall pay for its  
20 utilities, janitorial services, security services and all other operating expenses attributable to  
21 the space occupied by the City under the Lease in addition to the base rent; and, be it

22           FURTHER RESOLVED, That all actions heretofore taken by the offices of the City with  
23 respect to the Letter of Intent are hereby approved, confirmed and ratified; and, be it

24           FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
25 Property to negotiate the Lease and any amendments or modifications to the Lease (including

1 without limitation, the exhibits) that the Director of Property determines, in consultation with  
2 the City Attorney, are in the best interest of the City, do not materially increase the obligations  
3 or liabilities of the City beyond those expressed in the Letter of Intent, do not materially  
4 decrease the benefits to the City, or are necessary or advisable to effectuate the purposes of  
5 the Lease or this Resolution, and are in compliance with all applicable laws, including the  
6 City's Charter; and, be it

7 FURTHER RESOLVED, Said Lease shall be subject to a final authorizing Resolution  
8 adopted by the Board of Supervisors and Mayor in their sole and separate authority at the  
9 soonest date available after execution by City and Landlord; and, be it

10 FURTHER RESOLVED, Said Lease shall be subject to certification as to funds by the  
11 Controller, pursuant to Charter, Section 3.105.

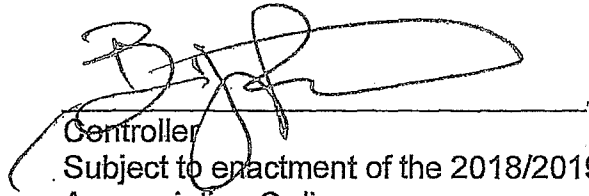
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13 Signatures on next page

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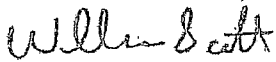
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\$1,004,698.00 Available

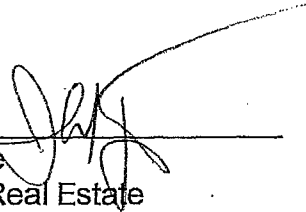


Controller  
Subject to enactment of the 2018/2019 Annual  
Appropriation Ordinance

RECOMMENDED:



William Scott  
Chief of Police



John Updike  
Director of Real Estate

COMMERCIAL REAL ESTATE SERVICES



101 California Street  
44<sup>th</sup> Floor  
San Francisco, CA 94111

415 772 0123 Tel  
415 772 0457 Fax

CBRE, Inc.  
Brokerage Services  
Broker Lic. 00409987

Landlord Counter Proposal – September 5, 2017

August 4, 2017

Mr. John Updike, LEED AP O+M  
Director of Real Estate  
City & County of San Francisco  
25 Van Ness, Suite 400  
San Francisco, CA 94102

Re: 777 Brannan Street / City and County of San Francisco

Dear John,

Thank you for your request for proposal on behalf of the City and County of San Francisco to consider leasing 777 Brannan Street. On behalf of LCL Global-777 Brannan Street, LLC ("Landlord"), we are pleased to present a lease proposal for your consideration.

Landlord would consider entering into lease negotiations with the City and County of San Francisco based upon the following terms and conditions:

**BUILDING:** 777 Brannan Street, San Francisco, CA 94103

**LANDLORD:** LCL Global – 777 Brannan Street, LLC

**TENANT:** City and County of San Francisco

**PREMISES:** The Premises shall consist of the entire building, comprised of approximately 27,154 rentable square feet ("RSF") on floors 1-3, which shall be measured according to the BOMA 2010 Office Standard for Single-Tenant Buildings.

**USE:** Any legally permitted uses, subject to all necessary legal approvals.

**LEASE COMMENCEMENT DATE:** October 1, 2017.

**DELIVERY DATE:** June 1, 2018.

**RENT COMMENCEMENT DATE:** Thirty (30) days from the Delivery Date.

**TERM** Ten (10) full years from the Rent Commencement Date.

**BASE RENT:** \$37.00 per rentable square foot, NNN. The Base Rental Rate will increase 3.00% on each anniversary of the Commencement Date.

**OPERATING EXPENSES AND REAL ESTATE TAXES:** In addition to Base Rent, Tenant will be responsible for the Building's operating expenses, insurance, utilities costs, tax expenses, repairs and maintenance including capital items, and property management fees in the amount of three percent (3.0%) of Base Rent (collectively, the "Expenses").

**LANDLORD'S BASE BUILDING WORK AND TENANT IMPROVEMENTS:** Landlord shall deliver the Premises in "as-is" broom clean condition with the existing storage units in place. Following the Delivery Date, Landlord shall pay for only the cost of new fire sprinkler service and distribution and one new exit staircase (the "Landlord's Base Building Work"). Tenant shall bear the cost of all other modifications to the building (the "Tenant Improvements"). The Landlord's Base Building Work and Tenant Improvements shall collectively be referred to as the "Work". The Work will be outlined in the City's standard form Work Letter as an Exhibit to the Lease (the "Work Letter"). The Work will include a market rate construction management fee payable to an affiliate of Landlord. The portion of such fee attributable to Landlord's Base Building work will be payable by Landlord and the portion of such fee attributable to the Tenant Improvements will be payable by Tenant.

**RIGHT TO PURCHASE:** Landlord will consider a right to purchase by Tenant, to be negotiated.

**CONSTRUCTION PROCEDURES:** Landlord shall select and hire the architect and the general contractor for the Work and will be responsible for completing the Work. Plans and specifications, architect, general contractor and subcontractors shall be approved collaboratively by Landlord and the City, as required. All construction shall be completed in accordance with engineered construction documents or through a design/build process and in conformity with all building codes and City ordinances. All construction shall adhere to Landlord's reasonable construction rules and regulations. No construction shall be undertaken that would jeopardize the ongoing grandfathering of the legal, non-conforming self-storage use at the property. Process and repayment schedule by City shall be outlined in the Work Letter.

**PREMISES OCCUPANCY:** The Premises shall be delivered to Tenant without tenancy of any kind as of the Delivery Date above, at no additional costs nor liabilities to Tenant.



**RENEWAL OPTION:** Tenant shall have the right to extend the Term for two (2), five (5) year periods, subject to twelve (12) months' prior written notice at an initial Base Rent equal to 95% of the then Fair Market Value for comparable buildings in the area within a 6-block radius of the Premises, taking into consideration all market concessions; however not less than 103% of the Base Rent being paid as of the last month of the initial lease term.

**BUILDING ACCESS:** As of the Delivery Date, Tenant and the architects, engineers, consultants and contractors will have continuous access to the Building and the Initial Premises for the purpose of planning Tenant's work, including use of the elevators at no charge, subject to the rights of other tenants in occupancy at the time.

**BUILDING SECURITY:** Tenant, at Tenant's sole expense, will be permitted to install its own security system (which may be a card-key security system in the Premises and in common stairwells in the core of the Building) and/or provide Tenant's own security service, subject to Landlord's reasonable approval of the plans, specifications and vendor(s) for such security system and/or service.

**SUBLEASE AND ASSIGNMENT:** Tenant shall have the right to sublease or assign the Premises to a third-party subject to Landlord's consent, which consent may not be unreasonably withheld. Notwithstanding the foregoing sentence, Landlord shall have no obligation to consent to any sublease with an entity whose credit is materially inferior to that of the Tenant. Any net sublease profits shall be shared 75/25, to Landlord and Tenant respectively, subject to an agreed upon definition of net profits. The lease shall contain a recapture clause. Under no circumstances shall the Tenant assign the lease to any other entity.

**RESTORATION/NON-BUILDING STANDARD IMPROVEMENTS:** Tenant shall be required to remove all its furnishings, fixtures and equipment ("FF&E") including all phone and data cabling (to the extent required by Landlord at Lease Expiration Date) upon the expiration of the lease including applicable renewal periods. Tenant shall also be required to remove any specialized/non-building standard improvements as determined and requested by Landlord at the time of Landlord's review, comment and approval of design for said improvements.

**PLANS AND REPORTS:** Landlord shall deliver to City all material Building information in Landlord's possession, including but not limited to, environmental reports and notices, seismic/structural studies, surveys, property condition assessments and other building reports, for City's review, if requested by City.

**LANDLORD REPRESENTATIONS:** Landlord shall represent and warrant that (i) it has good and marketable title to the Premises, (iii) Landlord has no knowledge of any hazardous materials or contamination in or about the Premises other than asbestos as disclosed in an asbestos report (including a management plan for such asbestos) that Landlord will provide to City; and (iv) to Landlord's knowledge, as of the commencement date of the Lease, the Building and the building systems will comply with all applicable local, state and federal laws and regulations.

**COMMISSIONS:** Landlord shall be solely responsible for any and all real estate commissions. Landlord and Tenant agree that no broker, finder, or intermediary other than CBRE has been dealt with in regard to the lease contemplated herein.

**CITY LEASE FORM:** The Lease Agreement shall be based on the City and County of San Francisco's standard form lease. The final Lease Agreement is subject to negotiations with the City through its Director of Property and approval by the City's Attorney, Board of Supervisors and Mayor, in their respective sole and absolute discretion.

**OTHER CITY CLAUSES:** Landlord shall comply with the provisions (as applicable) specified in the San Francisco municipal codes including but not limited to: Resource – Efficient City Building (Admin. Code Sections 82.1-82.8), the MacBride Principals (Admin. Code Section 12F.1 et seq.), Prevailing Wages for Construction (SF Charter Section A&.204, and Admin. Code Section 6.33 through 6.45), the Controller's Certification of Funds (SF City Charter Section 3.105), the Tropical Hardwood and Virgin Redwood Ban (Admin. Code Section 121), Bicycle Storage (Planning Code Article 1.5), the Non Discrimination in City Contracts and Benefits Ordinance (Admin. Code Sections 12B, and 12C), Campaign Contribution Limitations (Section 1.126 of City's Campaign and Governmental Conduct Code), and First Source Hiring.

**COMPLIANCE:** Tenant shall be solely responsible for compliance of the Premises with all legal requirements including, without limitation, the Americans with Disabilities Act.

**EXISTING USE:** Tenant shall cooperate with Landlord and the City and County of San Francisco to officially preserve the long-term grandfathering of the existing self-storage use within the Building to facilitate reversion to the self-storage use after Tenant's tenancy of the Building. Final acceptance of a lease shall occur once either of the following are completed: 1) The San Francisco Board of Supervisors and Mayor, in their sole and separate discretion, adopt a Zoning Text Amendment in a form satisfactory to Landlord; or 2) City through some other method, codifies the ongoing grandfathering of use in a form satisfactory to Landlord.

**SECURITY DEPOSIT:** None.

**BUILDING MANAGEMENT:** The lease shall contain an agreement on the level of building management services to be provided.

**HAZARDOUS MATERIALS:** Lease to include customary covenants and indemnity from Tenant regarding hazardous materials introduced by tenant parties.

This proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto. Only a fully executed lease with authorizing legislation approved by the Board of Supervisors and the Mayor shall bind the parties, which approval shall occur no later than thirty (30) days after the final form lease is approved by the parties. Notwithstanding anything to the contrary herein, Landlord acknowledges and agrees that no officer or employee of City is authorized to obligate City to any conditions herein, unless and until a Resolution of the Board of Supervisors has been duly enacted and approved by the Mayor, authorizing consummation of the transactions contemplated hereby.

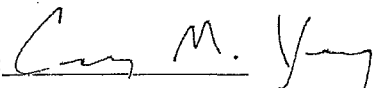
In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with the experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

Any agreement reached pursuant to these negotiations shall be subject to all applicable federal, state and local laws, regulations, codes ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Realty Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and the Americans with Disabilities Act. Please feel free to contact us should you desire to discuss any element of this proposal in greater detail before preparing your response or acceptance. Any response should be submitted within ten (10) days of the date of this proposal, at which time this Proposal will expire unless otherwise extended in writing.

We appreciate your consideration on this project and we look forward to working with you.

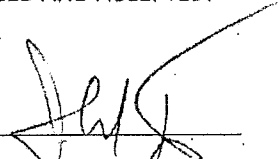
Very truly yours,

TIDEWATER CAPITAL, LLC

By: 

Craig M. Young, Managing Principal

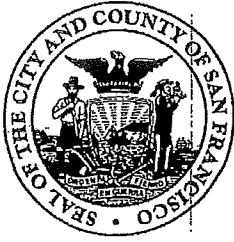
AGREED AND ACCEPTED:

By: 

Name: John Urtlake, Director of Property

Date: 9/16/2017

cc: Ross H.S. Stackhouse  
Matthew S. Klimerman  
Alexander S. Kaplan  
Mark Geisreiter, CBRE  
Matt Kroger, CBRE



OFFICE OF THE SHERIFF  
CITY AND COUNTY OF SAN FRANCISCO

1 DR. CARLTON B. GOODLETT PLACE  
ROOM 456, CITY HALL  
SAN FRANCISCO, CALIFORNIA 94102



VICKI L. HENNESSY  
SHERIFF

October 16, 2017  
Reference: 2017-121

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

Dear Members;

On Tuesday, October 17, the Board of Supervisors will receive for introduction legislation to approve a plan to begin the process of relocating City departments from the seismically compromised Hall of Justice. If approved, the District Attorney's Office and the Adult Probation Department will move into leased space nearby. Not addressed in the legislation is the fate of County Jail #4, located on the seventh floor. In keeping with Mayor Lee's concern that there be a plan in progress to close County Jail #4, I write to let you know that I am working with the City's Capital Planning team to develop options for creating suitable housing for the prisoners at County Jail #6, in San Bruno; and making improvements at County Jail #2, at 425 7<sup>th</sup> Street, to accommodate functions for which it is now dependent on the Hall of Justice.

You may recall that in 2015, the Board was presented with a plan for a new detention facility designed to replace the two Hall of Justice jails -- County Jail #3, which is currently closed and County Jail #4, which currently houses approximately 350 prisoners -- to be partially funded by an \$80 million grant from the California Board of State and Community Corrections. The remaining \$270 million was to be funded by certificates of participation.

The Board rejected the plan and the grant in favor of convening Re-Envisioning the Jail Replacement Project, a working group organized "to plan for the permanent closure of County Jails Nos. 3 and 4, and any corresponding investments in mental health facilities and current jail retrofits needed to uphold public safety and better serve at-risk individuals."

Co-chaired by Roma Guy, representing Taxpayers for Public Safety, Health Director Barbara Garcia and me, the working group brought together mental health providers and advocates, former inmates, and city department heads, including the District Attorney, Public Defender, Chief Adult Probation Officer, Chief of Police, Director of Public Works, and the Controller, as well as representatives from the Mayor's Office and the Board of Supervisors.

The final report of the working group, presented to the Board of Supervisors on June 13, 2017, detailed several recommendations, including:

- Implementation of Law Enforcement Assisted Diversion, known as LEAD SF, a collaboration lead by the Director of Public Health, the District Attorney and the Chief of Police which provides a pre-booking diversion program that will refer repeat low-level drug offenders to community-based health and social services. LEAD SF received grant funding from the Board of State and Community Corrections and began working toward implementation in June.
- Provision of more psychiatric respite beds for individuals leaving custody and those at risk of becoming incarcerated. The Department of Public Health has opened a 15-bed facility on the Zuckerberg San Francisco General Hospital campus for post-psychiatric emergency treatment and has funded 34 new medical respite beds for multi-diagnosed individuals.
- Implementation by the District Attorney's Office of weekend and holiday rebooking, currently in progress.
- Bail reform, currently in active consideration by the Superior Court.
- Increased investment in pretrial release of prisoners through San Francisco Pretrial Diversion, a non-profit funded by the Sheriff's Department. First implemented in San Francisco more than 35 years ago to assist the court in making pretrial release decisions, in May 2016 Pretrial Diversion adopted a new risk assessment tool, known as the Public Safety Assessment (PSA), which is designed to reduce implicit bias from the decision to allow individuals own-recognition release. The PSA offers a range of supervision options from "no conditions" to "assertive case management," with the goal of ensuring that the individual remain arrest-free and makes all required court appearances.

It is important to note that San Francisco has long led the nation in the innovation and use of pretrial alternatives to incarceration, an effort that began in the 1980's and has grown steadily since. The individuals granted pretrial release in San Francisco would have to pay bail to secure their release in other jurisdictions. Pretrial release has had a profound impact on the jail population. Today, the jail population averages between 1250 and 1300 prisoners. Another 1100-plus individuals are awaiting trial on pretrial release and more than 50 are serving sentences in jail alternative programs. But for the aggressive use of pretrial release and sentencing alternatives, the San Francisco jail population would be approximately 2400. Those remaining in jail after arraignment, for the most part, are charged with serious and/or violent crimes and have multiple charges. They have been deemed by the court to be ineligible for pretrial release.

It is for these individuals, entrusted to my care, that, as Sheriff, it is my duty and my obligation to ensure safe, secure, and humane housing and treatment.

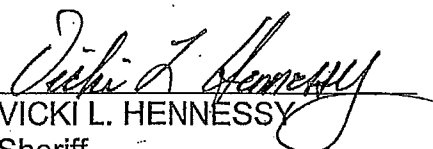
I fully support the work of the Re-Envisioning Project and continue to remain actively involved in bringing the recommendations to fruition. However, while I believe they are necessary and worthy, I do not believe the recommendations will reduce the jail population to the point where we can close County Jail #4 without making provisions for housing the prisoners elsewhere. Recent spikes in violent crime and property crime, and calls by members of the Board of Supervisors and others to address this will lead to more arrests and a higher jail population. I hope that as the impact of the implemented recommendations is felt, the increased population may be reduced, bringing the numbers back down to the current level.

A "next step" identified in the final report of the Re-Envisioning Project is to "begin planning for re-opening of County Jail #6 in San Bruno to expedite closure of County Jail #4 in the event the implemented recommendations do not sufficiently reduce the jail population." Given the time it takes to move a capital project from proposal to completion, it is important that we act expeditiously to comply with the clear direction of the Re-Envisioning work group. Therefore, in the near future I will be seeking your approval for the issuance of certificates of participation to fund improvements to County Jail #2 necessary to sever its dependence on the Hall of Justice, and to renovate County Jail #6 to safely and humanely house prisoners once the Hall of Justice is closed.

In advocating for the renovation of County Jail #6, I am advocating for these prisoners to live in a modern, well-functioning facility that affords them safe housing and access to educational, vocational and treatment programs that maximize their potential for productive life in the community after incarceration.

I welcome your questions and, I encourage you, if you haven't already, to view the conditions at County Jail #4 and to allow me to show you the renovations I am proposing to County Jail #6. Please contact me or my Chief of Staff, Eileen Hirst, to set up a tour.

Sincerely,

  
VICKI L. HENNESSY  
Sheriff





# OFFICE OF THE CITY ADMINISTRATOR



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

## MEMORANDUM

October 16, 2017

**To:** Members of the Board of Supervisors  
**From:** Naomi Kelly, City Administrator *N. Kelly*  
**Copy:** Angela Calvillo, Clerk of the Board

**Regarding:** Plans to vacate staff and prisoners from the seismically and otherwise unsafe, Hall of Justice at 850 Bryant Street and permanently close the Bryant Street wing of the building.

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The Hall of Justice (the Hall or HOJ), located at 850 Bryant Street, has well-known seismic and other safety issues. Each day more than 800 staff work in the Hall, and approximately 300-350 prisoners are incarcerated on the 7th floor in County Jail #4. The building's systems are failing at an accelerating rate, and it presents a hazard on multiple fronts for the people who work, appear, visit, and live there. It is imperative that we get San Francisco's staff and prisoners out of the building as quickly as possible.

Exiting the Hall has long been a San Francisco priority, but while plans for relocating staff and prisoners have been refined and adjusted over the years, the building's condition has dramatically worsened. This year most of the public employee unions with staff in the Hall filed grievances, and there has been a complaint to Cal/OSHA as well. In recent months, the Hall has experienced a frequent series of sewage overflows, which originate in the jail on the top floor. In the last year, the sewage overflows reached staff and clients in offices below. These sewage overflows have a major, adverse impact on building-wide operations, compromising security and personal health and safety. Some repairs involve breaking into the asbestos-laden walls, creating an even more toxic situation to be abated. From November 2, 2016, through August 21, 2017, there were 110 flood-related for County Jail #4, 15 in the most recent month alone. Numerous repairs and preventative measures have been made, to no avail. These problems are in addition to the failing elevators, HVAC, and other subsystems, all of which are well beyond their useful life.

The building's seismic risk is just as great as its life/safety risks. The Hall registers as one of the city's most dangerous buildings on the HAZUS analysis. That analysis, run most recently in 2017, shows that a 7.9M earthquake on the San Andreas Fault would bring to the Hall a probability of greater than 100 casualties, economic impact of greater than \$50 million, operational losses of greater than \$5 million, and greater than 70% building damage. In the event of such a disaster, the building will likely be red-tagged—uninhabitable until structural repairs can be made. This result would be a crisis situation, especially for the prisoners who would be unable to flee but also unable to remain.

As you know, the Office of the Chief Medical Examiner is moving into a new facility in November 2017. SFPD Forensic Services Division and Traffic Company are scheduled to move into a new Mission Bay facility by the end of 2020. Recognizing the urgency of the situation, in January 2017, the City Administrator set a target exit date of 2019 for the remaining occupants of the Hall of Justice. It is the shared position of the Mayor, the City Administrator, and the Sheriff that we should not invest more tax dollars into the building and should exit as quickly as possible.

The City Administrator has identified a plan for an expedited administrative exit from the Hall of Justice. The need for expediency does not allow for a capital construction project, and a broad search for a Courts-proximate building or even multiple buildings for purchase identified no appropriate sites. The most expedient and recommended course of action is to lease office space so that the staff of the District Attorney, San Francisco Police Department, and Adult Probation Department can conduct their business elsewhere. The District Attorney and most of the Police staff can be relocated to 350 Rhode Island; Police Storage can be moved to an existing storage facility at 777 Brannan Street; and Adult Probation can be relocated to 945 Bryant Street. The leases have staggered start dates beginning as early as July 1, 2018, and they require immediate action.

Relocating prisoners is the greatest challenge. Several interventions currently underway are intended to reduce the jail count, including expanded retrial diversion and electric monitoring, LEAD, bail reform, police reform, rebooking, conservatorship beds and treatment beds. These efforts may not be effective to lower the jail population enough to close County Jail #4 permanently. Over the summer, the Sheriff and Capital Planning studied options for exiting the jail in the near term.

The Mayor, the City Administrator, and the Sheriff agree that the safety of the prisoners should not be an afterthought in this process; their security and well-being should be front and center in the exit planning process. The time-sensitivity of the lease options does not allow for deferral until the prisoner exit plans are finalized, however. The Sheriff will bring the plan for prisoner exit before the Board soon.

Once all the non-Court related occupants exit the HOJ, the plan is to demolish the Bryant Street side of the Hall, allowing the Courts to remain. Thank you for your attention to this matter of utmost importance for our city.

OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: *for* Mayor Edwin M. Lee *[Signature]*  
RE: Real Property Lease – LCL Global -777 Brannan Street, LLC – 777  
Brannan Street- San Francisco Police Department - \$1,004,698 Initial  
Annual Base Rent  
DATE: October 17, 2017

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Attached for introduction to the Board of Supervisors is a resolution authorizing a Lease for up to 27,154 square feet consisting of entire three floors of 777 Brannan Street, for the San Francisco Police Department, with LCL Global – 777 Brannan Street, LLC, a limited liability corporation, for ten years with two five-year options for renewal, for the period of July 1, 2018 to June 30, 2028, at an initial monthly base rent not to exceed \$83,724.83 for a total annual initial base rent of \$1,004,698 in the initial year with increases as set forth in the schedule of the Letter of Intent; and finding the proposed Lease is in conformance with the City's General Plan, and the eight priority policies of Planning Code, Section 101.1.

Should you have any questions, please contact Mawuli Tugbenyoh (415) 554-5168.

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