



# ONESF

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## Approval of COPs for HOJ Exit Relocation Projects

September 9, 2019

# Action Items



Approval of Certificates of Participation Authorization and Issuance to Acquire Real Property at 1828 Egbert Ave. and McDonald's site

- Project cost total \$79.4M

Approval of Certificates of Participation Authorization for HOJ Exit Relocation tenant improvement projects

- Project cost total \$51.7M

Total COPs Project Costs for HOJ Exit Relocation Projects: \$131M

# Capital Plan

- Hall of Justice Relocation Projects are funded in San Francisco’s FY2020-29 Capital Plan in the Certificates of Participation (COPs) Program – see Public Safety chapter for narrative

## General Fund Debt Program (\$M)

Issuance	Proposed Project	Amount
FY2019	Public Health 101 Grove Exit	108
FY2019	HOPE SF Horizontal Infrastructure	57
FY2020	Family Services Center / City Offices	50
<b>FY2020</b>	<b>Hall of Justice Relocation Projects</b>	<b>131</b>
FY2022	Critical Repairs Recession Allowance	60
FY2023	Critical Repairs Recession Allowance	60
FY2025	Hall of Justice Demolition & Enclosure	55
FY2026	Public Works Yards Consolidation	25
FY2028	Hall of Justice Consolidation Plan	417
<b>TOTAL</b>		<b>963</b>



- These relocation projects encompass acquiring property needed for the permanent closure of the Hall of Justice, tenant improvements needed to remove the remaining staff from the Bryant Street wing of the Hall, consolidating the few remaining City offices, and solving for remaining Courts-related dependencies on the Hall jails

# Acquisitions Overview



## 1828 Egbert

- Four-story building with reinforced concrete frame
- Approximately 126,988 s.f. total
- 63,300 s.f. of paved lot
- Occupancy Category 4 (most resilient)
- Current use is self-storage for 900 customers

## McDonald's site

- Former McDonald's site
- 24,000 s.f. property
- 3 lots: 814-820 Bryant and 470 6<sup>th</sup> Street
- Existing structure will be demolished

# Site Images



1828 Egbert



McDonald's site (yellow outlines) and adjacent properties

# Acquisition Transactions



## 1828 Egbert

- Purchase Price: \$67.3MM
- Holdback \$5M in escrow if Seller fails to remove self-storage customers
- Lease back for six months w/option to extend another 3 mos.
  - \$1,000 per month
  - Taken out of Holdback amount

## McDonald's

- Purchase Price: \$11.6M
- Total not-to-exceed COP: \$16M includes transaction, financing, and site prep costs
- Already funded with Commercial Paper

# Acquired Site Planned Uses



## 1828 Egbert

- Police Evidence and Property
- SFPD will be able to vacate current storage facilities at 850 Bryant (HOJ) & Building 606
- Meets the Police's needs in terms of space, infrastructure, security and seismic strength for these essential functions
- Decreases the risk of lost or misplaced items and ensures the integrity of trial evidence, and retesting for those wrongly convicted
- Unique design meets high standards required of evidence storage facilities, ensuring secure 24/7 access and fire controls

## McDonald's

- Site acquisition to enable holistic campus planning and development for a reconsolidated Hall of Justice complex per the FY20-29 Capital Plan
- Interim plan for parking use

# Timeline for Site Acquisitions

- 820 Bryant already purchased with commercial paper
- Sept 2019: Introduce COPs legislation for authorization and issuance for both sites
- Oct 2019: Board approval of COPs for both sites
- Dec 2019 / Jan 2020: Expected issuance for both sites (following required 60 day hold)
- Jan 2020: Close escrow on Egbert purchase, lease back begins
- Summer or fall 2020: City takes possession of Egbert



# Site Acquisition COPs Breakdown



	1828 Egbert	McDonald's
Site Acquisition	\$67,300,000	11,520,000
Title Insurance	45,000	10,605
Title Endorsement, Escrow Fees Other Fees	20,000	8,161
Demolition and Site Prep		461,234
<b>Subtotal Estimated Project Cost</b>	<b>67,365,000</b>	<b>12,000,000</b>
Audit Fee	134,730	24,000
Debt Service Reserve Fund	5,734,765	1,233,237
Capitalized Interest Fund	2,524,730	1,337,138
Cost of Issuance + Underwriter's Discount	1,355,775	940,625
<b>Subtotal Costs of Issuance (rounded)</b>	<b>9,750,000</b>	<b>3,535,000</b>
<b>Total Estimated Costs (rounded)</b>	<b>77,115,000</b>	<b>15,535,000</b>
Reserve for Market Uncertainty	1,485,000	465,000
<b>Total Not to Exceed (rounded)</b>	<b>\$78,600,000</b>	<b>\$16,000,000</b>

# Tenant Improvements Overview



Some City offices are slated for HOJ Exit to leased and acquired properties, but those were never going to be enough to fully vacate the Bryant Street wing

- DA to 350 Rhode Island
- Adult Probation to 945 Bryant
- Police ID and SHF Warrants and Records (planned, still to be confirmed) to 777 Brannan
- Police Evidence to 1828 Egbert

## **Units/Staff that still need relocation include:**

- Police Investigations
- SHF Security and Transportation
- Project SAFE
- Prisoner Legal Services
- Traffic Courts
- Courts-related holding
- Building services
- Room 125 data center

## **Spaces available for restacking:**

- Basement former OCME and supplies/storage rooms
- 1<sup>st</sup> floor former OCME suite
- 4<sup>th</sup> floor former DA spaces
- 5<sup>th</sup> floor Police spaces, including Commission Room
- 6<sup>th</sup> floor auditorium and storage spaces

# Planned TI Space Uses



## HOJ Office Relocations (\$19.2M)

Former OCME suites	Traffic Courts Courts offices SHF staff and storage Prisoner Legal Services Project SAFE if needed
4 <sup>th</sup> and 5 <sup>th</sup> floor offices	Police Investigations
Commission Room, Auditorium	Police and other overflow uses as needed

## Courts Holding Relocation (\$26.4M)

- Required for Courts operations
- Planned for basement of 425 7<sup>th</sup> Street

# Timeline and Budget for TI Projects

- Fall 2019: Space planning and design
- Early 2020: Expected Board item for COP issuance

Hall of Justice Exit Restacking Tenant Improvements	\$19,235,000
Adjacent Site Acquisition/Demo/TI	6,000,000
Courts-Required Holding Relocation	26,400,000
<b>Subtotal Estimated Project Cost (rounded)</b>	<b>51,635,000</b>
Audit Fee	103,270
Debt Service Reserve Fund	4,588,397
Capitalized Interest Fund	2,563,381
Cost of Issuance	803,864
Underwriter's Discount	451,088
<b>Subtotal Costs of Issuance (rounded)</b>	<b>8,510,000</b>
<b>Total Estimated Costs (rounded)</b>	<b>60,145,000</b>
Reserve for Market Uncertainty	1,855,000
<b>Total Not to Exceed (rounded)</b>	<b>62,000,000</b>