



SFPUC – Water Enterprise

**\$9.2M Rollins Road Building Purchase
Supplemental Appropriation &
Bond Financing Authorization
Capital Planning Committee Presentation**

June 12, 2017

Rollins Road Building



Rollins Road Background

Property description

- Address is 1657-1663 Rollins Road
- Located in Burlingame, California
- Zoned RR Commercial and Light Industrial
- Land area is 115,889 sf (2.66 acres)
- Building is 25,085 sf
- Initial construction 1954 w/ major additions built in 1974
- Seller funded improvements include:
 - New drought resistant landscaping
 - New HVAC equipment and energy efficient window upgrades
 - Energy efficient lighting upgrades
 - New carpet, paint and other cosmetic improvements

SFPUC has leased 70% of the building since 1999

- Primary work location for 70 Water Enterprise employees
 - Water Quality
 - Natural Resources & Land Management
 - Water Supply & Treatment
- Current lease expires April 30, 2023

Rollins Road Purchase

- Owner offered the building for sale shortly after entering into a new 7-year lease with the SFPUC
- Lease agreement granted SFPUC an exclusive right to first negotiation to purchase the property
- Property appraised at \$9.1M by Mateo Advisors, LLC, an MAI appraiser, July 2016
- Appraised value was reviewed and confirmed by R. Blum & Associates, September 2016
- The purchase price represents an approximate 10 year pay back based on current gross rent
- Purchase price including closing cost will be \$9,132,962 funded through issuance of Water Revenue Bonds



Financing

Current Bond Authorization	\$264,997,468
Amendment	\$9,132,962
Amended Authorization	\$274,130,430

Questions?

