$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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Current Bond Authorization</td>
<td>$264,997,468</td>
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<tr>
<td>Amendment</td>
<td>$9,132,962</td>
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<tr>
<td>Amended Authorization</td>
<td>$274,130,430</td>
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Questions?