

# 10 Year Capital Plan Real Estate Division

FEBRUARY 10, 2025

CAPITAL PLANNING COMMITTEE

# Status Update - Featured Projects



170 Otis Street



850 Bryant - Hall of Justice



SOMArts



Produce Market

# 170 Otis Exit – HSA

- 170 Otis is an 8 story, 133,000 sf office building with 38,000 sf garage. Seismically challenged (SHR4) - City policy determination to exit.
- Multi-step move: Out of 170 Otis (133k sf) & 1235 Mission (120k sf).  
Into 1455 Market Street & 1330 Fitzgerald.  
One for one swap with move to quality
- 1455 Market Street: lease of 190,104 sf; 21 year term with purchase option; Floors 2, 4 and 18 with 50 parking spaces; Rent is \$41.20 psf; TI allowance: \$100 psf; moving allowance: \$15 psf. Approx. \$20M one time costs. Q1 2025 estimated Board consideration.
- 1330 Fitzgerald: turnkey acquisition of 71k sf office & 20k sf parking (90,942 sf) single story building. Purchase price set, construction cost estimates and due diligence is pending. Q4 2025 estimated Board consideration.

# Hall of Justice

- Working in partnership with JCC / Courts
- Courts did a feasibility study showing 820 Bryant Street site next to HOJ is feasible.
- Important that the Courthouse site is locked in before the City builds its HOJ replacement.
- Court's requested funding for FY 25-26 denied but believe that pre-dev funding for FY 26-27 is very likely
- Total project costs currently estimated at \$782M - \$822M
- Court's timetable is approximately 5 – 7 years from funding
- This means replacing HOJ building mechanical that are already beyond their useful life that won't make it another 7 years: roof, elevators, boilers.

# HOJ Exits

Function	Moved To / SF Remaining @ HOJ	Owned/Leased	Adjacencies
SFPD Southern Station & HQ	Public Safety Building (2015)	Owned (ESER construction)	N/A
Medical Examiner	1 Newhall (2017)	Owned (ESER construction)	N/A
SFPD Traffic Company & Crime Lab	1995 Evans (2021)	Owned (ESER construction)	N/A
District Attorney	350 Rhode Island (2020)	Leased – exp. 7/24/2033 + 5yr option	Courts, SFPD Investigations
Adult Probation	945 Bryant (2021)	Leased – exp. 7/31/2038	Courts
Project SAFE	2601 Mission (2021)	External non-profit	
SFPD Evidence	1828 Egbert (Planned)	Owned (COPs + ESER project)	N/A
SFPD Investigations	70,000 SF		DA
SFPD ID & Records	15,000 SF		
SHF Warrants & Records	5,500		
SHF Prisoner Legal Services	2,000		Jails

At some point, City will have to make a decision as to when to move remaining HOJ tenants to swing space. Also consider whether to build new HOJ like building or buy / lease suitable office building nearby. City project (if new build) is 3 – 5 years.

# Feasibility Study Recommendations

SITE OPTION 1 - 1.29 ACRES



## Site Option 1:

Preferred rectangular building footprint – up to 39,065 SF floorplate  
***Less involved site prep, no utilities or generators relocation required***  
***Minimal impact to existing HOJ operations for loading and trash***  
Recommended with basement for secured parking - \$801M  
No basement presented as an Alternate - \$782M (lowest cost)

SITE OPTION 3 - 1.67 ACRES



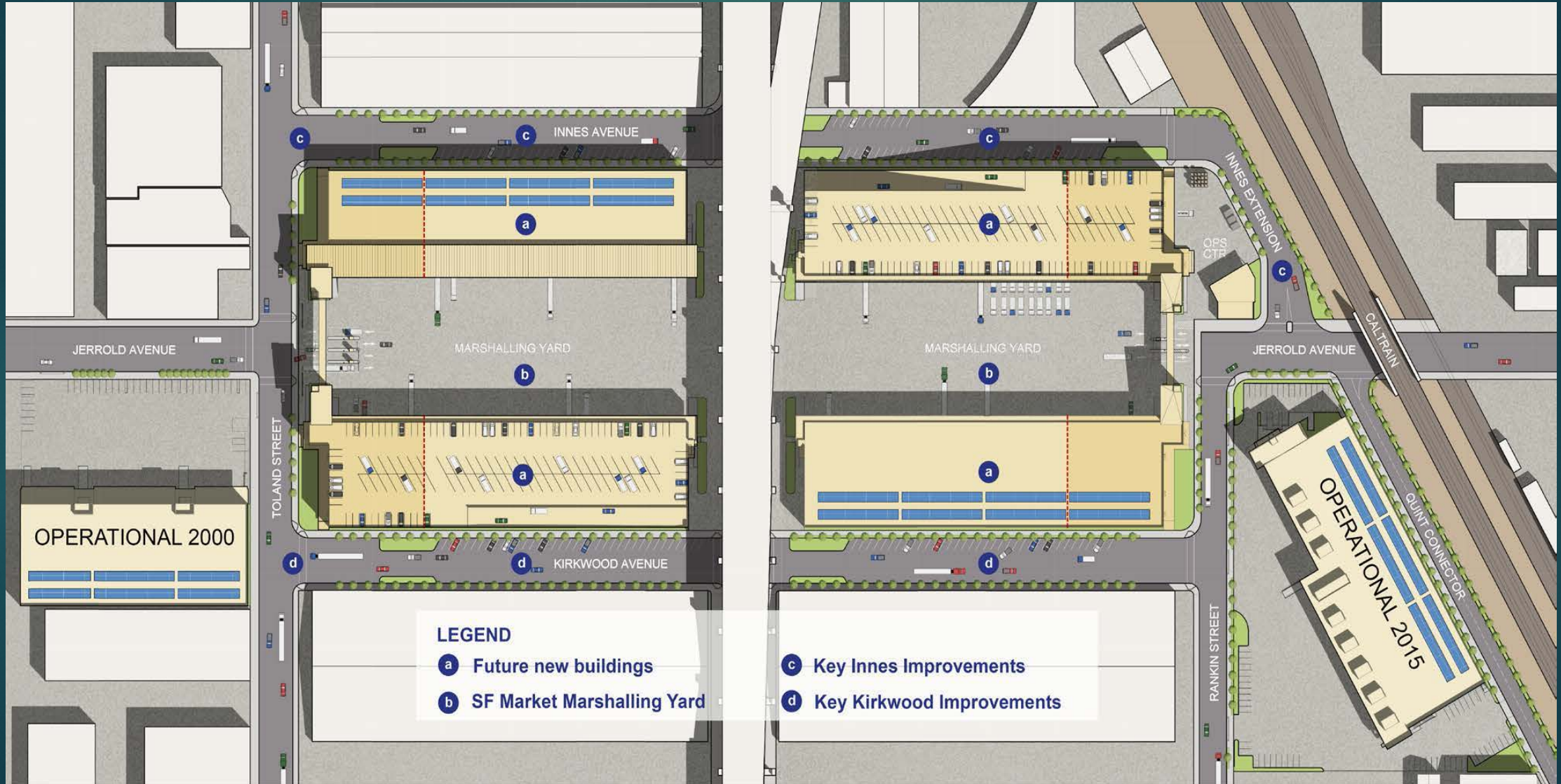
## Site Option 3:

Preferred rectangular building footprint – up to 49,000 SF floorplate  
***Largest footprint***, allows for greater programming flexibility  
Recommended with basement for secured parking - \$822M  
No basement presented as an Alternate - \$799M

## SOMArts Relocation Planning Update

- SOMArts Cultural Center has an SHR-4 seismic Rating
  - Built as temporary structure in 1906
  - Deficiencies across all major building systems, poor soils and compromised site access
  - Retrofit would undermine its use as a cultural center and be costly
- Relocation planning underway utilizing CPC Critical Project Development funding, completion in 2025
  - Community Arts Stabilization Trust (CAST) is technical consultant
  - Currently closing out Phase 1 (Programmatic Requirements and Opportunities) of 3-Phase Scope of Work
  - Includes revenue study analysis/business planning
  - Opportunities: partnerships with other arts orgs/dovetailing with City arts-based economic revitalization
- Starting Phase 2: Site Exploration/Evaluation
  - Includes test fits and cost estimates
  - Will explore the potential for public/private partnerships, alternative project delivery models
  - Financial models (acquisition phase and operating), will include project funding/financing and revenue generation opportunities
  - Readiness assessment and estimated development timeline
- Exploration of Sequencing and Eventual Disposition w/RED
  - Anticipating city and state surplus property processes
  - \$9.9M appraisal 2023
  - Budget offset, future sale of City asset as CRE property values recovery

# Wholesale Produce Market





# Produce Market

- 23-acre facility provides over 350,000 square feet of space to 26 businesses
- • Moves hundreds of thousands of pounds of fresh produce daily
- • Provides a resilient and secure food safety campus
- November 1, 2022 Board approved an Amended and Restated Lease. Changes to make it easier to obtain financing.
- Next building, new construction not rehab – 1900 Kirkwood (lower right). Eventually all 4 remaining warehouse will be renovated.
- Pre-leasing efforts underway, if not successful they will pause
- All profits from the project go into a fund to help pay for renovations.