

SUMMARY

The ability to directly negotiate with Brannan is in the best interest of the Department for the reasons stated above. Brannan is committed to restoring a failing high-vacancy landmark building into a modern high-tech office space. Brannan has been a reliable and conscientious Department tenant, is a solid supporter of the local community, and has already contributed in excess of \$1.3 million towards local transit, jobs, and neighborhood funds. The FLA requires certain expensive repairs and the Department does not have the budget to make these necessary repairs. Brannan is prepared to make the required repairs and also construct a number of aesthetic and safety improvements that will benefit both the Department and the surrounding neighborhood. Such repairs and improvements are not financially feasible without the tenant's ability to amortize the costs over a longer term. A long term lease would allow the Department to receive fair market rent for an extended period of time with the ability to increase rent as the market changes, and would allow for the required repairs. This directly negotiated long term lease with Brannan is supported by the Mayor of San Francisco, who has provided a letter of support requesting that the Department execute a long-term lease for the subject airspace properties so to secure for a long term the substantial jobs and site-specific improvements that will benefit this Brannan Street neighborhood and all of the parties involved.

Attachments

- Exhibit A: SF-80 Bryant Street – Division Street Corridor
- Exhibit B: SF-80-02 location maps and photos
- Exhibit C: Sample of required repairs