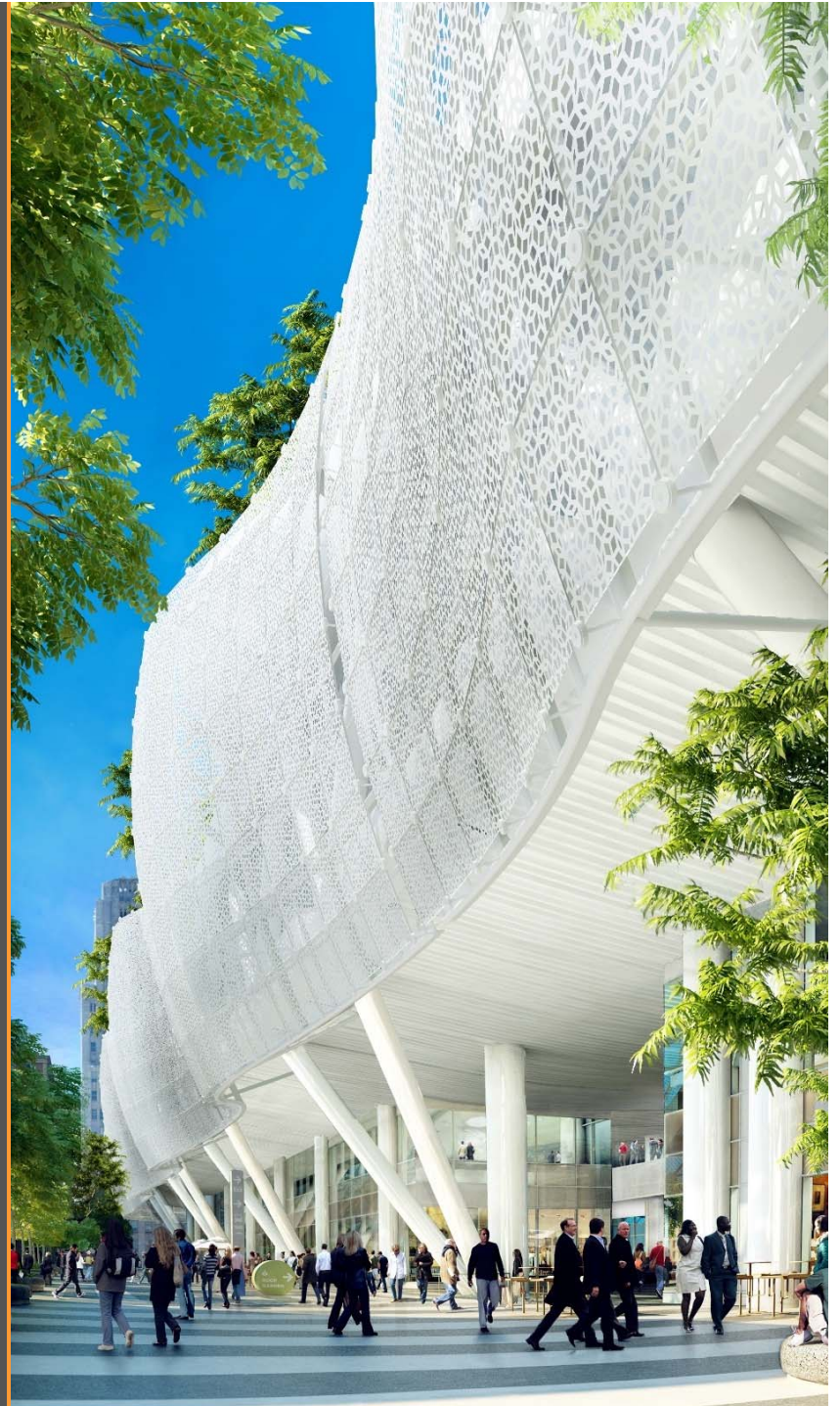


CRC Agenda Item No. 8

# Retail Leasing Update

February 2019



# Progress Report - Leasing

	Q3 – 2018 Jul-Aug-Sep	Q4 – 2018 Oct-Nov-Dec	Q1 – 2019 Jan-Feb-Mar	Q2- 2019 Apr-May-Jun	Total
<b>B U D G E T</b>					
SF Signed	8,011	17,410	43,151	0	68,572
% Signed	8%	18%	43%	0	69%
# Spaces Signed	7	13	9	0	29
<b>A C T U A L</b>					
SF Signed	41,872	4,914	1,108	0	47,894
% Signed	43%	4%	1%	0	48%
# Spaces Signed	8	3	1	0	12

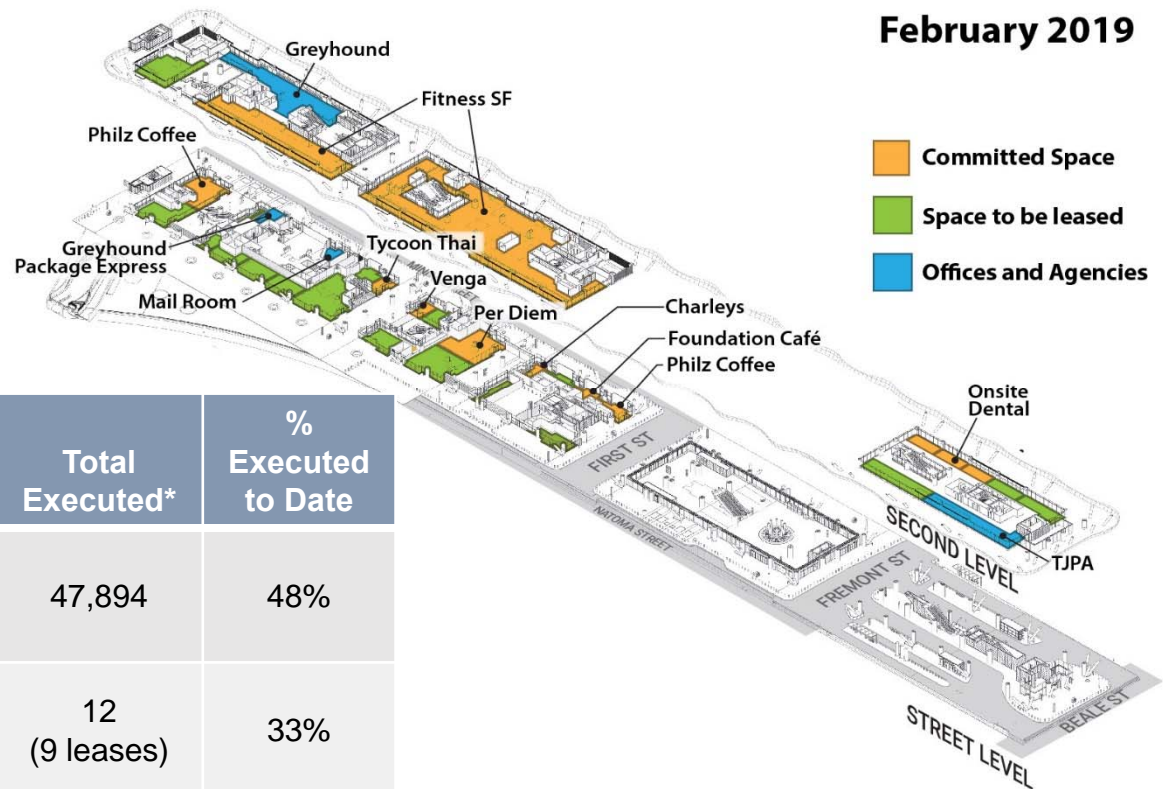
# Progress Report – Leasing

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- Original projections on timing optimistic
- Difference from budget to actual due to slowing of tenant decision making and lease negotiating time
  - Increased construction costs warrant careful consideration in particular for the small business owner who is the targeted occupant
- While not vigorous due to closure, it remains steady
- Of note, 5 leases or 5,964 SF were signed post closure
- 4 leases in solid negotiation totaling 8,575 SF for total leased SF of 56,469 or 56%; at least 1 to be signed by March Board meeting
- 9 additional deals in active discussion for about 14,000 SF

# Summary to Date - Leasing

February 2019



	Total	Board Approved	Total Executed*	% Executed to Date
Square Feet	100,000	47,775	47,894	48%
# Retail Spaces	36**	10 (7 leases)	12 (9 leases)	33%
Annual Retail Rent (AMA v Actual)	\$5.5M	\$2.9M	\$3.1M	56%
TI & Shell Imp	\$35.5	\$35.5	\$21.0***	59%

\* Includes Executive Director approved and executed

\*\* Added Suite 232 (former LPC office space)

\*\*\*Includes Retail, Greyhound, Suite 232 & common areas

# TI Budget Summary to Date

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- Budget \$35.5 million; \$25.0 approved by Cost Review Committee
- Last quarter reported trending over; have since brought back in line with budget
  - Primary mitigation was reduction in TI allowances for certain spaces
- **Commitments** are \$19.6M comprised of:
  - Executed retail leases, Greyhound/Amtrak, TJPA offices, common areas
- 1<sup>st</sup> round of retail RFPs to be issued 2/15; due 3/8
  - OnSite Dental, Venga Empanadas, Fitness SF, Philz (2 locations), Charleys Cheesesteak
- 2<sup>nd</sup> round of retail RFPs to be issued Oct/Nov
  - Per Diem, Tycoon Thai, Foundation Café, Kaiser Permanente
- **Upcoming** are \$7.2M comprised of:
  - Letters of intent in progress (6 leases, 10.5K square feet)
  - Topping slab & demising walls all spaces
- Holding off on further funding request until budgeted rough order of magnitude validated by RFPs

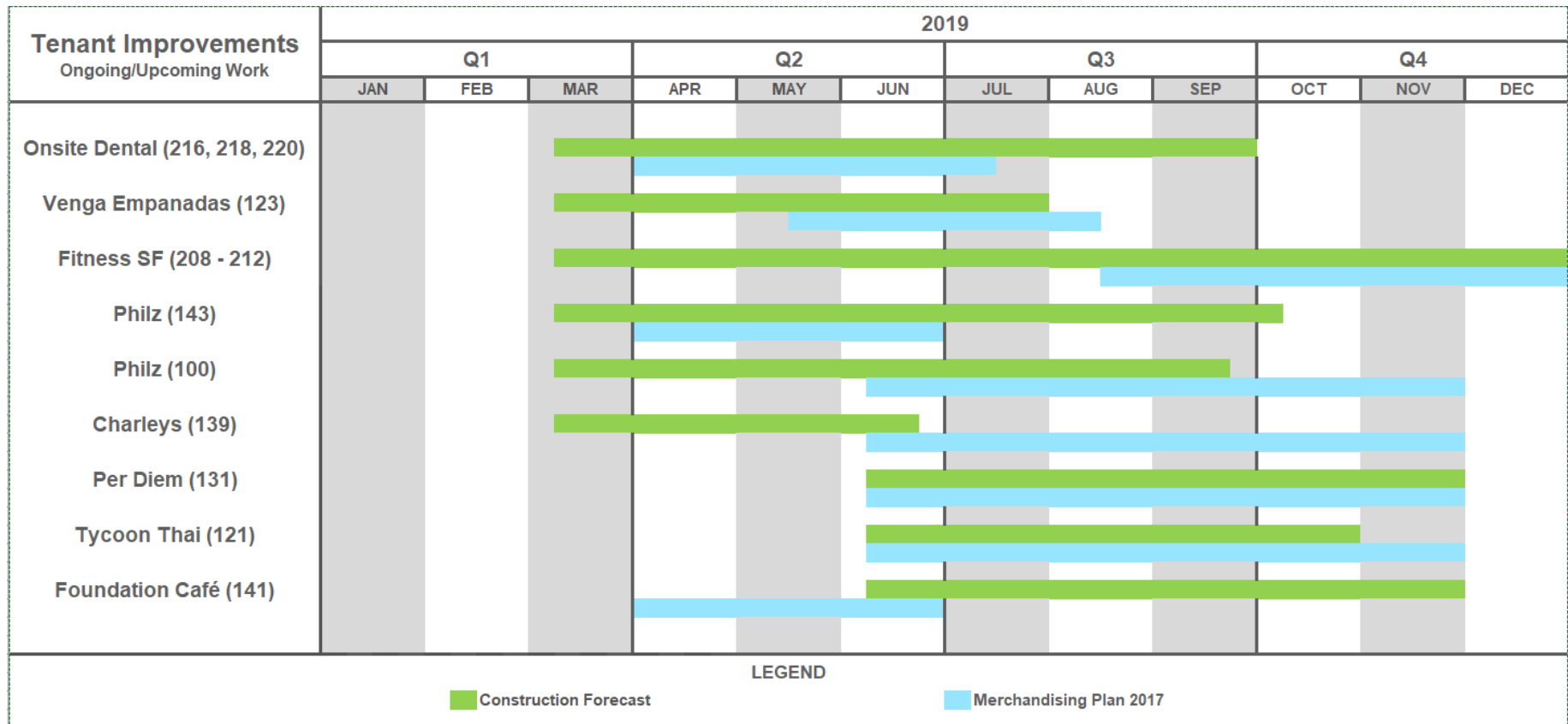
# TI Commitments

	Commitments	Budget	Variance	Mitigation	Explanation / Mitigation
Current leased premises plus former LPC office	<b>\$15,971,032</b>	\$15,714,127	(\$ 256,905)	\$ 600,000	(A) Suite 200 reduce TI \$600K;
TJPA offices	<b>\$ 2,049,567</b>	\$ 1,921,502	(\$ 128,065)	\$ 0	Original budget assumptions assumed outside tenant occupancies with fixed TI allowances. Since the occupancy is now the Owner, this space is now a turnkey with low voltage in place.
Miscellaneous	<b>\$ 1,602,604</b>	\$ 0	(\$ 1,602,604)	\$ 0	2 <sup>nd</sup> Floor Common Area, Mail Room, etc.
Demising walls and remaining topping slabs and RR's	<b>\$ 0</b>	\$ 0	\$ 0	\$ 500,000	Eliminated the need for additional RR's
Misc. CM fees & soft costs	<b>\$ 0</b>	\$ 0	\$ 0	\$ 0	
Owner contingency	<b>\$ 0</b>	\$ 862,778	\$ 862,778	\$ 24,796	
Total Current Commitments	<b>\$ 19,623,203</b>	\$ 18,498,407	(\$ 1,124,796)	\$ 0	

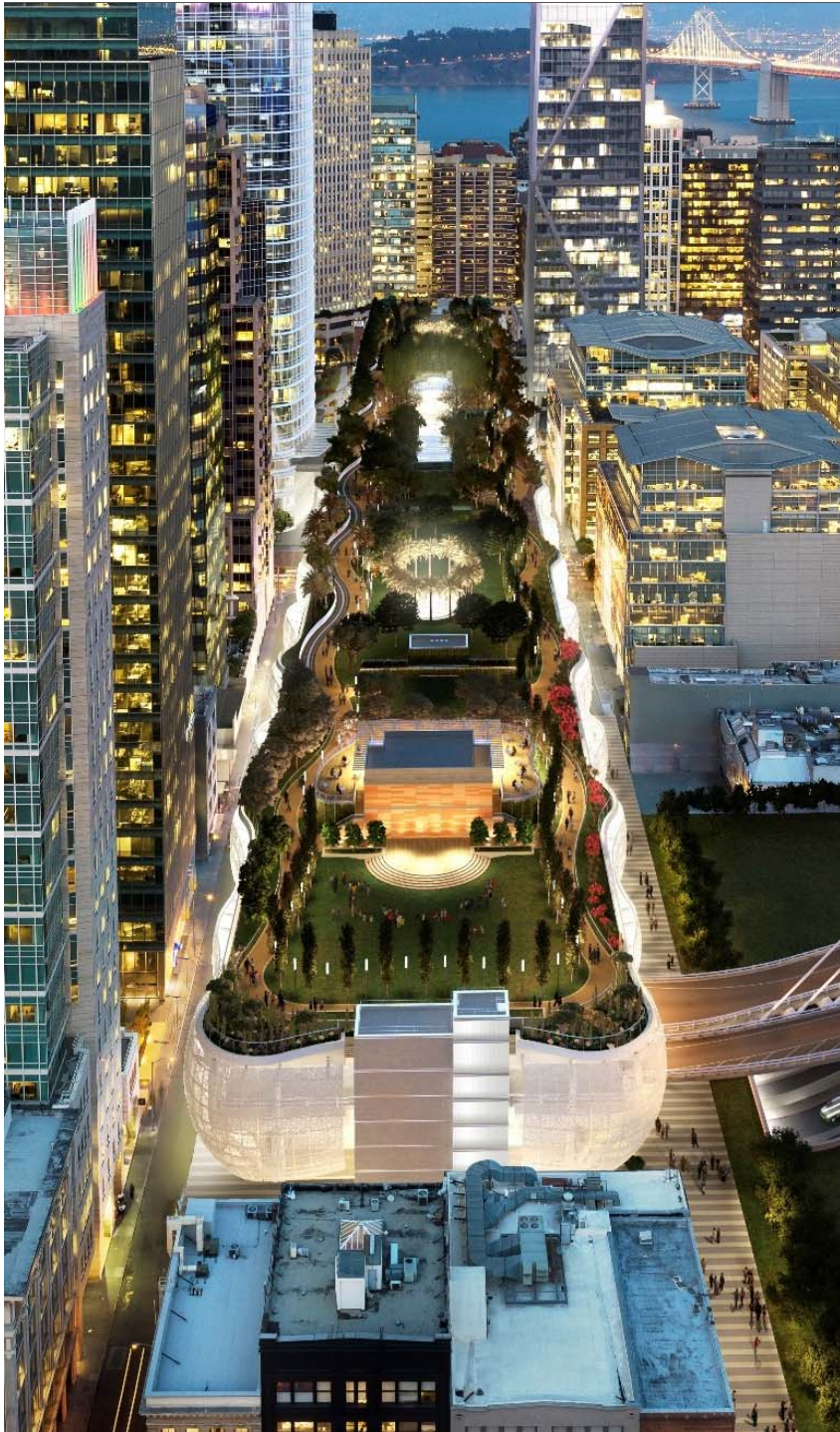
# Upcoming TI (1 - 4 months)

	Upcoming	Budget	Variance	Mitigation	Explanation / Mitigation
Upcoming Transactions near completion	\$ 3,565,054	\$ 3,427,745	\$ (137,309)	\$ 0	6 retail leases totaling about 10.5K square feet
Topping Slabs & Demising Walls	\$ 2,821,920	\$ 2,821,920	\$ 0	\$ 0	Completion of all remaining topping slabs and demising walls for efficiency and cost savings
Remaining CM Fees & Soft Costs	\$ 380,960	\$ 380,960	\$ 0	\$ 0	
Owner Contingency	\$ 500,000	\$ 961,236	\$ 461,236	\$ 0	
Total Upcoming Transactions and additional work	\$ 7,267,934	\$ 7,591,861	\$ 323,927	\$ 0	

# Tenant Improvements







# Questions?

**TJPA**  
TRANSBAY JOINT POWERS AUTHORITY

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