

**PLEASE NOTE THAT THIS POLICY WAS SUPERSEDED
ON SEPTEMBER 17, 2002 PURSUANT TO
RESOLUTION 02-23**

NON-RESIDENTIAL REAL ESTATE POLICY

OBJECTIVES

In addition to compliance with the Presidio Trust Act (Public Law 104-333), the Trust will reasonably meet three objectives when initiating and negotiating real estate projects and transactions:

- ❑ Reasonable Competition
- ❑ Public Outreach/Input
- ❑ Adherence to Sound Market Criteria

GUIDELINES

Reasonable Competition will be achieved by publishing notice of and sending out Requests for Qualifications (RFQs) to interested parties.

It is expected that in some cases, a two step process will be utilized incorporating a second Request for Proposals stage. Issuance of the initial RFQ shall satisfy the “reasonable competition” requirement of the Trust Act with respect to the Trust’s ability to accept future responses to fill vacancies in a particular building.

Exceptions to “reasonable competition” may only be granted by the Board and must meet all of the following criteria:

- ❑ Use is consistent with the Presidio Trust Act and the general objectives of the General Management Plan Amendment (GMPA)
- ❑ Space need is short term in duration (less than 12 months)
- ❑ Prospective tenant must have an immediate (“urgent and compelling”) need to lease and occupy space
- ❑ Lessee shall pay market rent

Public Outreach will be achieved by ensuring that the RFQs have the widest reasonable circulation among the for-profit and non-profit tenant and business communities, including businesses and organizations owned and operated by women and members of minority groups. Public input will be achieved by meeting with a wide variety of Presidio constituency groups during the RFQ outreach process in the form of public workshops, pre-submittal conferences, and/or public information. Public input will focus on concepts and uses, rather than on the economic details of the particular transaction.

Sound Market Criteria are those elements that will make the private real estate market responsive to Trust real estate goals. This will be achieved by establishing clear policies for evaluating proposals, implementing a timely decision making process, assuring that those most qualified will be given the highest priority, and keeping details of real estate contracts confidential during negotiations. The Trust will look to comparable real estate transactions in the Bay Area market for guidance.

RENEWALS AND EXPANSIONS OF EXISTING TENANTS

Lease renewals and expansions for existing tenants may be negotiated without the “reasonable competition requirement” at current market rates.

LEASE OFFERINGS

The Board of Directors shall authorize the issuance of RFQs based on market demand and planning considerations.

REQUEST FOR QUALIFICATION PROCEDURES

With Board approval, and subject to policies that may be adopted by the Board from time to time, Staff publishes an RFQ for one or more lease opportunities seeking qualified users that are consistent with the provisions of the Trust Act and the general objectives of the GMPA. The Board Real Estate Committee reviews a copy of the draft RFQ prior to publication. Major projects will have a minimum 45-day response time, smaller projects a 30-day response time.

At a minimum, responses shall include the following information:

- ❑ Core business of applicant and related companies
- ❑ Financial capabilities (including acknowledgment of projected rent range)
- ❑ Compliance with Trust Act and general objectives of the GMPA
- ❑ Outreach programs (programming offered to the public)
- ❑ Evidence of interest in and performance in sustainable development practices
- ❑ Explanation of diversity in employment and procurement
- ❑ Employee/space ratios
- ❑ Transportation Management Program; both existing and planned

Selection Process

- ❑ Staff evaluates all submissions against selection criteria outlined in the RFQ and prepares a summary and recommendations for review by the Board Real Estate Committee.
- ❑ The Board Real Estate Committee recommends one or more tenants with whom to enter into negotiations.
- ❑ The Board of Directors authorizes staff to enter into negotiations with one or more tenants in priority order.

In consultation with the Board Real Estate Committee, staff negotiates with the selected organization to reach agreement on business terms. If negotiations prove unsuccessful, Staff works with successive entities to find an acceptable agreement to present to the Board for review and approval. The Trust may reject any and all proposals at the discretion of the Board.

On major projects, including Letterman, Fort Scott, and the Public Health Service Hospital, the Board will invite a short-list of qualified RFQ respondents to submit more detailed proposals for Board review and selection.

REAL ESTATE COMMISSION POLICY

The Trust will pay reasonable market rate commissions on all executed real estate transactions where there is a procuring broker. Procuring cause will include, but not be limited to the following:

- ❑ The broker must accompany the clients on the initial visit to the Presidio
- ❑ The broker must provide written confirmation of an agreement between broker and tenant
- ❑ The broker must have a continuing involvement in the transaction