

**Mission Bay Senior Community  
Commercial Leasing Plan**

**Nancy Conover  
Mercy Housing**

I. Retail Space

- A. Clarify MHC's goals for retail space (July, 2001)
  - Maximize rental income
  - Meet retail needs of senior housing residents
- B. Evaluate physical attributes/constraints of retail space (July, 2001)
  - Size—approx. 4,000 s.f.
  - Street frontage
  - Flue?
- C. Conduct market analysis to identify target retail sectors (July, 2001) – *see attached outline*
- D. Identify target retail tenants (August - Sept, 2001)
- E. Build in necessary design elements to meet target retail tenants' needs (July - Sept, 2001)
  - Identify retail brokers with strong experience in target retail sectors
  - Review architectural plans with retail broker(s)
- F. Evaluate prospective retail brokers: (October, 2001)
  - Review strength, experience of broker for Catellus/Avalon adjacent retail space--CB Commercial, Cornish & Carey--and assess whether brokers have interest and ability to take on MBSC listing
  - If not, interview other prospective brokers, looking for best retail track record with target tenants, marketing strategy vis-à-vis MBSHC space, and pricing
  - Evaluate costs and benefits of working with broker vs. in-house leasing by MHC
  - Make decision re: broker—if chosen, review broker's marketing package for retail space, execute contract, and conduct complementary marketing activities
- G. Determine optimal lease rate and rent structure, based on market analysis above, interviews with retail brokers, and information from executed leases from Catellus/Avalon (Oct. 2001)
- H. MHC Leasing Activities: (if performed in-house, MHC will carry out steps below, then contract with retail broker on an hourly basis for the lease negotiations)
  - 1. Develop marketing package, including square footage, projected lease rate, location of space within project and within Mission Bay area map, floor plan, elevation, project description, photo of model, project amenities, projected counts of visitor + residential + workforce traffic, project timeline, and other elements of market analysis (Oct. 2001)
  - 2. Distribute marketing package: (Nov. 2001)
    - a. Business trade associations (Chambers, retailers' associations, etc.)
    - b. Business assistance agencies
    - c. Franchisors
    - d. Commercial brokers
    - e. Interested business owners
  - 3. Meet with interested prospective tenants (ongoing through January, 2002)  
(Preliminary meetings held with owners of Bread & Butter Market, Tony Baloney's)
  - 4. Begin lease negotiations with retail tenant(s) by Feb. 2002.

## II. Nonprofit Office Space

- A. Survey *existing* market demand for nonprofit office space in sub-prime market area (SOMA, Mission, Mid-Market, etc.) through nonprofit space network: (July-Aug, 2001)
  - MOCD Survey of CDBG grantees (early 2000)
  - David White, S.F. Partnership
  - Orgspaces.org website
  - Laurie Pantell, MOCD
  - Deborah Urban, NFF
  - Katherine Howard, Nonprofit Space Capital Fund (NCCLF)
  - Helen Sause, Redevelopment Agency
  - DCYF, DHS
  - Commercial brokers experienced with nonprofit office leases (Starboard, TRI)
  - Market data from Redstone Building feasibility study (3/16/01)
- B. Survey multi-tenant owners and managers of nonprofit office buildings, focusing on *new* leases signed: (July-Aug, 2001)
  - Mercy Commercial (1360 and 1370 Mission St.)
  - FSA, Family Service Agency of S.F.
  - Grant Building
  - Flood Building
  - Compass Point
  - Redstone Building
  - 965 Mission St.
- C. Determine existing nonprofit “market” rents and rent structure for sub-prime office areas (Aug 01)
- D. Project nonprofit “market” rents for 2004, based on 5% annual escalation + a conservative level of anticipated market adjustment. (Aug, 2001)
- E. Project MBSH office operating expenses, based on MHC/MCC and market data above re: office space operating expenses (Aug, 2001)
- F. Determine MBSHC office rents and rent structure, projected as some form of net rent. Anticipate bill-backs for most operating expenses. (Sept, 2001)
- G. Identify any pre-leased office space at nearby North Channel developments (Sept, 2001)
- H. Develop marketing package for office space. (Oct, 2001)
- I. Identify potential nonprofit tenants (Sept – Nov, 2001)
  - Senior service/advocacy organizations
  - Disabled service/advocacy organizations
  - Other city-wide nonprofits
  - Complementary organizations to UCSF South Channel developments
  - Complementary organizations to private-sector Catellus office tenants
  - Potential public agency tenants? (e.g., agencies that support the aging)
- J. Market space through nonprofit office space network identified above. (Oct – Dec, 2001)
- K. Meet with potential nonprofit office tenants (ongoing).
- L. Begin lease negotiations with office tenants by Feb, 2002.