

## Sample Tenant Selection Criteria

### Ground Floor Retail space

First, we must secure a rent of at least \$27 per ft per year plus CAM charges simply to fund debt service. This totals about \$18,000 per month. This is a minimum requirement, and certainly constrains to field of potential tenants. If necessary the space could be divided into two leaseholds, so tenants needing less than 8,000 sq ft are not automatically excluded.

#### 1) Type of Business

- i. Ideally but unlikely, a Neighborhood Serving Business that can pay this market rent. If no supermarket is developed at A and B Streets, one that carries food items for reasonable prices (i.e. not necessarily the lowest price but not predatory pricing) would be top priority. A high quality convenience store would be considered.
- ii. Other businesses types that are most likely given the adjacent retail complex and can pay market rent are 1) chain restaurant (such as a steakhouse, Bucca del Beppo, Chevy's, Mel's, all now located nearby, etc.) and 2) retail or business services, such as a Kinko's. We will definitely not rent to a typical model fast food restaurant (such as a McDonald's) that would compete with ABC Fast Food. For example, we will definitely contact TGIF, which operated a successful restaurant on A Street's next block until demolished.

#### 2) Financial capacity of the business

- a. Credit tenant, i.e. a tenant that has a parent company to ensure that the base rent is paid in a timely manner and the lease is honored. The goal would be for the parent company to be a nationally or regionally based corporation with considerable assets. An individual business owner with only one location or an individual franchise owner would not satisfy these minimum criteria.

#### 3) Establishment – length of time in business, liquor sales, etc.

- a. We expect with either a restaurant or grocery the establishment would have a liquor sales license. If the tenant were a grocery store, we would accept sales of liquor for off-site consumption.

### For the second floor Non-profit social service space:

#### 1) Type of non-profit

- a. Community senior/disabled serving non-profit, probably San Francisco based, that would want to locate in the area due to its large concentration of senior residents, hopefully with the capacity and interest to work with us to extend services to our housing.
  - i. Examples of the non-profits were are approaching are \_\_\_\_, \_\_\_\_, and \_\_\_\_, which are all established and currently serving residents in the immediate area.

#### 2) Financial Capacity

- a. At least \$1 million/year total annual budget. The annual rent is projected to be about \$35,000.

#### 3) Establishment – length of time in business, etc.

- a. Existing non-profit, i.e. not a start up, having operations in San Francisco for 5+ years.