

# Authorization for 3-year Lease

## Warehouse Space in San Francisco

**JPB Finance Committee  
December 18, 2023**



# Purpose and Recommended Action

- Three-year lease with Elevate PropCo IV LLC to support Caltrain operations of an electrified railroad and the maintenance of a mixed fleet of diesel and electric trains
- Approximately 44,898 square feet of warehouse building space
- Approximately 45,171 square feet of outdoor yard/parking space (approximately 90,069 square feet total space)
- 6000 3rd Street, San Francisco

# 6000 3rd Street San Francisco



# Need for Warehouse Space

- Balfour Beatty International Inc. (BBI) currently leases Warehouse
  - BBI lease terminates on March 31, 2024
  - Used for storage of machinery and equipment
- To operate electrified railroad, Caltrain must store materials and equipment
  - No capacity at existing facilities for additional spare parts and special tooling
  - Taking over lease eliminates need to move materials delivered by BBI
- Recommend Caltrain's lease commence on April 1, 2024
  - Lease is needed three years

# Next Steps

- Staff assessing comprehensive real estate needs to support an electrified railroad, which are expected to include more conveniently located warehouse space and additional office space
- Warehouse provides sufficient operating capacity until other space can be secured



# Budget and Deal Terms

- PCEP budget pays for the lease through Fiscal Year 2024
  - Operating Budget thereafter
- Base Rent is \$123,600
  - Same as rate currently paid by BBI, subject to 3% annual increases
  - JPB given 3 months of free rent
  - JPB pays operating costs
    - Approximately \$30,000 per month
- Rate and terms validated by independent broker

# Recommendation

- Authorize the Executive Director to enter into a three-year lease with Elevate PropCo IV LLC for approximately 44,898 square feet of warehouse building space and approximately 45,171 square feet of outdoor yard/parking space (approximately 90,069 square feet of total space) located at 6000 3rd Street, San Francisco, California 94124.

# Questions?



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