

NON-RESIDENTIAL SHORT-TERM LEASING POLICY

This Non-Residential Short-Term Leasing Policy applies to leases that are ten years or shorter in length (including extension options), and that result in total lease payments to the Trust of two million dollars (\$2,000,000) or less over the term of the lease. This policy is designed to expedite leasing of selected buildings.

OBJECTIVES

The objectives of the short-term leasing policy are:

- To preserve vacant or underutilized buildings through occupancy
- To repair structures without substantial change to the historic fabric
- To provide short-term use prior to the determination of permanent use of buildings
- To generate revenue for Trust operations
- To provide a market-responsive leasing process

GUIDELINES

To meet these objectives, this policy authorizes limited leasing without undertaking the Request for Qualifications/Request for Proposals process outlined in the Trust's Non-Residential Real Estate Policy. Reasonable competition will be achieved through the lease offering process outlined in this policy.

LEASE OFFERINGS

The Board may authorize those buildings identified by the Board's Real Estate Committee to be offered under this policy based on market demand, building preservation requirements and planning considerations. The Board may authorize the Real Estate Committee to set forth the minimum business terms for each offering, including rental rate, lease term and allowed uses.

Reasonable competition and public outreach will be achieved by publishing notice of and sending out announcements of offerings to interested parties. The distribution of the offerings will include the real estate brokerage community, for-profit and not-for-profit tenant and business communities, and businesses and organizations owned and operated by women and members of minority groups.

TENANT SELECTION PROCESS

Subject to policies that may be adopted by the Board from time to time, staff will publish an announcement of one or more leasing opportunities seeking qualified tenants proposing uses consistent with the provisions of the Presidio Trust Act and the planning principles and preferred uses articulated in the Presidio Trust Management Plan (PTMP).

Prospective tenants will respond to the offering in the manner designated by the Trust.

Tenant selection criteria for short-term leasing include:

- Demonstrated ability to enhance the Presidio's financial viability or reuse of historic buildings (i.e., rent/economic package);
- Responsiveness to the general objectives of GMPA and contribution to the visitor experience;
- Compatibility with planning principles and preferred uses articulated in the PTMP;
- Compatibility with the Trust Act and the PTMP;
- Meeting or exceeding minimum business terms; and
- Demonstration of financial capacity.

Staff will evaluate and measure all submissions against the selection criteria. Staff will negotiate with the selected applicants to reach agreement on business terms. The Executive Director is authorized to enter into a lease that meets or exceeds the minimum business terms established by the Board's Real Estate Committee. Staff will seek the Board's Real Estate Committee approval to enter into a lease on terms other than those authorized by the Committee.

The Trust may reject any and all proposals at the discretion of the Executive Director or the Director of Real Estate.