

From: [Stan Horn](#)
To: [Warriors, PLN \(CPC\)](#)
Subject: Public comment about Warriors June 5 SEIR
Date: Friday, July 10, 2015 9:15:02 AM

Below is a comment about the June 5 Warriors SEIR. I hope you can incorporate it into the public comments section of the next version. Thank you. Stan Horn

A WIN-WIN FOR WARRIORS-UCSF

There's a win-win way around a potential Warriors /UCSF-land-bankers quarrel whose aim is to thwart the basketball team's Third Street arena plans until a distant time when UCSF may need additional space for research -- and then junk the arena altogether.

In this win-win scenario, the **Warriors** would get an arena a year ahead of when they would have if the mysterious non-UCSF-affiliated group sued "until the cows come home," as they've threatened. Plus, the Warriors would have an assured

income stream from office leasing, leading to the best financing rate available in the commercial real estate market; **UCSF and biotech firms** would get access to a half-million square feet of research space accommodating 2000 workers, at a timing of the university's or biotech companies' choosing; the **anti-arena crowd** would get to claim a victory plus save at least \$228 million in cash in the first year and earn untold millions later in a few years; and **non-basketball-fan San Franciscans** wouldn't have to travel 100 miles to San Jose and back to see a concert.

Here's how the idea would work:

The property upon which the arena and two 250,000 square foot office/research buildings would be built was purchased by Salesforce in 2010 for \$278 million, according to Bloomberg Business News. So UCSF's benefactors would presumably have to pay that sum or more to acquire and land-bank the property. But suppose they land-banked it by leasing all 500,000 square feet now and then sub-leased completed, ready-to-occupy space as researchers needed it over the next several years. At the going rate of \$60 per square foot for Class A San Francisco office space, the benefactors would have an expense of \$30 million a year. That's as opposed to a minimum \$278 million cost of buying-and-banking it...a savings of at least a cool \$248 million. The cream upon this cake is that the benefactors would almost certainly be able to sublease the space for more than they leased it, thereby making a neat profit on their good deeds.

In such a scenario, the only losers would be the delay-delay lawyers whose salivating over the prospect of years of fees would suddenly dry up.