

1 [Sale of Transferable Development Rights - City Hall - 1 Dr. Carlton B. Goodlett Place]

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3 **Resolution authorizing the Director of Property to sell up to 1,200,000 gross square feet**
4 **of transferable development rights (“TDR”) from City Hall, located at 1 Dr. Carlton B.**
5 **Goodlett Place, at or above fair market value; to execute and record Certificates of**
6 **Transfer; and to take such additional actions as may be necessary to effectuate one or**
7 **more TDR transfers in accordance with Planning Code, Section 128.**

8
9 WHEREAS, On April 27, 2003, the Board of Supervisors approved Ordinance No. 77-
10 04 which, among other things, amended San Francisco Planning Code, Section 128 to
11 provide that a lot zoned P (public) may be a Transfer Lot for purposes of conveying
12 Transferable Development Rights (“TDR”), provided that certain criteria outlined in Section
13 128(a)(4) are satisfied, and as further amended in Ordinance No. 87-07, approved by the
14 Board of Supervisors on April 27, 2007; and

15 WHEREAS, The Director of Property proposes to transfer up to 1,200,000 gross
16 square feet of TDR from City Hall (Assessor’s Parcel Block No. 0787, Lot No. 001) at 1 Dr.
17 Carlton B. Goodlett Place (“City Hall” or the “Property”) to finance the rehabilitation and
18 restoration of the Property in accordance with the Secretary of the Interior Standards; and

19 WHEREAS, Under the terms of Planning Code, Section 128, the transfer of TDR from
20 the Property to an eligible transferee or an eligible Development Lot requires certain
21 administrative actions by Director of Property, including, but not limited to, the recording of a
22 Certificate of Transfer against the Property that states the amount of TDR available for
23 transfer, and that the transfer of TDR permanently reduces the development potential of the
24 Property by the amount of TDR transferred; and

1 WHEREAS, The proposed TDR transfer would involve soliciting interested buyers,
2 negotiating applicable TDR Transfer Agreements (the "Agreements"), and establishing a
3 market value transfer price of the TDR; and

4 WHEREAS, It is in the interest of the City to sell TDR from the Property to effectuate
5 rehabilitation and restoration of City Hall; now, therefore, be it

6 RESOLVED, That, provided that the criteria and requirements of Planning Code,
7 Section 128 with respect to transfer of TDR are met, the Board of Supervisors authorizes the
8 Director of Property to execute and record the Certificate of Transfer and to negotiate and
9 execute Agreements and to take such other actions as reasonably required under Planning
10 Code, Section 128, to effectuate the transfer of up to 1,200,000 gross square feet of TDR
11 from the Property to buyers on a rolling basis, upon satisfaction of the following conditions: (i)
12 buyer has executed an Agreement (or Agreements), in form acceptable to the Director of
13 Property, City Administrator and City Attorney; and (ii) acquiring TDR at no less than \$32.50
14 per square foot, which will be subject to periodic fixed increases of \$2.50 per TDR unit,
15 variable increases of 15% or no increase as set forth in Exhibit A to this Resolution; and, be it

16 FURTHER RESOLVED, Any reduction of the Base Price for TDR below \$37.50 per
17 square foot is subject to approval by resolution by the Board of Supervisor; and, be it

18 FURTHER RESOLVED, All funds from the sale of TDRs from the Property shall be
19 placed into the segregated account established by the Controller as a trust asset to be used
20 solely for the rehabilitation and restoration of City Hall, (which may include payment of debt
21 service in furtherance of said rehabilitation and restoration) in accordance with the Secretary
22 of the Interior Standards; and, be it

23 FURTHER RESOLVED, That the Director of Property is hereby authorized and urged,
24 in the name and of behalf of the City and County, to execute and deliver the title to TDR to the
25 buyer upon the closing of escrow in accordance with the terms and conditions of the

1 applicable Agreement(s) as negotiated, and to take any all steps (including, but not limited to,
2 the execution and delivery of any and all certificates, agreements, notices, consents, escrow
3 instructions, closing documents and other instruments or documents) as the Director of
4 Property deems necessary or appropriate, in consultation with the City Attorney, to
5 consummate the sale of the TDR, or to otherwise effectuate the purpose and intent of this
6 Resolution, such determination to be conclusively evidenced by the execution and delivery by
7 the Director of Property of any such documents; and, be it

8 FURTHER RESOLVED, That the Director of Property will report to the Capital Planning
9 Committee and the Board of Supervisors' Budget & Finance Committee at the end of each
10 calendar year to report and update the results of sales of City owned TDR, and, should no
11 sales take place in the previous quarter, this reporting requirement will hereby be waived.

12
13 RECOMMENDED:

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16 _____
 /s/
 Carmen Chu
 City Administrator

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18
19 _____
 /s/
 Andrico Q. Penick
 Director of Property
 Real Estate Division

1 Exhibit A to Resolution No. _____

2 TDR Pricing Schedule

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4 Base Price as of September 1, 2021 is \$37.50 per square foot or TDR unit.

5 During the period from September 1, 2021 through December 31, 2022 (Initial Period),
6 cumulative TDR units sold¹ between 1 - 199,999 sq. ft. is at Base Price.

7 No Annual Price Adjustment – If 0 - 49,999 TDR units are sold during the Initial Period or any
8 other future calendar year, then no Annual Price Adjustment occurs after the 365th day of the
9 calendar year (or 486th day of the Initial Period).

10 Fixed Annual Increase – If 50,000 – 199,999 TDR units are sold during the Initial Period or
11 any other future calendar year, then the Base Price will increase by \$2.50 per unit (Base
12 Escalation Event) after the 365th day of the calendar year (or 486th day of the Initial Period).

13 Variable Increase – If 200,000 or more TDR units are sold during the Initial Period or any
14 other future calendar year, the then-current TDR unit price will immediately increase by 15%
15 (Premium Escalation Event).

16 Upon a Premium Escalation Event, the upcoming scheduled Fixed Annual Increase will be
17 delayed by one year (but will not compound with the next Fixed Annual Increase).

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25 ¹ For purposes of this Resolution, TDR units will be considered "sold" when there is a fully executed Purchase Agreement for the sale of the TDR even if the parties have not yet closed escrow on the sale.



City and County of San Francisco

Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 210776

Date Passed: October 19, 2021

Resolution authorizing the Director of Property to sell up to 1,200,000 gross square feet of transferable development rights ("TDR") from City Hall, located at 1 Dr. Carlton B. Goodlett Place, at or above fair market value; to execute and record Certificates of Transfer; and to take such additional actions as may be necessary to effectuate one or more TDR transfers in accordance with Planning Code, Section 128.

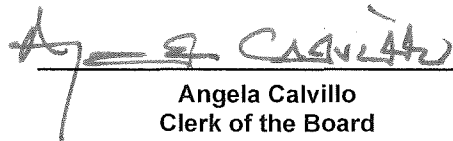
October 07, 2021 Government Audit and Oversight Committee - RECOMMENDED


October 19, 2021 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 210776

I hereby certify that the foregoing Resolution was ADOPTED on 10/19/2021 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board


London N. Breed
Mayor

10/29/21
Date Approved