

File No. 1909166

Committee Item No. 4

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date October 30, 2019

Board of Supervisors Meeting

Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

- Public Library Commission Resolution
- Recreation and Park Commission Resolution
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

Completed by: Linda Wong

Date October 25, 2019

Completed by: Linda Wong

Date _____

1 [Sale of City-Owned Real Property - Assessor's Parcel No. 083-020-012 in Fresno County,
2 CA - Richard S. Storti, Jr. - \$170,000]

3 **Resolution approving and authorizing the Real Estate Division to sell City-owned real**
4 **property located on West Lucille Avenue, west of Coalinga in Fresno County, California**
5 **(Assessor's Parcel No. 083-020-012), to Richard S. Storti, Jr. for \$170,000; affirming the**
6 **Planning Department's determination under the California Environmental Quality Act;**
7 **adopting the Planning Department's findings that the sale is consistent with the General**
8 **Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the**
9 **Director of Property to execute documents, make certain modifications and take certain**
10 **actions in furtherance of the Purchase and Sale Agreement and this Resolution, as**
11 **defined herein.**

12
13 WHEREAS, On December 3, 1941, the Estate of Alfred Fuhrman distributed assets
14 to the City and County of San Francisco, one-half to the San Francisco Public Library "...for
15 the acquisition of additional books on economic and political subjects...and one-half...for
16 the further adornment of Golden Gate Park, as may be determined by the Park
17 Commissioners..."; and

18 WHEREAS, Included in the distributed assets was a property located immediately
19 west of the city limits of Coalinga, California (Fresno County Assessor's Parcel No. 083-
20 020-012, the "Property"), which since the mid-1970's had been under lease for material and
21 equipment storage, with the Library and Recreation and Park Departments equally sharing
22 said net proceeds from the lease; and

23 WHEREAS, The lease of the Property was terminated by the tenant in early 2019;
24 and

1 WHEREAS, City and County of San Francisco Real Estate Division ("RED") staff
2 commissioned an appraisal of the property, in compliance with Section 23 of the City's
3 Administrative Code, in order to recommend whether it was best to secure a new tenancy
4 of the Property or secure a buyer of the Property; and

5 WHEREAS, Given the fair market value of the Property was determined by the
6 independent appraiser to be \$170,000 and the likely fair market rental rate to be \$500 per
7 month; and

8 WHEREAS, Upon review of the independent appraisal, the Director of Property
9 recommended a sale of the asset and RED secured, through a competitive bid, a broker to
10 represent the City in such an effort; and

11 WHEREAS, The City has received a bona-fide offer from Richard S. Storti, Jr., a
12 single man, in the amount of \$170,000 to acquire the Property with acceptable terms and
13 conditions of sale as outlined in a negotiated Purchase and Sale Agreement ("PSA"), a
14 copy of which is on file with the Clerk of the Board of Supervisors in File No. 190966, and
15 incorporated herein by this reference; and

16 WHEREAS, Any net proceeds from sale of any of the Fuhrman assets, including the
17 Property, would be provided 50% to the Library and 50% to the Recreation and Park
18 Department; and

19 WHEREAS, The Library Commission unanimously recommended approval of the
20 sale of the Property pursuant to the terms and conditions of a PSA at their meeting of July
21 18, 2019; and

22 WHEREAS, The Recreation and Park Commission unanimously recommended
23 approval of the sale of the Property pursuant to the terms and conditions of a PSA at their
24 meeting of September 19, 2019; and
25

1 WHEREAS, The Planning Department, in a letter dated July 15, 2019, found that the
2 sale of the Property is not a project under the California Environmental Quality Act
3 (“CEQA”) Guidelines, Section 15060(c) and 15378, and is consistent with the General Plan,
4 and the eight priority policies of Planning Code, Section 101.1, which letter is on file the
5 Clerk of the Board of Supervisors in File No. 190966, and incorporated herein by this
6 reference;

7 WHEREAS, The public interest or necessity will not be inconvenienced by the sale
8 of the Property; and

9 WHEREAS, All applicable agencies in Fresno County have been advised regarding
10 this pending sale pursuant to California Government Code, Section 54220, et. seq., and
11 none have expressed interest in the Property for either a public park or affordable housing;
12 now, therefore, be it

13 RESOLVED, That this Board approves the PSA and authorizes the Director of
14 Property to enter into and perform all City rights and obligations under the PSA, and to
15 enter into any additions or amendments to the PSA (including in each instance, without
16 limitation, the attachment of exhibits) that the Director of Property, in consultation with the
17 City Attorney, determines are in the best interests of the City and do not materially increase
18 the obligations or liabilities of the City; and, be it

19 FURTHER RESOLVED, That this Board affirms the Planning Department’s
20 determination under CEQA, and finds that the proposed sale of the Property is in
21 consistent with the General Plan, and with Planning Code, Section 101.1, for the reasons
22 set forth in the Director of Planning’s letter; and, be it

23 FURTHER RESOLVED, That the Library and Recreation and Park Department shall
24 each receive one-half of the net proceeds from sale of the Property upon closing of escrow,
25 consistent with the terms and conditions of the Alfred Fuhrman Estate Bequest; and, be it

1 FURTHER RESOLVED, That this Board authorizes the Director of Property to take
2 all reasonable and necessary actions for the sale of the Property consistent with this
3 Resolution, including the payment of all typical seller expenses, including brokerage
4 commissions, out of the escrow closing pursuant to escrow instructions approved by the
5 City Attorney; and, be it

6 FURTHER RESOLVED, That within thirty (30) days of the close of escrow finalizing
7 the sale of the Property, the Real Estate Division shall provide the executed PSA to the
8 Clerk of the Board for inclusion into the official file.

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RECOMMENDED:



Andrico Q. Penick 9/22/19
Director of Real Estate

AGREEMENT FOR SALE OF REAL ESTATE

by and between

CITY AND COUNTY OF SAN FRANCISCO,
as Seller

and

RICHARD S. STORTI, Jr., a single man,
as Buyer

For the sale and purchase of

APN 083-020-12, aka 40 Acres of Land on West Lucille Avenue, west of Coalinga (Fresno
County), California

October 1, 2019

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LIST OF EXHIBITS

EXHIBIT A	REAL PROPERTY DESCRIPTION
EXHIBIT B	QUITCLAIM DEED
EXHIBIT C	BILL OF SALE

AGREEMENT FOR SALE OF REAL ESTATE
(APN 083-020-12, Fresno County)

THIS AGREEMENT FOR SALE OF REAL ESTATE (this "Agreement") dated for reference purposes only as of October 1, 2019, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City" or "Seller"), and RICHARD S. STORTI, Jr., a single man ("Buyer").

THIS AGREEMENT IS MADE WITH REFERENCE TO THE FOLLOWING FACTS AND CIRCUMSTANCES:

A. City owns the Property located in the City and County of San Francisco described in Section 1 below. The Property consists of approximately 40 acres of land improved with two metal buildings of less than 5,000 square feet each.

B. City's Recreation and Park Commission and Library Commission each recommend sale of the Property pursuant to duly adopted resolutions.

C. Following issuance of required public notices and an advertised offering of the Property by City's selected brokerage firm of Cushman and Wakefield and their affiliate Pacific Commercial Realty Advisors, Buyer submitted the highest and best responsible offer to purchase the Property.

D. Buyer desires to purchase the Property and City is willing to sell the Property, subject to approval by City's Board of Supervisors and Mayor, on the terms and conditions of this Agreement.

ACCORDINGLY, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Buyer hereby agree as follows:

1. SALE AND PURCHASE

1.1 Property Included in Sale

Subject to the terms, covenants and conditions set forth herein, City agrees to sell to Buyer, and Buyer agrees to purchase from City, City's interest in the real property known as APN 083-020-12 and located in Fresno County, California, immediately west of the city limits of Coalinga, California, and more particularly described in Exhibit A attached hereto (the "Real Property"), together with the personal property owned by City, if any, located at the Real Property and used exclusively in the operation or maintenance of the Real Property, as the same may be further described in any list which City currently has in its possession and furnishes to Buyer within the Contingency Period, as defined in Section 5.2 below (the "Personal Property"). The Real Property and the Personal Property are collectively referred to herein as the "Property."

2. PURCHASE PRICE

The purchase price for the Property is One Hundred Seventy Thousand and No/100 Dollars (\$170,000.00) (the "Purchase Price"). Buyer shall pay the Purchase Price as follows:

(a) Within five (5) business days after the date this Agreement is executed by the parties hereto, Buyer shall deposit in escrow with Chicago Title Company (the "Title Company"), the sum of Five Thousand and No/100 Dollars (\$5,000.00) as an earnest money deposit (the "Deposit"). The Deposit shall be held in an interest-bearing account, and all interest thereon shall be deemed a part of the Deposit. At the Closing (as defined below) the Deposit shall be paid to City and credited against the Purchase Price.

(b) Buyer shall pay the balance of the Purchase Price, which is One Hundred Sixty-Five Thousand and No/100 Dollars (\$165,000.00), to City at the consummation of the purchase and sale contemplated hereunder (the "Closing"). Notwithstanding the terms and conditions of Section 4 herein, said balance owed at Closing may be adjusted to reflect a credit to Buyer in the amount of the fair market cost of debris removal to be incurred by Buyer post-Closing, based on actual bids from third party contractor(s) to effect said debris removal.

All sums payable hereunder including, without limitation, the Deposit, shall be paid in immediately available funds of lawful money of the United States of America.

3. TITLE

3.1 Conditions of Title

At the Closing City shall quitclaim interest in and to the Property to Buyer by quitclaim deed in the form of Exhibit B attached hereto (the "Deed"). Title to the Property shall be subject to (a) liens of local real estate taxes and assessments, (b) all existing exceptions and encumbrances, whether or not disclosed by a current preliminary title report or the public records or any other documents reviewed by Buyer pursuant to Section 5.1 hereof, and any other exceptions to title which would be disclosed by an accurate and thorough investigation, survey, or inspection of the Property, (c) all items of which Buyer has actual or constructive notice or knowledge, (d) the reservation of rights described in Section 3.2 below. All of the foregoing exceptions to title shall be referred to collectively as the "Conditions of Title." Without limiting the foregoing, Buyer acknowledges receipt of a preliminary report issued by the Title Company under Order No. 15606065-156-TM1-LM, dated December 19, 2018, covering the Property and approves all of the exceptions contained therein.

3.2 Deed Reservation

Buyer acknowledges and agrees that City would not sell the Property without reserving therefrom all oil, mineral, gas, coal, petroleum, kerosene, tar sands, oil shale, and other petroleum or hydrocarbon products that emit carbon dioxide as a byproduct of combustion below a depth of 50 feet under the Property, without the right of surface entry (the "Fossil Fuel Reservation"). Buyer agrees that the Deed shall contain the Fossil Fuel Reservation.

3.3 Reservation of Easements

Reserved

3.4 Buyer's Responsibility for Title Insurance

Buyer understands and agrees that the right, title and interest in the Property shall not exceed that vested in City, and City is under no obligation to furnish any policy of title insurance in connection with this transaction. Buyer recognizes that any fences or other physical monument of the Property's boundary lines may not correspond to the legal description of the Property. City shall not be responsible for any discrepancies in the parcel area or location of the property lines or any other matters which an accurate survey or inspection might reveal. It is Buyer's sole responsibility to obtain a survey from an independent surveyor and a policy of title insurance from a title company, if desired.

4. "AS-IS" PURCHASE; RELEASE OF CITY

4.1 Buyer's Independent Investigation

Buyer represents and warrants to City that Buyer has performed a diligent and thorough inspection and investigation of each and every aspect of the Property, either independently or through agents of Buyer's choosing, including, without limitation, the following matters (collectively, the "Property Conditions"):

(a) All matters relating to title including, without limitation, the existence, quality, nature and adequacy of City's interest in the Property and the existence of physically open and legally sufficient access to the Property.

(b) The zoning and other legal status of the Property, including, without limitation, the compliance of the Property or its operation with any applicable codes, laws, regulations, statutes, ordinances and private or public covenants, conditions and restrictions, and all governmental and other legal requirements such as taxes, assessments, use permit requirements and building and fire codes.

(c) The quality, nature, adequacy and physical condition of the Property, including, but not limited to, the structural elements, foundation, roof, interior, landscaping, parking facilities, and the electrical, mechanical, HVAC, plumbing, sewage and utility systems, facilities and appliance, and all other physical and functional aspects of the Property.

(d) The quality, nature, adequacy, and physical, geological and environmental condition of the Property (including soils and any groundwater), and the presence or absence of any Hazardous Materials in, on, under or about the Property or any other real property in the vicinity of the Property. As used in this Agreement, "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment.

(e) The suitability of the Property for Buyer's intended uses.

(f) The economics and development potential, if any, of the Property.

(g) All other matters of material significance affecting the Property.

4.2 Property Disclosures

(a) California law requires sellers to disclose to buyers the presence or potential presence of certain Hazardous Materials. Accordingly, Buyer is hereby advised that occupation of the Property may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. By execution of this Agreement, Buyer acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Section 25359.7 and related statutes.

(b) The Property is located within a seismic hazard zone, and Buyer is directed to the Fresno County General Plan Background Report, adopted October 3, 2000, Section 9 "Safety" for full information regarding seismic conditions. The Property is also in a state fire responsibility area, and more information relative to this condition may be found in the above-noted Fresno County General Plan Background Report.

4.3 Entry and Indemnity

In connection with any entry by Buyer or its Agents onto the Property, Buyer shall give City reasonable advance written notice of such entry and shall conduct such entry and any inspections in connection therewith so as to minimize, to the extent possible, interference with uses being made of the Property and otherwise in a manner and on terms and conditions acceptable to City. All entries by Buyer or its Agents onto the Property to perform any testing or other investigations which could affect the physical condition of the Property (including, without limitation, soil borings) or the uses thereof will be made only pursuant to the terms and conditions of a permit to enter in form and substance satisfactory to City. Without limiting the foregoing, prior to any entry to perform any on-site testing, Buyer shall give City written notice thereof, including the identity of the company or persons who will perform such testing, the precise time and location of the testing, and the proposed scope of the testing. City shall have the right to approve, disapprove, or condition and limit the proposed testing, in City's sole discretion, within ten (10) business days after receipt of such notice. If Buyer or its agents, employees or contractors take any sample from the Property in connection with any approved testing, Buyer shall provide to City a portion of such sample being tested to allow City, if it so chooses, to perform its own testing. City or its representative may be present to observe any testing or other inspection performed on the Property. Buyer shall promptly deliver to City copies of any reports relating to any testing or other inspection of the Property performed by Buyer or its agents, employees or contractors, but shall not deliver copies of any such reports to any other person or entity without Buyer's prior written approval. Buyer shall keep all test results and information strictly confidential, and shall indemnify, reimburse, defend and hold City harmless from and against any loss, cost, expense, or damage resulting from Buyer's failure to keep any information obtained from an inspection or testing of the Property strictly confidential; provided, however, Buyer shall not be liable if and to the extent Buyer is required to disclose such information pursuant to a court order. Buyer shall comply with all laws, ordinances, rules, regulations, orders and the like in connection with any entry onto or testing of the Property.

Buyer shall maintain, and shall require that its Agents maintain, public liability and property damage insurance in amounts and in form and substance adequate to insure against all liability of Buyer and its Agents, arising out of any entry or inspection of the Property in connection with the transaction contemplated hereby, and Buyer shall provide City with evidence of such insurance coverage upon request from City.

To the fullest extent permitted under law, Buyer shall indemnify, defend and hold harmless City, its Agents, and each of them, from and against any liabilities, costs, damages, losses, liens, claims and expenses (including, without limitation, reasonable fees of attorneys, experts and consultants and related costs) arising out of or relating to any entry on, under or about the Property by Buyer, its Agents, contractors and subcontractors in performing the inspections, testings or inquiries provided for in this Agreement, whether prior to the date of this Agreement or during the term hereof, including, without limitation, any injuries or deaths to any persons (including, without limitation, Buyer's Agents) and damage to any property, from any cause whatsoever. The foregoing indemnity shall survive beyond the Closing, or, if the sale is not consummated, beyond the termination of this Agreement.

4.4 "As-Is" Purchase

BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT CITY IS SELLING AND BUYER IS PURCHASING CITY'S INTEREST IN THE PROPERTY ON AN "AS-IS WITH ALL FAULTS" BASIS. BUYER IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM CITY OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PROPERTY, ITS SUITABILITY

FOR BUYER'S INTENDED USES OR ANY OF THE PROPERTY CONDITIONS. CITY DOES NOT GUARANTEE THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL OR OTHER CONDITIONS OF THE PROPERTY, NOR DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF THE PROPERTY OR ITS USE WITH ANY STATUTE, ORDINANCE OR REGULATION. IT IS BUYER'S SOLE RESPONSIBILITY TO DETERMINE ALL BUILDING, PLANNING, ZONING AND OTHER REGULATIONS RELATING TO THE PROPERTY AND THE USES TO WHICH IT MAY BE PUT.

4.5 Release of City

As part of its agreement to purchase the Property in its "As-Is With All Faults" condition, Buyer, on behalf of itself and its successors and assigns, waives any right to recover from, and forever releases and discharges, City, its officers, employees, agents, contractors and representatives, and their respective heirs, successors, legal representatives and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with (i) Buyer's and its Agents and customer's past, present and future use of the Property, (ii) the physical, geological or environmental condition of the Property, including, without limitation, any Hazardous Material in, on, under, above or about the Property, and (iii) any federal, state, local or administrative law, rule, regulation, order or requirement applicable thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended by Superfund Amendments and Reauthorization Act of 1986 ("SARA") (42 U.S.C. Sections 9601-9657), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (collectively, "RCRA") (42 U.S.C. Sections 6901-6987), the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977 (collectively the "Clean Water Act") (33 U.S.C. Section 1251 et seq.), the Toxic Substances Control Act ("TSCA") (15 U.S.C. Sections 2601-2629), Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), the Carpenter-Presley-Tanner Hazardous Substance Account Law (commonly known as the "California Superfund" law) (California Health and Safety Code Sections 25300-25395), Hazardous Waste Control Act (California Health and Safety Code Section 25100 et seq.), Hazardous Materials Release Response Plans and Inventory Law (commonly known as the "Business Plan Law") (California Health and Safety Code Section 25500 et seq.), Porter-Cologne Water Quality Control Act (California Water Code Section 13000 et seq.), Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65") (California Health and Safety Code Section 25249.5 et seq.).

In connection with the foregoing release, Buyer expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

BY PLACING ITS INITIALS BELOW, BUYER SPECIFICALLY ACKNOWLEDGES AND CONFIRMS THE VALIDITY OF THE RELEASES MADE ABOVE AND THE FACT THAT BUYER WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THE ABOVE RELEASES.

INITIALS: BUYER: _____

5. CONDITIONS PRECEDENT

5.1 Buyer's Conditions Precedent

Buyer's obligation to purchase the Property is conditioned upon the following:

- (a) Buyer's review and approval of an updated preliminary title report [commitment for title insurance], together with copies of the underlying documents.
- (b) Buyer's review and approval of the physical condition of the Property, including receipt of a septic report, water quality report, cost of debris removal, and survey confirmations.
- (c) Buyer's review and approval of all zoning, land use, building, environmental and other statutes, rules, or regulations applicable to the Property.

5.2 Contingency Period

Buyer shall have until 5:00 p.m. San Francisco Time on the date that is sixty (60) calendar days after the Effective Date to review and approve or waive Buyer's Conditions (such period being referred to herein as the "Contingency Period"). If Buyer elects to proceed with the purchase of the Property, then Buyer shall, before the expiration of the Contingency Period, notify City in writing that Buyer has approved all such matters. If before the end of the Contingency Period Buyer fails to give City such written notice and fails to object to any of Buyer's Conditions, then Buyer shall be deemed to have waived Buyer's Conditions. Notwithstanding the foregoing, if Buyer objects to any of the matters contained within Section 5.1 within the Contingency Period, then City may, but shall have no obligation to remove or remedy any objectionable matter. If City agrees to remove or remedy the objectionable matter, it shall notify Buyer within ten (10) days following Buyer's notice of objection, and the Closing Date shall be delayed for so long as City diligently pursues such removal or remedy. If and when City elects not to remove or remedy the objectionable matter, which City may do at any time including following an initial election to pursue remedial or corrective actions, this Agreement shall automatically terminate, the Deposit shall be returned to Buyer, and neither party shall have any further rights or obligations hereunder except as provided in Sections 4.3 [Entry and Indemnity], 8.2 [Brokers], or 10.4 [Authority of Buyer] or as otherwise expressly provided herein.

5.3 City's Condition Precedent

The following are conditions precedent to City's obligation to sell the Property to Buyer ("City's Conditions Precedent"):

- (a) Buyer shall have performed all of its obligations hereunder and all of Buyer's representations and warranties shall be true and correct.
- (b) A resolution approving and authorizing the transactions contemplated hereby and finding that the public interest or necessity demands, or will not be inconvenienced by the sale of the Property, shall have been adopted by the City's Board of Supervisors and Mayor, in their respective sole and absolute discretion, and duly enacted prior to the Closing Date.
- (c) Title Company shall have agreed to be the real estate reporting person for the Closing in compliance with the Reporting Requirements (as defined in Section 6.5 below).

5.4 Failure of City's Conditions Precedent

Each of City's Conditions Precedent are intended solely for the benefit of City. If any of City's Conditions Precedent are not satisfied as provided above, City may, at its option, terminate this Agreement. Upon any such termination, neither party shall have any further rights or obligations hereunder except as provided in Sections 4.3 [Entry and Indemnity], 8.2 [Brokers], or 10.4 [Authority of Buyer] or as otherwise expressly provided herein.

6. ESCROW AND CLOSING

6.1 Escrow

Within ninety (90) days after the parties hereto execute this Agreement, Buyer and City shall deposit an executed counterpart of this Agreement with the Title Company, and this instrument shall serve as the instructions to the Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. City and Buyer agree to execute such supplementary escrow instructions as may be appropriate to enable the Title Company to comply with the terms of this Agreement; provided, however, in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

6.2 Closing Date

The Closing hereunder shall be held, and delivery of all items to be made at the Closing under the terms of this Agreement shall be made, at the offices of the Title Company on the date which is thirty (30) days after the expiration of the Contingency Period and enactment of the Board of Supervisor's resolution referred to in Section 5.3(b) above, or if such date is not a business day, then upon the next ensuing business day, before 1:00 p.m. San Francisco time or (ii) such earlier date and time as Buyer and City may mutually agree upon in writing] (the "Closing Date"). Such date and time may not be extended without the prior written approval of both City and Buyer.

6.3 Deposit of Documents

(a) At or before the Closing, City shall deposit into escrow the following items:

(i) the duly executed and acknowledged Deed conveying the Real Property to Buyer subject to the Conditions of Title;

(ii) a duly executed counterpart of the Bill of Sale covering the Personal Property, in the form attached hereto as Exhibit C;

(b) At or before the Closing, Buyer shall deposit into escrow the following items:

(i) the funds necessary to close this transaction;

(ii) a duly executed counterpart of the Bill of Sale;

(iii) applicable third party estimates of cost of debris removal;

(c) City and Buyer shall each deposit such other instruments as are reasonably required by the Title Company or otherwise required to close the escrow and consummate the purchase of the Property in accordance with the terms hereof.

(d) City shall deliver to Buyer a set of keys to the Property on the Closing Date.

6.4 Prorations

Any real property taxes and assessments; water, sewer and utility charges, and any other expenses normal to the operation and maintenance of the Property, shall all be prorated as of 12:01 a.m. on the date the Deed is recorded, on the basis of a three hundred sixty-five (365)-day year. City and Buyer hereby agree that if any of the above described prorations cannot be calculated accurately on the Closing Date, then the same shall be calculated as soon as reasonably practicable after the Closing Date and either party owing the other party a sum of money based on such subsequent proration(s) shall promptly pay said sum to the other party.

6.5 Title Company as Real Estate Reporting Person

Section 6045(e) of the United States Internal Revenue Code of 1986 and the regulations promulgated thereunder (collectively, the "Reporting Requirements") require that certain information be made to the United States Internal Revenue Service, and a statement to be furnished to City, in connection with the Closing. Buyer and City agree that if the Closing occurs, Title Company will be the party responsible for closing the transaction contemplated in this Agreement and is hereby designated as the real estate reporting person (as defined in the Reporting Requirements) for such transaction. Title Company shall perform all duties required of the real estate reporting person for the Closing under the Reporting Requirements, and Buyer and City shall each timely furnish Title Company with any information reasonably requested by Title Company and necessary for the performance of its duties under the Reporting Requirements with respect to the Closing.

7. RISK OF LOSS

7.1 Loss

City shall give Buyer notice of the occurrence of damage or destruction of, or the commencement of condemnation proceedings affecting, any portion of the Property.] In the event that all or any portion of the Property is condemned, or destroyed or damaged by fire or other casualty prior to the Closing, then Buyer may, at its option to be exercised within ten (10) days of City's notice of the occurrence of the damage or destruction or the commencement of condemnation proceedings, either terminate this Agreement or consummate the purchase for the full Purchase Price as required by the terms hereof. If Buyer elects to terminate this Agreement or fails to give City notice within such ten (10)-day period that Buyer will proceed with the purchase, then this Agreement shall terminate at the end of such ten (10)-day period, the Title Company shall return the Deposit to Buyer, and neither party shall have any further rights or obligations hereunder except as provided in Sections 4.3 [Entry and Indemnity], 8.2 [Brokers], or otherwise expressly provided herein. If Buyer elects to proceed with the purchase of the Property, then upon the Closing, Buyer shall receive a credit against the Purchase Price payable hereunder equal to the amount of any insurance proceeds or condemnation awards actually collected by City as a result of any such damage or destruction or condemnation, plus the amount of any insurance deductible, less any sums expended by City toward the restoration or repair of the Property. If the proceeds or awards have not been collected as of the Closing, then City shall assign such proceeds or awards to Buyer, except to the extent needed to reimburse City for sums expended to collect such proceeds or repair or restore the Property, and Buyer shall not receive any credit against the Purchase Price with respect to such proceeds or awards.

7.2 Self-Insurance

Notwithstanding anything to the contrary above, Buyer acknowledges that City self-insures and shall not be obligated to purchase any third-party commercial liability insurance or property insurance.

8. EXPENSES

8.1 Expenses

City shall pay any transfer taxes applicable to the sale, and 50% of escrow fees and recording charges and any other costs and charges of the escrow for the sale, with Buyer paying 50% of escrow fees and recording charges and any other costs and charges of the escrow for the sale. City shall authorize a commercially reasonable credit against the Purchase Price in an amount equivalent to the estimated cost by Buyer to effect debris removal from the Property.

8.2 Brokers

The parties represent and warrant to each other that no broker or finder was instrumental in arranging or bringing about this transaction and that there are no claims or rights for brokerage commissions or finder's fees in connection with the transactions contemplated by this Agreement except Cushman and Wakefield and their affiliate Pacific Commercial Realty Advisors, who represent both City and Buyer. If any person brings a claim for a commission or finder's fee based on any contact, dealings, or communication with Buyer or City from any party other than the above noted brokerage firm, then the party through whom such person makes a claim shall defend the other party from such claim, and shall indemnify the indemnified party from, and hold the indemnified party against, any and all costs, damages, claims, liabilities, or expenses (including, without limitation, reasonable attorneys' fees and disbursements) that the indemnified party incurs in defending against the claim. The provisions of this Section shall survive the Closing, or, if the purchase and sale is not consummated for any reason, any termination of this Agreement.

9. LIQUIDATED DAMAGES

IF THE SALE OF THE PROPERTY IS NOT CONSUMMATED DUE TO THE FAILURE OF ANY CONDITION PRECEDENT OR CITY'S DEFAULT HEREUNDER AND BUYER IS NOT THEN IN DEFAULT, THEN THE TITLE COMPANY SHALL RETURN THE DEPOSIT TOGETHER WITH ACCRUED INTEREST THEREON TO BUYER. IF THE SALE IS NOT CONSUMMATED DUE TO ANY DEFAULT BY BUYER HEREUNDER AND CITY IS NOT THEN IN DEFAULT, THEN THE TITLE COMPANY SHALL DELIVER THE DEPOSIT TOGETHER WITH ACCRUED INTEREST THEREON TO CITY, AND CITY SHALL BE ENTITLED TO RETAIN SUCH SUM AS LIQUIDATED DAMAGES. THE PARTIES HAVE AGREED THAT CITY'S ACTUAL DAMAGES, IN THE EVENT OF A FAILURE TO CONSUMMATE THIS SALE AS SPECIFIED IN THE PRECEDING SENTENCE, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. AFTER NEGOTIATION, THE PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, THE AMOUNT OF THE DEPOSIT TOGETHER WITH ACCRUED INTEREST THEREON IS A REASONABLE ESTIMATE OF THE DAMAGES THAT CITY WOULD INCUR IN SUCH AN EVENT. BY PLACING THEIR RESPECTIVE INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

INITIALS: CITY: _____ BUYER: _____

10. GENERAL PROVISIONS

10.1 Notices

Any notices required or permitted to be given under this Agreement shall be in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, or (c) by U.S. Express Mail or commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows:

CITY:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Director of Property
Re: Fuhrman Bequest – Fresno Co

BUYER:

Richard S. Storti, Jr.
319 Locust, Coalinga, CA 93210

with a copy to:

Real Estate Team Leader
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Re: Fuhrman Bequest – Fresno Co

or such other address as either party may from time to time specify in writing to the other party. Any notice shall be deemed given when actually delivered if such delivery is in person, two (2) days after deposit with the U.S. Postal Service if such delivery is by certified or registered mail, and the next business day after deposit with the U.S. Postal Service or with the commercial overnight courier service if such delivery is by overnight mail.

10.2 Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, legal representatives, administrators and assigns. Buyer's rights and obligations hereunder shall not be assignable without the prior written consent of City; provided, however, even if City approves any such proposed assignment, in no event shall Buyer be released of any of its obligations hereunder.

10.3 Amendments

This Agreement may be amended or modified only by a written instrument signed by the Buyer and City.

10.4 Authority of Buyer

Buyer represents and warrants to City that this Agreement and all documents executed by Buyer which are to be delivered to City at Closing: (a) are or at the time of Closing will be duly authorized, executed and delivered by Buyer; (b) are or at the time of Closing will be legal, valid and binding obligations of Buyer; and (c) do not and at the time of Closing will not violate any provision of any agreement or judicial order to which Buyer is a party or to which Buyer is

subject. Notwithstanding anything to the contrary in this Agreement, the foregoing representations and warranties and any and all other representations and warranties of Buyer contained herein or in other agreements or documents executed by Buyer in connection herewith, shall survive the Closing Date.

10.5 Buyer's Representations and Warranties

Buyer makes the following representations as of the date of this Agreement and at all times throughout this Agreement:

(a) Buyer has duly authorized by all necessary action the execution, delivery and performance of this Agreement. Buyer has duly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with the terms hereof.

(b) Buyer represents and warrants to City that it has not been suspended, disciplined or disbarred by, or prohibited from contracting with, any federal, state or local governmental agency. In the event Buyer has been so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify the City of same and the reasons therefore together with any relevant facts or information requested by City. Any such suspension, debarment, discipline or prohibition may result in the termination or suspension of this Agreement.

(c) No document or instrument furnished or to be furnished by the Buyer to the City in connection with this Agreement contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

10.6 Governing Law

This Agreement shall be governed by, subject to, and construed in accordance with the laws of the State of California and City's Charter and Administrative Code.

10.7 Merger of Prior Agreements

This Agreement, together with the exhibits hereto, contain any and all representations, warranties and covenants made by Buyer and City and constitutes the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement together with the exhibits hereto.

10.8 Parties and Their Agents

The term "Buyer" as used herein shall include the plural as well as the singular. If Buyer consists of more than one (1) individual or entity, then the obligations under this Agreement imposed on Buyer shall be joint and several. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party.

10.9 Interpretation of Agreement

The article, section and other headings of this Agreement and the table of contents are for convenience of reference only and shall not affect the meaning or interpretation of any provision contained herein. Whenever the context so requires, the use of the singular shall be deemed to

include the plural and vice versa, and each gender reference shall be deemed to include the other and the neuter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

10.10 Attorneys' Fees

If either party hereto fails to perform any of its respective obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements. For purposes of this Agreement, the reasonable fees of attorneys of the Office of the City Attorney of the City and County of San Francisco shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

10.11 Time of Essence

Time is of the essence with respect to the performance of the parties' respective obligations contained herein.

10.12 No Merger

The obligations contained herein shall not merge with the transfer of title to the Property but shall remain in effect until fulfilled.

10.13 Non-Liability of City Officials, Employees and Agents

Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of City shall be personally liable to Buyer, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Buyer, its successors and assigns, or for any obligation of City under this Agreement.

10.14 Conflicts of Interest

Through its execution of this Agreement, Buyer acknowledges that it is familiar with the provisions of Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that if it becomes aware of any such fact during the term of this Agreement, Buyer shall immediately notify the City.

10.15 Notification of Prohibition on Contributions

Through its execution of this Agreement, Buyer acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from any department of the City whenever such transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (1) the City elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or twelve (12) months after the date the contract is approved. Buyer acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Buyer further acknowledges that the (i) prohibition on contributions applies to each Buyer; each member of Buyer's board of directors, and Buyer's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than ten percent (10%) in Buyer; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Buyer; and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department with whom Grantee is contracting is obligated to submit to the Ethics Commission the parties to the contract and any subcontractor. Additionally, Buyer certifies that Buyer has informed each of the persons described in the preceding sentence of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the contract, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

10.16 Sunshine Ordinance

Buyer understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov. Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder public records subject to public disclosure. Buyer hereby acknowledges that the City may disclose any records, information and materials submitted to the City in connection with this Agreement.

10.17 Tropical Hardwood and Virgin Redwood Ban

The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code.

10.18 No Recording

Neither this Agreement nor any memorandum or short form thereof may be recorded by Buyer.

10.19 Effective Date

As used herein, the term "Effective Date" shall mean the date on which the City's Board of Supervisors and Mayor enact an ordinance approving and authorizing this Agreement and the transactions contemplated hereby, following execution of this Agreement by both parties.

10.20 Severability

If any provision of this Agreement or the application thereof to any person, entity or circumstance shall be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement.

10.21 Acceptance by Buyer

This Agreement shall be null and void unless it is accepted by Buyer and two (2) fully executed copies hereof are returned to City on or before 5:00 p.m. San Francisco time on August 15, 2019.

10.22 Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

10.23 Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, BUYER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL A RESOLUTION OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH A RESOLUTION, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

[SIGNATURES ON FOLLOWING PAGE]

The parties have duly executed this Agreement as of the respective dates written below.

CITY:

BUYER:

CITY AND COUNTY OF
SAN FRANCISCO, a municipal corporation

RICHARD S. STORTI, Jr., a single man

By:

ANDRICO Q. PENICK
Director of Property

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By:

Elizabeth Dietrich
Deputy City Attorney

EXHIBIT A

REAL PROPERTY DESCRIPTION

All that certain real property located in the County of Fresno, State of California, described as follows:

The Southwest quarter of the Northeast quarter of Section 6, Township 21 South, Range 15 East, Mount Diablo Base and Meridian, in the County of Fresno, State of California, according to the Official Plat thereof.

APN: 083-020-12

EXHIBIT B

QUITCLAIM DEED

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

MAIL TAX STATEMENTS TO:

Attn: _____

Address: _____

(Space above this line reserved for Recorder's use only)

Block _____, Lot _____

Documentary Transfer Tax of \$ _____ based upon full market value of the property without deduction for any lien or encumbrance

**QUITCLAIM DEED [WITH RESTRICTIONS
AND EASEMENT RESERVATIONS]
[(Assessor's Parcel No. _____)]**

FOR VALUABLE CONSIDERATION, receipt and adequacy of which are hereby acknowledged, the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), pursuant to Resolution No. _____, adopted by the Board of Supervisors on _____, 20__ and approved by the Mayor on _____, 20__, hereby RELEASES, REMISES AND QUITCLAIMS to RICHARD S. STORTI, Jr., a single man, any and all right, title and interest City may have in and to the real property located in Fresno County, State of California, described on Exhibit A attached hereto and made a part hereof;

Reserving therefrom all oil, mineral, gas, coal, petroleum, kerosene, tar sands, oil shale, and other petroleum or hydrocarbon products that emit carbon dioxide as a byproduct of combustion below a depth of 50 feet under the Property, without the right of surface entry.

Executed as of this _____ day of _____, 20__.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
ANDRICO Q. PENICK
Director of Property

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Elizabeth Dietrich
Deputy City Attorney

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT C

BILL OF SALE

For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), does hereby sell, transfer and convey to RICHARD S. STORTI, Jr., a single man ("Buyer"), the personal property described in the attached Schedule 1 and used in connection with the operation of that certain real property located on that certain 40 acres on West Lucille Road, Coalinga, California.

WITHOUT LIMITING ANY OF THE PROVISIONS OF THE AGREEMENT OF PURCHASE AND SALE BETWEEN CITY AND BUYER, BUYER ACKNOWLEDGES AND AGREES THAT CITY IS SELLING AND BUYER IS PURCHASING SUCH PERSONAL PROPERTY ON AN "AS-IS WITH ALL FAULTS" BASIS AND THAT BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM CITY, ITS AGENTS, EMPLOYEES OR OFFICERS, AS TO ANY MATTERS CONCERNING SUCH PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Executed as of this ____ day of _____, 20__.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
ANDRICO Q. PENICK
Director of Property

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Elizabeth Dietrich
Deputy City Attorney

San Francisco Public Library Commission

Resolution No. 2019-03

RESOLUTION RECOMMENDING BOARD OF SUPERVISORS APPROVE SALE OF CITY-OWNED FORTY ACRE PARCEL OF LAND LOCATED WEST OF COALINGA, CA AT APPRAISED VALUE OF \$170,000 TO RICHARD STORTI, A SINGLE MAN.

WHEREAS, On December 3, 1941, the Estate of Alfred Fuhrman distributed assets to the City and County of San Francisco, one-half to the San Francisco Public Library "...for the acquisition of additional books on economic and political subjects...and one-half...for the further adornment of Golden Gate Park, as may be determined by the Park Commissioners..."; and

WHEREAS, Included in the distributed assets was a property located immediately west of the city limits of Coalinga, California (Fresno County APN 083-020-012, the "Property"), which since the mid-1970's had been under lease for material and equipment storage, with the Library and Recreation and Parks Departments equally sharing said net proceeds from the lease; and

WHEREAS, The lease of the Property was terminated by the tenant in early 2019; and

WHEREAS, City and County of San Francisco Real Estate staff ("Real Estate") commissioned an appraisal of the property in order to recommend whether it was best to secure a new tenancy of the Property or secure a buyer of the Property; and

WHEREAS, Given the value of the Property was estimated by the independent appraiser to be \$170,000 and the likely fair market rental rate to be only \$500 per month, Real Estate recommended a sale of the asset and secured, through competitive bid, a broker to represent the City in such an effort; and

WHEREAS, Any net proceeds from sale of any of the Fuhrman assets, including the Property, would be provided 50% to the Library and 50% to the Recreation and Parks Department; and

WHEREAS, The City has received a bona-fide offer from Richard Storti, a single man, in the amount of \$170,000 to acquire the Property with terms and conditions of sale acceptable to Real Estate; now, therefore be it

RESOLVED, That the Library Commission recommends the Board of Supervisors approve a sale of the Property to Richard Storti in the amount of \$170,000 pursuant to the terms and conditions of a Purchase and Sale Agreement as negotiated by Real Estate; and

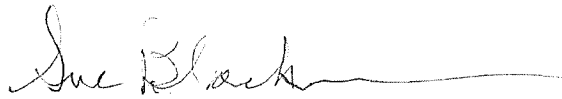
FURTHER RESOLVED, That the Library receive one-half of the net proceeds from sale of the Property upon closing of escrow, consistent with the terms and conditions of the Alfred Fuhrman Estate Bequest.

Approved on July 18, 2019

By a vote of: 6-0

AYES: Dunning, Huang, Lee, Mall, Ono and Wolf

NAYS: none

A handwritten signature in cursive script, reading "Sue Blackman", followed by a long horizontal flourish line.

Sue Blackman

Library Commission Secretary

RECREATION AND PARK COMMISSION
City and County of San Francisco
Resolution Number 1909-010

REAL ESTATE ASSETS OWNED IN FRESNO AND KERN COUNTIES
(FUHRMAN BEQUEST ASSETS)

RESOLVED, This Commission does recommend that the Board of Supervisors approve the sale of the 40 acre parcel of land in Fresno County (APN 083-020-012) to any qualified buyer in an amount of not less than \$170,000, in the form of final purchase agreement to be negotiated by Real Estate staff.

Adopted by the following vote

Ayes	6
Noes	0
Absent	1

I hereby certify that the foregoing resolution was adopted at the Recreation and Park Commission meeting held on September 19, 2019.


Ashley Summers, Commission Liaison



SAN FRANCISCO PLANNING DEPARTMENT

General Plan Referral

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date: July 15, 2019
Case No. Case No. 2019-013489GPR
Sale of 40 Acres West of Coalinga, CA

Block/Lot No.: APN: 083-020-12 (Fresno County)
Project Sponsor: City and County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA 94102

Applicant: John Updike, Senior Project Manager
City and County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA 94102
john.updike@sfgov.org
415-702-7194

Staff Contact: Patrick Race – (415) 575-9132
patrick.race@sfgov.org

Recommendation: Finding the project, on balance, is **in conformity** with
the General Plan

Recommended
By: 
John Rahaim, Director of Planning

PROJECT DESCRIPTION

The Project is the City's proposed sale of 40 acres west of Coalinga, CA in Fresno County. The City received fee title to this property in 1941 as part of a bequest from the estate of Alfred Fuhrman. In the 1970's, the property was leased to Oil Well Service Co, a materials storage and repair company, servicing nearby oil well companies' equipment. In early 2019, the tenant vacated the subject property, and the City determined the best course of action going forward was to sell the property at fair market value. Consistent with the City's "Keep it in the Ground" legislation, the property upon sale will be deed restricted to prevent any exploration of extraction of minerals, oil or gas products. A brokerage team has secured a prospective buyer of the property at appraised value of \$170,000. The property contains two metal warehouse buildings used for material storage of a combined square footage of less than 5,000 sf. The

submittal is for a General Plan Referral to recommend whether the Project is in conformity with the General Plan, pursuant to Section 4.105 of the Charter, and Section 2A.52 and 2A.53 of the Administrative Code.

ENVIRONMENTAL REVIEW

Not a project under CEQA Guidelines Sections 15060(c) and 15378 because there is no direct or indirect physical change in the environment. Any future development projects at this site would be evaluated and potentially subject to environmental review.

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

The Project is the City's proposed sale of a 40-acre property in Fresno County containing two warehouse structures of approximately 5,000 sf. The Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 as described in the body of this letter and is, on balance, **in-conformity** with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

POLICY 2.2

Seek revenue measures which will spread the cost burden equitably to all users of city services.

The City sale of 40 acres west of Coalinga, CA would be a one-time revenue generator that could benefit users of city services.

OBJECTIVE 4

IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY AND THE ATTRACTIVENESS OF THE CITY AS A LOCATION FOR NEW INDUSTRY.

POLICY 4.3

Carefully consider public actions that displace existing viable industrial firms.

In some instances, public activities such as redevelopment efforts of public facility expansion or improvement can result in a physical displacement of business.

The project does not propose to redevelop the subject property, but rather to sell the property with a deed restriction in place limiting the exploration of extraction of minerals, oil or gas products. The prospective buyer intends to continue the material storage and repair business utilizing the existing structures which were built for this purpose. The existing industrial use would not be displaced as a result of this sale.

RECREATION & OPEN SPACE ELEMENT

OBJECTIVE 4

PROTECT AND ENHANCE THE BIODIVERSITY, HABITAT VALUE, AND ECOLOGICAL INTEGRITY OF OPEN SPACES AND ENCOURAGE SUSTAINABLE PRACTICES IN THE DESIGN AND MANAGEMENT OF OUR OPEN SPACE SYSTEM

POLICY 4.1

Preserve, protect and restore local biodiversity.

The sale of the subject property would include a deed restriction limiting the exploration of extraction of minerals, oil or gas products which may have positive ecological benefits in terms of preserving, protecting and restoring local biodiversity by eliminating the negative effects of mineral and gas extraction.

URBAN DESIGN ELEMENT

OBJECTIVE 4

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY

POLICY 4.1

Protect residential areas from the noise, pollution and physical danger of excessive traffic.

The sale of the subject property is intended to a buyer who will maintain existing material storage and repair on-site. No additional traffic demand would be placed on the roads within the surrounding homestead parcels.

ENVIRONMENTAL PROTECTION ELEMENT

OBJECTIVE 1

ACHIEVE A PROPER BALANCE AMONG THE CONSERVATION, UTILIZATION, AND DEVELOPMENT OF SAN FRANCISCO'S NATURAL RESOURCES.

POLICY 1.1

Conserve and protect the natural resources of San Francisco.

While the sale of the subject property would result in the land no longer belonging to the City and County of San Francisco, it will include a deed restriction limiting the exploration of extraction of site resources, including minerals, oil or gas products.

PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

Eight Priority Policies Findings

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

The proposed project is found to be consistent with the eight priority policies of Planning Code Section 101.1 in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

The Project would have no adverse effect on neighborhood serving retail uses or opportunities for employment in or ownership of such businesses. The prospective buyer intends to retain the material storage operation that has been on this property since the 1970s.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

The Project would have no effect on the housing stock of nearby Coalinga, CA or on surrounding neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced.

The Project would have no adverse effect on the City's supply of affordable housing. All regional entities have been afforded the opportunity to express interest in the property for housing or redevelopment purposes, consistent with the State Surplus Lands Act (Gov't Code Section 54220 et. Seq.).

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The Project would not result in commuter traffic impact within the area.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced.

The Project would not affect the existing economic base in this area. The prospective buyer intends to retain the existing material storage and repair use.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project would not adversely affect achieving the greatest possible preparedness against injury and loss of life in an earthquake.

7. That landmarks and historic buildings be preserved.

This site and building are not landmarks or of historic significance. The structure was constructed in the 1970s and will be retained.

8. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project would have no adverse effect on parks and open space or their access to sunlight and vistas.

RECOMMENDATION:	Finding the Project, on balance, in-conformity with the General Plan
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I:\Citywide\General Plan\General Plan Referrals\2019\2019-013489GPR - 40 acres west of Coalinga, CA\2019-013489GPR-40 acres west of Coalinga, CA.docx



RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2019 SEP 23 AM 10:02


BY 



Andrico Q. Penick
Director of Real Estate

London N. Breed, Mayor
Naomi M. Kelly, City Administrator

MEMORANDUM

Date: September 23, 2019
From: Andrico Q. Penick, Director of Real Estate 
To: Members of the Board of Supervisors
Subject: Authorization for sale of city-owned property in Fresno County at appraised value of \$170,000

Background

The City and County of San Francisco owns approximately 1500 acres of land (40 acres just west of Coalinga, CA (Fresno County), the remainder in Kern County, in and around Bakersfield) that came to the City in 1941 from the Fuhrman Estate. The Fuhrman Estate Bequest specified that any revenues must be split 50/50 for the "adornment of Golden Gate Park as may be determined by the Park Commissioners" and the "acquisition of additional books on economic and political subjects for the San Francisco Public Library". Subsequent legal analysis supported a broader use of funding for the Library, which was confirmed by the court several decades ago. Many of the assets (stocks, bonds, other properties) bequeathed to the City were sold immediately upon receipt. The Fresno and Kern County property assets were retained by the City. There is no restriction on sales of these assets (except as noted below), and net proceeds must flow in equal share to the Recreation and Parks Department and Library.

In 1978, the City signed a ground lease with Oil Well Service Co for the use of 40 acres of land in Fresno County, just west of Coalinga. The property was used for material storage purposes. That lease was terminated on January 31, 2019, as the tenant vacated the property. After appraising the property to determine fair market lease and fair market sale values, it was determined that sale of the property was in the best interests of the City. Following a competitive process, Real Estate selected Cushman and Wakefield (and their affiliate, Pacific Commercial Realty Advisors) to represent the City as our broker in the disposition of the subject 40 acre site, and the property was subsequently placed on the market for sale.

Current Situation

This property has very little power or water infrastructure, but does have two metal buildings suitable for material storage (less than 5,000 square feet in size combined), constructed in the late 1960's. The City offered the property through the above-mentioned brokerage firm for sale. The City has received a bona-fide offer from Richard Storti, Jr., in the amount of \$170,000 – the appraised value. Real Estate is recommending that this offer be accepted.

The Library Commission, at their meeting of July 19, 2019, unanimously recommended the Board approve this sale. The Recreation and Park Commission also recommended the Board approve this sale at their meeting of September 19, 2019.

Fiscal Impact

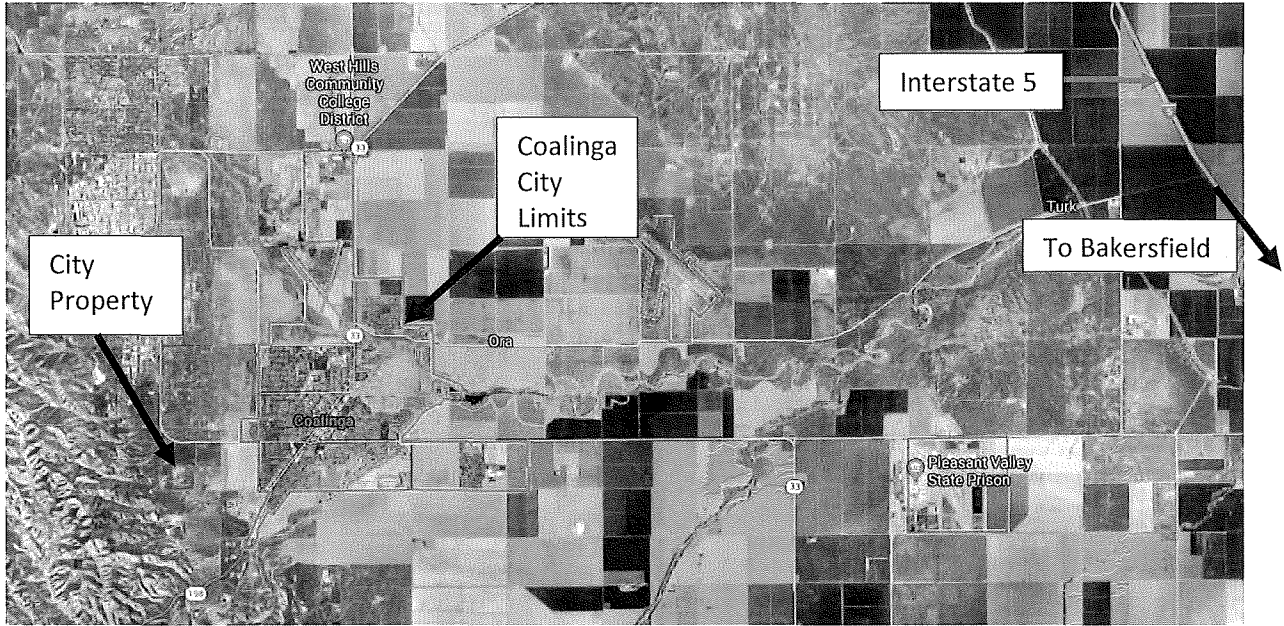
As has been the case with all net leasing revenues to date, the Recreation and Parks Department and Library Department will equally share the net proceeds of any sale. It is anticipated that total costs of sale will be approximately \$20,000 (brokerage commission, title and escrow fees, modest offset for debris removal costs of buyer, other administrative processing costs for closing of escrow), therefore each department can expect to receive \$75,000 in net proceeds upon the closing of escrow.

We respectfully request that this matter be assigned to either the Land Use and Transportation or Budget and Finance Committee of the Board for hearing. If you have any questions regarding this item, please contact me or John Updike of my staff.

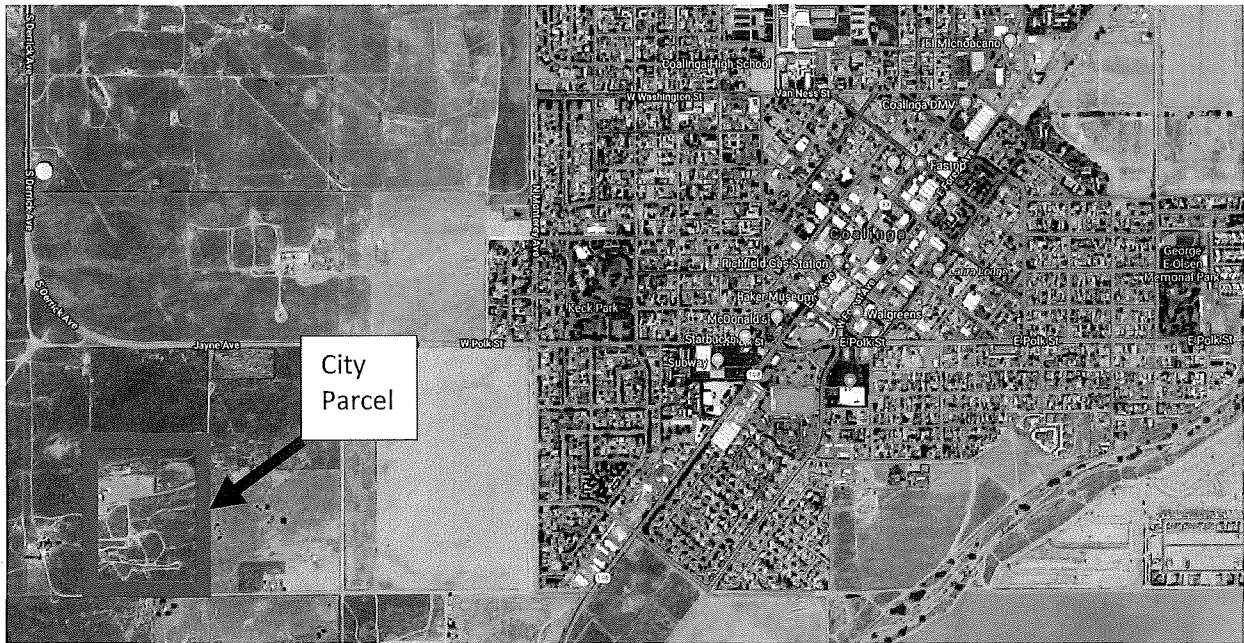
Attachment (Map)

c: Naomi Kelly, City Administrator

40 acre city-owned parcel just west of Coalinga, CA is shown below.



Enlarged view of city-owned 40 acre parcel located just west of Coalinga, CA below.





San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102
 Phone: 415.252.3100 . Fax: 415.252.3112
ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #:

190966

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING <i>(for amendment only)</i>
original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
office of the Clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
John Updike	415-702-7194
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
ADM GSA-Real Estate	john.updike@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Richard S. Storti, Jr.	TELEPHONE NUMBER 1-661-333-1000
STREET ADDRESS (including City, State and Zip Code) 319 Locust Avenue, Coalinga, CA 93210	EMAIL

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 190966
DESCRIPTION OF AMOUNT OF CONTRACT \$170,000		
NATURE OF THE CONTRACT (Please describe) Purchase of City-owned 40 acre property immediately west of Coalinga, CA.		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Mr Storti is acting as an individual		Other Principal Officer
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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50			

Check this box if you need to include additional names. Please submit a separate form with complete information. Select “Supplemental” for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK BOS Clerk of the Board	DATE SIGNED
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