



May 2, 2025

To: Members of the Board of Supervisors
Members of the Planning Commission

Re: **749 Toland Street and 2000 McKinnon Avenue (SF Gateway Development Agreement)**
Planning Department File No. 2015-012491DVA (Board File No. 250427)

Director's Report Regarding San Francisco Gateway Project Development Agreement Negotiations

1. Introduction

Chapter 56 of the San Francisco Administrative Code sets forth the procedure by which any request for a Development Agreement will be processed and approved by the City and County of San Francisco. This report is being written in accordance with S.F. Administrative Code Section 56.10(a).

Prologis, L.P. ("Developer") filed an application with the Planning Department for approval of a Development Agreement for the proposed Project under Administrative Code Chapter 56. Developer also filed applications with the Planning Department for (1) Zoning Map Amendment; (2) Planning Code Text Amendment to create the San Francisco Gateway Special Use District, Planning Code Section 249.7; and (3) Conditional Use Authorization for a Planned Unit Development pursuant to Planning Code Sections 303 and 304.

All of these items are scheduled for consideration by the Planning Commission at the May 22, 2025 hearing.

If you have any questions or concerns, please contact Planning Department staff, Gabriela Pantoja at 628-652-7380 or Gabriela.Pantoja@sfgov.org.

2. Background

Developer is the owner of an approximately 17-acre site, generally bounded by and including portions of Kirkwood Avenue to the north, Rankin Street to the east, McKinnon Avenue to the south, and Toland Street to the west, Assessor's Block 5284A Lot 008 and Block 5287 Lot 002.

The Project that is the subject of the Development Agreement consists of demolishing four existing Production, Distribution, and Repair ("PDR") buildings totaling approximately 448,000 square feet in size and constructing two three-story buildings up to 97 feet in height totaling 1,646,000 gross square feet in size with a mix of uses including up to 1,637,600 square feet of Production, Distribution, and Repair (PDR), Non-Retail Sales and Services, and Automotive Uses as permitted within the PDR-2 Zoning District and SF Gateway Special Use District and approximately 8,400 square feet of Retail Sales and Service Use. Each building will be designed to

provide ultimate flexibility for potential future PDR tenants with built-in circulation, ramping, and parking. A total of up to 1,125 off-street parking spaces, 100 Class 1 and 16 Class 2 bicycle parking spaces, and 48 Showers and eight Lockers will be provided throughout the development. The Project is to be developed in two phases, each with one building. Each building will contain up to 563 off-street parking spaces, 50 Class 1 and 8 Class 2 bicycle parking spaces, and 4 showers and 24 lockers. Located within the Bayview neighborhood and bounded by Kirkwood Avenue to the north, Rankin Street to the east, McKinnon Avenue to the south, and Toland Street to the west, the Project will include the construction of streetscape improvements including new paving, ADA ramps, sidewalks, crosswalks, street trees, Class 2 bicycle parking spaces, striped vehicle parking spaces, and passenger and commercial loading spaces.

3. Development Agreement Negotiations

The Planning Department and the Mayor's Office of Economic and Workforce Development ("OEWD") have negotiated a Development Agreement for the Project (the "Development Agreement"). The parties started negotiations of Development Agreement terms in 2023. Copies of the Development Agreement drafts that were exchanged between the parties can be found in the Planning Department files at 49 South Van Ness Avenue, Suite 1400. The exchanged drafts reflect the items under negotiation throughout the process. Without limiting the foregoing, we note that the negotiations between the parties included the following meetings:

1. January 17, 2023. Meeting to discuss general terms of the Development Agreement and Workforce Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell (Prologis), Nicole Heller, David Hamsher (Paul Hastings), and Dan Gershwin (Coblentz Patch Duffy & Bass LLP). No agreements reached.
2. April 17, 2023. Meeting to discuss general terms of the Workforce Agreement. Attendees included, Stephanie Tang (Contract Monitoring Division), Jon Lau, Susan Ma (OEWD), Courtney Bell (Prologis), Nicole Heller, David Hamsher (Paul Hastings). No agreements were reached.
3. April 17, 2023. Meeting to discuss general terms of the SUD Ordinance and Development Agreement. Attendees included, Anne Taupier, Jon Lau, Susan Ma (OEWD), Courtney Bell (Prologis), Boe Hayward (Lighthouse Public Affairs), Dan Gershwin (Coblentz Patch Duffy & Bass LLP). No agreements reached.
4. June 20, 2023. Meeting to discuss general terms of the Workforce Agreement. Attendees included, Stephanie Tang (Contract Monitoring Division), Jon Lau, Susan Ma (OEWD), Courtney Bell, Steven Hussain (Prologis), Nicole Heller (Paul Hastings). No agreements reached.
5. August 21, 2023. Meeting to discuss general terms of the Workforce Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell, Mark Hansen, Steven Hussain (Prologis), Nicole Heller (Paul Hastings), Boe Hayward (Lighthouse Public Affairs). No agreements reached.

6. August 22, 2023. Meeting to discuss general terms of the LBE Utilization Plan. Attendees included, Stephanie Tang (Contract Monitoring Division), Jon Lau, Susan Ma (OEWD), Courtney Bell, Banke Abioye (Prologis). No agreements reached.
7. September 21, 2023. Meeting to discuss general terms of the Development Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell (Prologis), Boe Hayward (Lighthouse Public Affairs). No agreements reached.
8. October 25, 2023. Meeting to discuss infrastructure and project phasing. Attendees included, Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell, Xavier Lema (Prologis), Boe Hayward (Lighthouse Public Affairs), Brian Liles (Jackson Liles Architecture), Dan Gershwin (Coblentz Patch Duffy & Bass LLP). No agreements reached.
9. October 30, 2023. Meeting to discuss general terms of the Development Agreement. Attendees included, Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell (Prologis), Boe Hayward (Lighthouse Public Affairs). No agreements reached.
10. December 7, 2023. Meeting to discuss general terms of the Development Agreement. Attendees included, Attendees included, Jon Lau, Susan Ma (OEWD), Betsy Dietrich (City Attorney's Office), Courtney Bell, Xavier Lema (Prologis), Dan Gershwin (Coblentz Patch Duffy & Bass LLP). No agreements reached.
11. December 18, 2023. Meeting to discuss general terms of the Development Agreement. Attendees included, Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell, (Prologis), Betsy Dietrich (City Attorney's Office), Dan Gershwin (Coblentz Patch Duffy & Bass LLP). No agreements reached.
12. January 10, 2024. Meeting to discuss general terms of the Development Agreement. Attendees included, Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell, (Prologis), Betsy Dietrich (City Attorney's Office), Dan Gershwin (Coblentz Patch Duffy & Bass LLP). No agreements reached.
13. April 4, 2024. Meeting to discuss general terms of the Workforce Agreement. Attendees included, Stephanie Tang (Contract Monitoring Division), Jon Lau, Susan Ma (OEWD), Courtney Bell (Prologis), Nicole Heller (Paul Hastings). No agreements reached.
14. April 10, 2024. Meeting to discuss general terms of the Workforce Agreement. Attendees included, Stephanie Tang (Contract Monitoring Division), Jon Lau, Susan Ma, Lowell Rice, Joyce Wong (OEWD), Courtney Bell (Prologis), Nicole Heller (Paul Hastings). No agreements reached.
15. May 2, 2024. Meeting to discuss general terms of the Development Agreement's TDM Plan exhibit. Attendees included, Jon Lau, Susan Ma (OEWD), Jeremy Shaw, Gabriela Pantoja, Ella Samonsky, Dylan Hamilton (Planning Department), Courtney Bell (Prologis), Dan Gershwin, Megan Jennings

(Coblentz Patch Duffy & Bass LLP), Brian Liles (Jackson Liles Architecture). No agreements reached.

16. May 2, 2024. Meeting to discuss general terms of the Infrastructure Plan. Attendees included, Jon Lau, Susan Ma (OEWD), Denny Phan, Cristina Olea, John Kwong, Desmond Chan (Infrastructure Task Force), Courtney Bell (Prologis), Brian Liles, Chloe Hanna-Korpi (Jackson Liles Architecture). No agreements reached.
17. May 9, 2024. Meeting to discuss general terms of the Infrastructure Plan. Attendees included, Jon Lau, Susan Ma (OEWD), Denny Phan, Cristina Olea, John Kwong (Infrastructure Task Force), Courtney Bell (Prologis), Brian Liles (Jackson Liles Architecture). No agreements reached.
18. June 6, 2024. Meeting to discuss general terms of the Development Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Betsy Dietrich (City Attorney's Office), Courtney Bell, Mark Hansen, Xavier Lema (Prologis), Megan Jennings, Dan Gershwin (Coblentz Patch Duffy & Bass LLP). No agreements reached.
19. June 13, 2024. Meeting to discuss general terms of the Development Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Betsy Dietrich (City Attorney's Office), Courtney Bell, Mark Hansen, Xavier Lema (Prologis), Megan Jennings, Dan Gershwin (Coblentz Patch Duffy & Bass LLP). No agreements reached.
20. July 1, 2024. Meeting to discuss general terms of the Infrastructure Plan. Attendees included, Jon Lau, Susan Ma, Anne Taupier (OEWD), Courtney Bell (Prologis). No agreements reached.
21. July 9, 2024. Meeting to discuss general terms of Development Agreement. Attendees included, Betsy Dietrich (City Attorney's Office), Dan Gershwin, Megan Jennings (Coblentz Patch Duffy & Bass LLP). No agreements reached.
22. July 17, 2024. Meeting to discuss general terms of Development Agreement. Attendees included, Betsy Dietrich, John Malamut (City Attorney's Office), Dan Gershwin, Megan Jennings (Coblentz Patch Duffy & Bass LLP). No agreements reached.
23. August 7, 2024. Meeting to discuss general terms of Development Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell (Prologis), Dan Gershwin (Coblentz Patch Duffy & Bass LLP), Brian Liles (Jackson Liles Architecture). No agreements reached.
24. August 13, 2024. Meeting to discuss general terms of Development Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell (Prologis), Dan Gershwin, Megan Jennings (Coblentz Patch Duffy & Bass LLP), Brian Liles, Chloe Hanna-Korpi (Jackson Liles Architecture). No agreements reached.

25. August 15, 2024. Meeting to discuss general terms of Development Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell (Prologis), Dan Gershwin (Coblentz Patch Duffy & Bass LLP), Brian Liles (Jackson Liles Architecture), Boe Hayward (Lighthouse Public Affairs). No agreements reached.
26. August 21, 2024. Meeting to discuss general terms of Development Agreement. Attendees included, Betsy Dietrich (City Attorney's Office), Dan Gershwin (Coblentz Patch Duffy & Bass LLP). No agreements reached.
27. August 30, 2024. Meeting to discuss general terms of Development Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell (Prologis), Brian Liles (Jackson Liles Architecture), Boe Hayward (Lighthouse Public Affairs). No agreements reached.
28. September 10, 2024. Meeting to discuss general terms of Development Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell (Prologis), Dan Gershwin, Megan Jennings (Coblentz Patch Duffy & Bass LLP), Brian Liles, Chloe Hanna-Korpi (Jackson Liles Architecture). No agreements reached.
29. September 12, 2024. Meeting to discuss general terms of Development Agreement. Attendees included, Betsy Dietrich (City Attorney's Office), Dan Gershwin (Coblentz Patch Duffy & Bass LLP). No agreements reached.
30. September 18, 2024. Meeting to discuss general terms of Development Agreement. Attendees included, Betsy Dietrich, John Malamut (City Attorney's Office), Dan Gershwin, Megan Jennings (Coblentz Patch Duffy & Bass LLP). No agreements reached.
31. October 4, 2024. Meeting to discuss general terms of Development Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell, Xavier Lema (Prologis). No agreements reached.
32. November 21, 2024. Meeting to discuss general terms of Development Agreement. Attendees included, Anne Taupier (OEWD), Courtney Bell (Prologis), Boe Hayward (Lighthouse Public Affairs). No agreements reached.
33. December 16, 2024. Meeting to discuss general terms of the Workforce Agreement. Attendees included, Jon Lau, Susan Ma, Anne Taupier, Lowell Rice, Joyce Wong, Derek Remski (OEWD), Betsy Dietrich, Victoria Wong (City Attorney's Office), Courtney Bell, Xavier Lema (Prologis), Nicole Heller (Paul Hastings), Dan Gershwin (Coblentz Patch Duffy & Bass LLP). No agreements reached.
34. December 18, 2024. Meeting to discuss general terms of Development Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Betsy Dietrich (City Attorney's Office), Courtney Bell, Xavier

Lema (Prologis), Dan Gershwin, Megan Jennings (Coblentz Patch Duffy & Bass LLP). No agreements reached.

35. January 21, 2025. Meeting to discuss general terms of Development Agreement. Attendees included, Betsy Dietrich (City Attorney's Office), Dan Gershwin, Megan Jennings (Coblentz Patch Duffy & Bass LLP). No agreements reached.
36. January 22, 2025. Meeting to discuss general terms of Development Agreement. Attendees included, Betsy Dietrich (City Attorney's Office), Dan Gershwin, Megan Jennings (Coblentz Patch Duffy & Bass LLP). No agreements reached.
37. February 24, 2025. Meeting to discuss general terms of Development Agreement. Attendees included, Betsy Dietrich, John Malamut (City Attorney's Office), Dan Gershwin, Megan Jennings (Coblentz Patch Duffy & Bass LLP). No agreements reached.
38. February 27, 2025. Meeting to discuss general terms of Infrastructure Plan. Attendees included, Jon Lau, Susan Ma (OEWD), Denny Phan (Infrastructure Task Force), Courtney Bell (Prologis), Brian Liles (Jackson Liles Architecture), Brian Scott (BKF). No agreements reached.
39. March 12, 2025. Meeting to discuss general terms of Development Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Betsy Dietrich (City Attorney's Office), Courtney Bell (Prologis), Dan Gershwin, Megan Jennings (Coblentz Patch Duffy & Bass LLP). No agreements reached.
40. March 19, 2025. Meeting to discuss general terms of Workforce Agreement. Attendees included, Jon Lau, Susan Ma (OEWD), Courtney Bell (Prologis). No agreements reached.
41. March 27, 2025. Meeting to discuss general terms of Development Agreement. Attendees included, Jon Lau, Susan Ma, Anne Taupier (OEWD), Courtney Bell (Prologis), Brian Liles, Chloe Hanna-Korpi (Jackson Liles Architecture), Dan Gershwin, Megan Jennings (Coblentz Patch Duffy & Bass LLP). No agreements reached.
42. April 10, 2025. Meeting to discuss general terms of Development Agreement. Attendees included, Betsy Dietrich (City Attorney's Office), Dan Gershwin (Coblentz Patch Duffy & Bass LLP). No agreements reached.
43. April 11, 2025. Meeting to discuss general terms of Development Agreement and Infrastructure Plan. Attendees included, Jon Lau, Susan Ma (OEWD), John Malamut (City Attorney's Office), Courtney Bell (Prologis), Brian Liles (Jackson Liles Architecture), Megan Jennings (Coblentz Patch Duffy & Bass LLP). Tentative agreement reached.

4. Conclusion.

We believe that both parties negotiated in good faith and the end result is a Project that, if constructed, will benefit the City.

This summary is prepared for information purposes only, and is not intended to change, supplant, or be used in the interpretation of, any provision of the Development Agreement. For any specific question or interpretation, or for any additional detail, reference should be made to the Development Agreement itself. I and my staff, as well as OEWD and the City Attorney's Office, are available to answer any questions that you may have regarding the Development Agreement or the negotiation process.