

1 [Real Property Acquisition - Martha E. Potiriades, George P. Potiris, Kalli K. Carvalho, James
2 G. Pappas, Christina Pappas-Boettger, Ellece Vasti, Stephanie A. Papas, and Catherine
3 Guzman - 240-6th Street - \$7,150,000]

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4 **Resolution approving the use of a total of \$7,150,000 in Open Space Acquisition Funds**
5 **to pay for the cost to acquire and to perform necessary environmental remediation on**
6 **one parcel of improved real estate, consisting of approximately 9,625 square feet in**
7 **land area, including the assumption of an existing lease, located at 240-6th Street,**
8 **Assessor’s Parcel Block No 3731, Lot No. 004, from Martha E. Potiriades, George P.**
9 **Potiris, Kalli K. Carvalho, James G. Pappas, Christina Pappas-Boettger, Ellece Vasti,**
10 **Stephanie A. Papas, and Catherine Guzman; placing the property under the jurisdiction**
11 **of the Recreation and Park Department, and authorizing the use of revenues from the**
12 **property for property-related costs and future park planning; requiring any future park**
13 **project to be subject to the review and approval of Recreation and Park Commission**
14 **following environmental review; adopting findings that the conveyance is consistent**
15 **with the General Plan, and eight priority policies of Planning Code, Section 101.1; and**
16 **authorizing the Director of Property to execute documents, make certain modifications,**
17 **and take certain actions in furtherance of the purchase agreement and this Resolution,**
18 **as defined herein.**

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20 WHEREAS, Martha E. Potiriades, George P. Potiris, Kalli K. Carvalho, James G.
21 Pappas, Christina Pappas-Boettger, Ellece Vasti, Stephanie A. Papas, and Catherine
22 Guzman (“Seller”) are the fee owners of Assessor’s Parcel Block No 3731, Lot No. 004,
23 located at 240 6th Street in the City and County of San Francisco containing approximately
24 9,625 square feet of improved land area (the “Property”); and

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1 WHEREAS, The Property is subject to an existing commercial lease (the “Assumed
2 Lease”), under which the tenant (Euro Motor Cars) currently pays the landlord \$9,342 per
3 month in base rent with annual CPI increases to a maximum of 5% and their share of
4 common operating expenses, subject to the landlord’s right to terminate the lease agreement
5 on six months’ written notice, and which otherwise will expire on or before May 1, 2026; and

6 WHEREAS, The City desires to acquire the Property, subject to the Assumed Lease,
7 for potential future development by SFRPD as a public park; and

8 WHEREAS, The site is adjacent to the existing Gene Friend Recreation Center, and
9 provides an opportunity to extend and enhance an existing RPD facility; and

10 WHEREAS, The proposed acquisition will further SFRPD’s mission, as articulated in
11 SFRPD’s Strategic Plan Objectives 1.1 (“Develop more open space to address population
12 growth in high needs areas and emerging neighborhoods”), 1.2 (“Strengthen the quality of
13 existing parks and facilities”) and 2.2 (“Strengthen and promote the safety, health, and well-
14 being of San Francisco’s youth and seniors”) by providing enriching recreational activities,
15 beautiful parks, and preserving the environment for the well-being of San Francisco’s diverse
16 community; and

17 WHEREAS, The Property is within the areas identified as Highest Need by the
18 District 6 Open Space Task Force, which identified areas desirable for the acquisition of new
19 open space based on the Recreation and Open Space Element of the San Francisco General
20 Plan High Needs Areas mapping, based on factors such as population density, concentration
21 of children and/or seniors, concentration of lower income households, anticipated growth, and
22 existing parks; and

23 WHEREAS, The Property is within the areas identified as Environmental Justice
24 Communities, defined by the Planning Department as neighborhoods that lack equitable
25 resources and opportunities; and

1 WHEREAS, Seller and City have negotiated a purchase and sale agreement (the
2 “Purchase Agreement”), a copy of which is on file with the Clerk of the Board in File
3 No. 240769, for sale of the Property valued at Six Million Nine Hundred Thousand Dollars
4 (\$6,900,000) subject to the terms and conditions stated therein, to be paid for from the Open
5 Space Acquisition Fund; and

6 WHEREAS, The City obtained an appraisal which valued the Property at \$6,900,000
7 as determined by an objective, MAI and State-certified consultant appraiser, based on highest
8 and best use of the property. and the Director of Property has determined that the sales price
9 of \$6,900,000 is reasonable and representative of fair market value; and

10 WHEREAS, The City has negotiated with the Seller a credit of \$1,590,000 from the
11 \$6,900,000 price established in the Purchase Agreement, which amount shall be retained by
12 SFRPD to be used for environmental remediation work, with the Seller receiving a total of
13 \$5,310,000 from the Open Space Acquisition Fund; and

14 WHEREAS, As the \$1,590,000 credit will not cover the entire costs of the necessary
15 environmental remediation, SFRPD intends to use an additional \$250,000 from the Open
16 Space Acquisition Fund to fund those costs, resulting in the City using a total of \$7,150,000
17 from the Open Space Acquisition Fund for the Property; and

18 WHEREAS, Under the Purchase Agreement, the City will assume the landlord’s rights
19 and obligations under the Assumed Lease at closing, SFRPD intends to allow the existing
20 tenant under the Assumed Lease to remain on the Property in accordance with their Assumed
21 Lease terms through existing expiration dates, and to use the rent received to pay all
22 operating or other expenses of the City related to the Property; and

23 WHEREAS, Under the Purchase Agreement, the Seller has the right to perform the
24 transaction as a 1031(c) exchange under the condition that this will not be a contingency and
25 will not delay the close of escrow; and

1 WHEREAS, On June 20, 2024, the Recreation and Park Commission unanimously
2 approved Resolution No. 2406-003 recommending that the Board approve the allocation of
3 Open Space Acquisition Funds for the Property, and the Purchase Agreement, all as set forth
4 in this Resolution; and

5 WHEREAS, The public interest or necessity will not be inconvenienced by the
6 acquisition of the Property in accordance with the Purchase Agreement, and such acquisition
7 will further a proper public recreational purpose; and

8 WHEREAS, The Planning Department, by letter dated May 14, 2024, found that the
9 acquisition of the Property is not considered a project under the California Environmental
10 Quality Act (“CEQA”, Pub. Resources Code Section 21000 et seq.) pursuant to CEQA
11 Guidelines, Section 15060, and Chapter 31 of the City’s Administrative Code, and is
12 consistent with the General Plan, and the eight priority policies of Planning Code,
13 Section 101.1, which letter is on file with the Clerk of the Board of Supervisors in File
14 No. 240769, and incorporated herein by this reference; now, therefore, be it

15 RESOLVED, This Board affirms the Planning Department’s determination under CEQA
16 and finds that the proposed acquisition of the Property is consistent with the General Plan and
17 the eight priority policies of Planning Code, Section 101.1 for the reasons set forth in the
18 Director of Planning’s letter; and, be it

19 FURTHER RESOLVED, The Board approves the use of a total of \$7,150,000 from the
20 Open Space Acquisition Fund to pay for the fair market value acquisition of the Property for
21 \$6,900,000 plus an additional \$250,000 to cover the remaining necessary environmental
22 remediation of the Property, which is located at 240 6th Street Assessor Block No. 3731, Lot
23 No. 004; and, be it

24 FURTHER RESOLVED, That in accordance with the recommendation of the General
25 Manager of SFRPD and the Director of Property, the Board of Supervisors approves the

1 Purchase Agreement in substantially the form presented to the Board, and authorizes the
2 General Manager of SFRPD and the Director of Property to take all actions necessary or
3 appropriate to acquire the Property and assume the Assumed Lease and any other leases
4 approved by City as set forth in the Purchase Agreement, and to perform the City's obligations
5 as a landlord; and, be it

6 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
7 Property to enter into any amendments to the Purchase Agreement and to enter into ancillary
8 agreements that the Director of Property determines, in consultation with the City Attorney
9 and General Manager of SFRPD, are in the best interest of the City, do not otherwise
10 materially increase the obligations or liabilities of the City, are necessary or advisable to
11 effectuate the purposes of the Purchase Agreement and this resolution and are in compliance
12 with all applicable laws, including City's Charter; and, be it

13 FURTHER RESOLVED, That the Director of Property is hereby authorized and urged
14 to accept the deed to the Property from the Seller upon the closing in accordance with the
15 terms and conditions of the Purchase Agreement, and to take any and all steps (including, but
16 not limited to, the execution and delivery of any and all certificates, agreements, notices,
17 consents, escrow instructions, closing documents and other instruments or documents) as the
18 Director of Property deems necessary or appropriate in order to acquire the Properties
19 pursuant to the Purchase Agreement, or to otherwise effectuate the purpose and intent of this
20 Resolution, such determination to be conclusively evidenced by the execution and delivery by
21 the Director of Property of any such documents; and, be it

22 FURTHER RESOLVED, That the Director of Property shall provide the Clerk of the
23 Board of Supervisors a fully executed copy of the Purchase Agreement within thirty (30) days
24 after execution; and be it

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1 FURTHER RESOLVED, Following the Purchase, the Property shall be placed under
2 SFRPD’s jurisdiction, and SFRPD shall use the revenues from the Property to fulfill the City’s
3 obligations as landlord and applicable law and shall use any excess revenues, after paying all
4 costs of operation and maintenance, for planning and other costs related to the potential
5 demolition and conversion of the Property to a public park following the departure of the
6 existing tenant, and, be it

7 FURTHER RESOLVED, That any future building demolition and conversion of the
8 Property to a park will be subject to the review and approval of the Recreation and Park
9 Commission following any required environmental review.

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Open Space Acquisition Fund	
Fund	13360
Dept ID	262676
Project ID	10013093
Authority ID	14614
Account ID	567000
Activity ID	0027

Recommended:

_____/s/_____
General Manager
San Francisco Recreation and Parks Department

_____/s/_____
Director of Property