

1 [Acquisition of Real Property - Prologis, L.P. - 1236 Carroll Avenue - Not to Exceed
2 \$40,000,000 - Approval of Memorandum of Understanding - Port - Not to Exceed \$6,000,000]

3 **Resolution approving and authorizing the Director of Property, on behalf of the Fire**
4 **Department to: 1) execute a Purchase and Sale Agreement with Prologis, L.P. to**
5 **purchase real property located at 1236 Carroll Avenue for a purchase price of**
6 **\$38,500,000 plus closing costs, for a total cost not to exceed \$40,000,000; 2) execute a**
7 **Memorandum of Understanding with the Port to transfer jurisdiction of real property**
8 **located at 1236 Carroll Avenue at fair market value plus closing costs, for a total cost**
9 **not to exceed \$6,000,000; 3) place both properties under the jurisdiction of the Fire**
10 **Department; and 4) adopt the Planning Department's findings that the contemplated**
11 **transactions are consistent with the General Plan, and the eight priority policies of**
12 **Planning Code, Section 101.1.**

13
14 WHEREAS, The mission of the San Francisco Fire Department (“SFFD”) is to protect
15 the lives and property of the people of San Francisco from fires, natural disasters, and
16 hazardous materials incidents; to save lives by providing emergency medical services; to
17 prevent fires through prevention and education programs; and to provide a work environment
18 that values health, wellness and cultural diversity and is free of harassment and
19 discrimination; and

20 WHEREAS, SFFD’s training facilities are currently located in San Francisco, with the
21 “Primary Facility” at Treasure Island, under the jurisdiction of the Treasure Island
22 Development Authority (“TIDA”), and an ancillary training tower facility (“Ancillary Facility”)
23 located at 19th and Folsom Streets (collectively, the “Fire Training Facilities”); and

24 WHEREAS, SFFD educates and trains new fire fighters and provides refresher training
25 and recertification to veteran fire fighters; and

1 WHEREAS, SFFD has approximately 1,700 firefighters who use the Fire Training
2 Facilities each year depending on their qualifications and the requirements for their position,
3 and at a minimum, each firefighter has approximately 200 hours of training per year; and

4 WHEREAS, Initial and ongoing classroom and physical training is essential for the
5 safety of firefighters and the public; and

6 WHEREAS, No later than December 31, 2026, TIDA requires SFFD to relocate the
7 Primary Facility; SFFD requested the City’s Real Estate Division (“RED”) to assist with
8 identifying a suitable replacement property that would consolidate the Fire Training Facilities
9 into one location within the geographic limits of San Francisco, consisting of a minimum of 7.5
10 acres; combining the Primary Facility and Ancillary Facility at one location is a primary
11 objective of SFFD, as it will promote training and administrative efficiencies, reduce long term
12 capital costs, and eliminate the need to travel to two locations across town in order to
13 complete training; and

14 WHEREAS, Prologis, L.P. (“Prologis”) owns all of Assessor’s Parcel Block No. 4852
15 except Lot No. 1, consisting of 94,000 net square feet, and owns the entirety of Assessor’s
16 Parcel Block No. 4877 consisting of 120,000 square feet, for a total of 214,000 square feet
17 (collectively, the “Prologis Property”); and

18 WHEREAS, Port jurisdiction includes Lot 001 within Block 4852 consisting of
19 approximately 28,048 square feet; Griffith Street, a paper street that forms the eastern
20 boundary of Blocks 4852 and 4877, consisting of approximately 38,400 square feet; and
21 Bancroft Avenue, a paper street that separates Block 4852 and Block 4877, consisting of
22 approximately 48,000 square feet; for a total of approximately 114,448 square feet
23 (collectively, the “Port Property”); and

1 WHEREAS, The Port Property and the Prologis Property are adjacent to each other
2 and if assembled together total approximately 328,448 contiguous square feet, or 7.54 acres,
3 of potentially developable land; and

4 WHEREAS, In consultation with SFFD, RED has determined that the Prologis Property
5 together with the Port Property is the best location to relocate the Fire Training Facilities; and

6 WHEREAS, Prologis and the City negotiated a Purchase and Sale Agreement (“PSA”)
7 on file with the Clerk of the Board of Supervisors in File No. 220296, for the City’s purchase of
8 the Prologis Property, with an agreed upon purchase price of \$38,500,000 (the “Purchase
9 Price”); and

10 WHEREAS, On May 25, 2021, the Board of Supervisors unanimously approved a
11 purchase option with Prologis (“Purchase Option”) on file with the Clerk of the Board of
12 Supervisors in File No. 210509 to: (1) keep the Prologis Property off the market; (2) lock in the
13 Purchase Price and terms of the PSA for one year through May 31, 2022; (3) give the City
14 and the Port time to negotiate terms for the transfer of the adjacent Port Property; and (4)
15 provide the Port time to seek state legislation approving terms to remove the Burton Act
16 statutory trust and the common law public trust for commerce, navigation, and fisheries
17 (collectively, the “Public Trust”) from the Port Property and to transfer it to the City (“State
18 Legislation”); and

19 WHEREAS, The City pays Prologis \$15,000 per month under the Option Agreement;
20 the Option Agreement gives the City the unilateral right to purchase the Prologis Property on
21 the terms of the PSA, and expires May 31, 2022; and

22 WHEREAS, The City and the Port negotiated a Memorandum of Understanding
23 (“MOU”) on file with the Clerk of the Board of Supervisors in File No. 220296, which sets forth
24 the terms and preconditions, including passage of the State Legislation and confirmation of
25 the fair market value of the Port Property by the California State Lands Commission, upon

1 which the Port is willing to transfer and the City is willing to accept title to the Port Property;
2 and

3 WHEREAS, The State Legislation was introduced on February 18, 2022, by Assembly
4 Member Ting as AB 2607, and is on file with the Clerk of the Board of Supervisors in File
5 No. 220296; the State Legislation is not scheduled to be voted upon or signed by Governor
6 Newsom before the Purchase Option expires on May 31, 2022; approval of the State
7 Legislation to lift the Public Trust is a necessary precondition to transfer the Port Property to
8 the City; and

9 WHEREAS, RED and SFFD desire to move forward with the acquisition of the Prologis
10 Property upon the terms of the PSA while the State Legislation is pending; and

11 WHEREAS, On April 12, 2022, the Port Commission is expected to approve the
12 transfer of the Port Property pursuant to the terms and preconditions of the MOU; and

13 WHEREAS, In accordance with the State Legislation, prior to the transfer of the Port
14 Property the California State Lands Commission must determine that the Port will receive the
15 fair market value of the Port Property; the City's appraisal of the Port Property is \$5,860,000
16 which appraised value was confirmed by review appraisal, must be confirmed by the
17 California State Lands Commission after passage of the State Legislation; and

18 WHEREAS, The City has received assurances that the transfer of the Port Property for
19 a new Fire Training Facility has strong support at the Port Commission, California State Lands
20 Commission staff and the State Legislature, and the City is confident that passage of the
21 State Legislation is likely; the Port held an informational hearing at the Port Commission
22 meeting on March 22, 2022 and an informational meeting at its Southern Advisory Committee
23 meeting on March 23, 2022, at which strong support for the new Fire Training Facility and the
24 transaction was expressed; in addition, the State Legislation was introduced by
25 Assemblymember Ting on February 18, 2022, and has received support; and

1 WHEREAS, On June 8, 2021, the Board of Supervisors passed Ordinance No. 082-21
2 which among other things, authorized the allocation of proceeds from the Earthquake Safety
3 and Emergency Response 2021 bond which will fund the purchase of the Prologis Property;
4 and

5 WHEREAS, On December 30, 2021, the Planning Department issued a Final Mitigated
6 Negative Declaration ("FMND") in compliance with the provisions of the California
7 Environmental Quality Act (California Public Resources Code Sections 21000 et seq.,
8 "CEQA"), the State CEQA Guidelines (California Code of Regulations Title 14 Sections 15000
9 et seq.), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"), for the
10 proposed fire training facility, which determined that the proposed fire training facility would
11 not have a significant effect on the environment with implementation of the identified
12 mitigation measures; the FMND is on file with the Clerk of the Board of Supervisors in File No.
13 220054 and incorporated herein by reference; and

14 WHEREAS, On February 8, 2022, pursuant to Motion M22-016, the Board of Supervisors
15 adopted findings for the project under the California Environmental Quality Act; and

16 WHEREAS, In a letter dated March 22, 2022, the Planning Department determined that
17 the actions contemplated in this resolution are consistent, on balance, with the City's General
18 Plan, and eight priority policies of Planning Code, Section 101.1 ("General Plan
19 Determination"); a copy of said determination is on file with the Clerk of the Board of
20 Supervisors in File No. 220296, and incorporated herein by reference; and

21 WHEREAS, RED, in conjunction with SFFD, requests the Board of Supervisors to
22 approve the purchase of the Prologis Property for the Purchase Price plus closing costs, not
23 to exceed \$40,000,000 on the terms and conditions of the PSA and prior to passage of the
24 State Legislation so that it may preserve this one of a kind opportunity to acquire a site in San
25 Francisco suitable for a new Fire Training Facility; and

1 WHEREAS, RED, in conjunction with SFFD, requests the Board of Supervisors to
2 approve the transfer of the Port Property in exchange for payment to the Port of fair market
3 value to be finally confirmed or otherwise adjusted by the California State Lands Commission,
4 plus closing costs, not to exceed \$6,000,000 subject to certification of funding, upon the terms
5 and conditions of the MOU; now, be it

6 RESOLVED, That in accordance with the recommendation of the Director of Property
7 and the Fire Chief, the Board of Supervisors approves the PSA in substantially the form
8 presented to the Board, and authorizes the Director of Property, in consultation with the Office
9 of the City Attorney and the Fire Chief, to take all actions necessary or appropriate to acquire
10 the Prologis Property in accordance with the PSA; and, be it

11 FURTHER RESOLVED, That in accordance with the recommendation of the Port
12 Executive Director, the Port Commission, the Fire Chief, and the Director of Property, the
13 Board of Supervisors approves the MOU in substantially the form presented to the Board, and
14 encourages the Port Commission to authorize the Port Executive Director, in consultation with
15 the Office of the City Attorney, to take all actions necessary or appropriate to transfer the Port
16 Property, subject to the terms and preconditions of the MOU; and, be it

17 FURTHER RESOLVED, That in accordance with the recommendation of the Director
18 of Property and the Fire Chief, the Board of Supervisors approves the MOU in substantially
19 the form presented to the Board, and authorizes the Director of Property, in consultation with
20 the Office of the City Attorney and the Fire Chief, to take all actions necessary or appropriate
21 to acquire the Port Property, subject to the terms and preconditions of the MOU; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors affirms and adopts as its own,
23 the findings made by the Planning Department in the General Plan Determination, on file with
24 the Clerk of the Board of Supervisors in File No. 220296, and is incorporated herein by
25 reference.; and, be it

1 FURTHER RESOLVED, That the Director of Property is authorized to enter into any
2 amendments or modifications of the PSA and/or the MOU, including, without limitation,
3 completion and execution of the exhibits, and to take all steps, including, but not limited to the
4 execution and delivery of all certificates, notices, consents, agreements, memoranda, and
5 other documents, that the Director of Property determines, in consultation with the City
6 Attorney, are in the best interests of the City, do not materially increase the obligations or
7 liabilities of the City or materially reduce the benefits to the City, are necessary or advisable to
8 complete the actions contemplated in the PSA and/or the MOU, effectuate the purpose and
9 intent of the PSA, the MOU, or this resolution, and are in compliance with all applicable laws,
10 including the City's Charter; and be it

11 FURTHER RESOLVED, That the Port Commission is encouraged to authorize the
12 Executive Director of the Port to enter into any amendments or modifications of the MOU,
13 including, without limitation, completion and execution of the exhibits, and to take all steps,
14 including, but not limited to the execution and delivery of all certificates, notices, consents,
15 agreements, memoranda, and other documents, that the Executive Director of the Port, in
16 consultation with the City Attorney, determines are in the best interests of the Port, do not
17 materially increase the obligations or liabilities of the Port or materially reduce the benefits to
18 the Port, are necessary or advisable to complete the actions contemplated in the MOU,
19 effectuate the purpose and intent of the MOU or this resolution, and are in compliance with all
20 applicable laws, including the City's Charter; and be it

21 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
22 with respect to the PSA or MOU are hereby approved, confirmed and ratified; and, be it

23 FURTHER RESOLVED, That upon transfer to the City, the Prologis Property and the
24 Port Property will be placed under the jurisdiction of the SFFD; and, be it

