

**GRANT ACCEPTANCE AGREEMENT**

Between the San Francisco Downtown Development Corporation  
and the San Francisco Department of Public Works  
for the Powell Street Improvement Project

This Grant Acceptance Agreement ("**Agreement**"), dated \_\_, 2026 is entered into by and between the San Francisco Downtown Development Corporation, a California nonprofit public benefit corporation ("**DDC**" or "**Grantor**"), and the City and County of San Francisco ("**City**") acting through its Department of Public Works ("**Public Works**"), all collectively referred to herein as the "**Parties**."

**RECITALS**

WHEREAS, The City owns the real property under the jurisdiction of Public Works in the three-block corridor of Powell Street between Market Street and Geary Street (the "**Project Location**") and seeks to enhance this area for the well-being of everyone in San Francisco's diverse community; and

WHEREAS, The DDC was founded in 2025 with the purpose to revitalize the City and County of San Francisco, including its downtown area, to ensure its residents and visitors have a safe, clean, dynamic, economically vibrant, and innovative place to live, work, play, and conduct business. The DDC works in close coordination with the City, business, labor, and civic leaders with the goal to transform downtown into a thriving destination that drives economic growth and strengthens San Francisco's cultural fabric; and

WHEREAS, City desires to complete an improvement project at the Project Location that will include pedestrian and circulation improvements, streetscape surface and landscape enhancements including a large scale programmable LED light installation above the cable car turnaround at Market Street, utility and infrastructure modifications, street lighting modifications, and cable car stop and loading zone modifications as further described in Exhibit A to this Agreement (the "**Project**"); and

WHEREAS, Grantor proposes to provide a grant raised from third-party philanthropic contributions (the "**Grant**") valued at up to \$14,500,000 (the "**Grant Amount**") for the Project on the terms and conditions set forth herein; and

WHEREAS, City has, or will have identified approximately \$25,800,000 for the Project (the "**City Funding Obligation**"); and

WHEREAS, on \_\_\_\_\_, the San Francisco Board of Supervisors adopted Board Resolution No. \_\_\_\_\_, to approve this Grant Agreement and to authorize PUBLIC WORKS to accept and expend the Grant.

NOW, THEREFORE, subject to and effective upon the execution of this Agreement by all of the Parties (the "**Effective Date**"), the Parties agree as follows:

1. **Term.** This Agreement shall become effective upon full execution and delivery hereof by the Parties. This Agreement shall expire once the Grant has been expended and the Project is complete, or upon termination of this Agreement as set forth herein.

2. **Project Overview.** The Parties agree to collaborate on the Project based on the budget and schedule attached as **Exhibit B** (the “**Budget and Schedule**”). Exhibit B is intended to be preliminary, and the Parties may review and update the Budget and Schedule from time to time upon written mutual agreement. If any Grant funds remain unspent after the Project is complete (“**Excess Funds**”), City shall promptly return any Excess Funds to the DDC.

3. **Sources of Funding.**

a. **Public Funding.** This Agreement is subject to the budget and fiscal provisions of the City's Charter. If funds required for any of City's responsibilities under this Agreement, including the City Funding Obligation, are not appropriated for any portion of a fiscal then City may terminate this Agreement without penalty, liability, or expense of any kind. If City must terminate this Agreement under this section 3, City shall timely return all unspent Grant amounts to Grantor. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors.

b. **Grantor's Funding.** Grantor has not yet secured all funds necessary to fund the Grant but will engage in a fundraising campaign (the “**Campaign**”). Grantor has set a goal to raise the Grant Amount for the Project in the form of third-party philanthropic donations, contributions, and/or grants of cash. Grantor will provide Public Works updates on the Campaign as reasonably requested by Public Works. To the extent that Public Works or the City receives any additional funds in excess of the City Funding Obligation for the Project from any source, the amount of such contributed funds shall count toward the amount of the Grant Agreement and reduce the DDC's obligation to fund the Grant Amount accordingly. Notwithstanding the foregoing, if such additional funds are designated for cost overruns or a change to the Project that does not result in a Material Change (or for a Material Change that Grantor has approved in writing) then such funds shall not reduce the DDC's obligation to fund the Grant Amount. Nothing herein shall be interpreted to increase DDC's obligation to fund the Grant above the Grant Amount. For purposes of this Agreement, “Material Change” means any change to the Project that results in an increase or budget shortfall of more than \$3 million or any a significant and major deviation to the Project's design and/or scope of work as described in Exhibits A and B, including but not limited to changes to the project boundaries (above or underground), the “Golden Lantern” lighting installation at the southernmost edge of the cable-car turnaround and sidewalk replacement. A Material Change does not include customary changes to the Project required by any agencies having jurisdiction that do not fundamentally change the Project.

4. **Grant Agreement.** Grantor shall disburse portions of the Grant to City, consistent with the funding milestones set forth in Exhibit B (each a “**Milestone**”) and subject to the conditions set forth in this Section 4. If any Milestone does not occur by the applicable deadline set forth in Exhibit B or if any of the conditions set forth below in this Section 4 are not satisfied, the DDC

shall (i) have no obligation to distribute to Public Works any additional portions of the Grant, including for subsequent Milestones, and (ii) have the right to terminate this Agreement in accordance with Section 13.

- a. Grantor shall have actually raised and be in possession of funds in the Grant Amount. Grantor shall have no obligation to fund any portion of the Grant for which Grantor does not raise and actually receive sufficient funds designated for the Grant from third party philanthropic sources.
- b. City shall have secured the City Funding Obligation and provided evidence reasonably acceptable to Grantor of such fact.
- c. City shall have obtained all necessary permits, approvals and clearances necessary for completion of the Project.
- d. City shall have delivered the Budget and Schedule in Exhibit B hereto (which shall include the Project Schedule, Milestones and the fully executed construction contract to Grantor) and Grantor shall have approved the same (which may not be unreasonably withheld). City shall deliver the Budget and Schedule within 30 days of the execution of this Agreement.

**5. City Responsibilities.** City shall:

- a. Subject to receipt of the Grant and securing the City Funding Obligation, City shall enter into and administer the construction contract for the Project and diligently pursue the Project to completion consistent with the Schedule and Budget.
- b. Provide quarterly updates in writing to the Grantor on the Project and the Budget and Schedule and otherwise provide other information about the Project and Budget and Schedule as reasonably requested by the Grantor.
- c. Not make any Material Change to the Project that results in an increase or budget shortfall of more than \$3 million without prior written approval from Grantor. If Grantor fails to respond to City's request within (5) business days, the Material Change shall be deemed approved.
- d. Facilitate a Project Governance Team ("PGT"). The PGT shall consist of one representative from Public Works, OEWD, and DDC which shall strive in good faith to reach consensus when making decisions on how to complete the Project. Subject to the provisions of this Agreement, the PGT shall periodically review the Budget and Schedule and may update them from time to time in writing as reasonably agreed to by the members of the PGT. The PGT work shall not detract from Public Works' responsibility under San Francisco Charter Section 4.140 to manage and make final land use decisions regarding the Project. Public Works shall keep the PGT informed regarding the design and construction of the Project.

- e. Facilitate community engagement on the Project and coordinate necessary reviews and approvals for the design, permitting, and construction of the Project, including but not limited to environmental review, compliance with disability access laws, stormwater management ordinance compliance, hazardous materials inspections and monitoring, and geotechnical investigations and reports.
- f. Using best efforts, endeavor to secure the City Funding Obligation for the Project.
- g. Assist DDC with private fundraising efforts for the Campaign, as allowed by law.<sup>1</sup>
- h. Coordinate with SFMTA as necessary to complete construction.
- i. Maintain accurate accounting records related to its expenditures for the Project, for at least four years after Project completion. Grantor may, at its own expense and on reasonable notice to City, review these records.
- j. Maintain the Project after its completion, in a good condition and consistent with Public Works' prevailing maintenance practices. Improvements shall remain at the Project through the term of this Agreement or for their useful life, in City's sole discretion.

**6. DDC Responsibilities.** The DDC shall:

- a. Participate in project decision making as a member of PGT.
- b. Grantor shall have no obligation or responsibility whatsoever for managing, constructing, delivering, operating, or maintaining the Project. The City shall have sole responsibility, discretion, and control over the planning, design, and construction of the Project, the selection of contractors, sub-contractors, consultants and any other third-party service providers in accordance with the City's standard practices.
- c. Grantor's obligations hereunder are strictly limited to the Grant Amount and Grantor shall have no obligation to make up any budget shortfall or cost overrun for the Project unless specifically agreed to by Grantor in advance in writing.
- d. Notwithstanding anything herein to the contrary, in the event Grantor is unable to raise the Grant Amount from third-party philanthropic sources, Grantor shall have no obligation or liability to fund the shortfall in the Grant Amount.

**7. Indemnification.** DDC shall defend, indemnify and hold harmless the City, and its officers, agents and employees from any and all loss, expense, damage, injury, liability and claims thereof for injury to or death of any person, including its respective officers, directors, employees and agents, or loss of or damage to property, resulting directly or indirectly from DDC's own activities in connection with this Agreement, except and to the extent where such loss, damage, injury,

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<sup>1</sup> NTD: Subject to any requirements for behested payment waivers.

liability or claim is the result of the sole gross negligence or intentional or willful misconduct of the City, and/or their officers, agents or employees.

City agrees to defend, indemnify and hold harmless DDC including its officers, directors, employees, and agents, from any and all acts, claims, omissions, liabilities, and losses asserted by any third party arising out of acts or omissions of City and its officers, employees, and agents in connection with this Agreement, including without limitation claims related to the adequacy of environmental review, except to the extent arising by reason of the sole gross negligence or intentional or willful misconduct of DDC including its officers, directors, employees and agents.

**8. [Reserved]**

**9. Public Relations.** The Parties shall cooperate in good faith on matters of public relations and media responses related to the Project. Any response to an inquiry by a news or community organization to either Party in reference to the Project shall include a recommendation to contact the other Party. Neither Party shall issue a press release or social media content in regard to this Agreement without providing prior notice to the other Party. To facilitate the performance of this Section, the Parties have each designated spokesperson(s) listed below under “Contacts/Notices.” Nothing in this Agreement shall prohibit either Party from discussing this Agreement in response to inquiries from the public or the press. At a time and in a format to be determined by the Parties, Public Works and Grantor may hold joint public ribbon cutting ceremonies at the completed sites. At any such event, the Parties shall participate on an equal basis. If Public Works or Grantor holds any other event solely or largely dedicated to the Project such as a volunteer event, the Parties shall notify the other Party and allow that Party to participate on an equal basis. Materials and collateral for the Project shall be approved by Public Works and Grantor.

**10. Additional Financial Reporting and Audit Provisions. RESERVED**

**11. Contacts/Notices.**

**Public Works:** 49 South Van Ness Ave., Suite 1600, San Francisco, CA 94103

|   |                        |                           |
|---|------------------------|---------------------------|
| Deputy Director of Finance and Administration | Project Manager        | Budget Manager            |
| Bruce Robertson                               | Michelle Woo           | Victoria Chan             |
| bruce.robertson@sfdpw.org                     | Michelle.woo@sfdpw.org | Victoria.w.chan@sfdpw.org |
| (628) 271-3128                                | (415) 844-0191         | (415) 205-6316            |

**Grantor:** 5 Third Street, 2nd Floor, San Francisco, CA 94103

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| Shola Olatoye, Chief Executive Officer<br><a href="mailto:solatoye@sfdcc.org">solatoye@sfdcc.org</a> |
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**12. Sunshine Ordinance and Donor Disclosures.** Grantor understands and acknowledges that this Agreement, and any document between the Parties, shall be subject to the disclosure requirements of the City's Sunshine Ordinance and the California Public Records Act. In addition, Grantor agrees to disclose information regarding the amounts and sources of funding and donor financial interest information as set forth in Administrative Code Section 67.29-6, to provide a copy of all required reports and disclosures to City, and to provide all information requested by City to enable City to comply with its disclosure obligations. To ensure compliance with this requirement and to maximize public transparency, Grantor will not accept anonymous donations from any single source aggregating more than \$100 for the Project.

**13. Termination and Survival.** The Parties shall attempt to cooperatively resolve all disputes, including but not limited to determining whether (a) a Milestone occurred pursuant to Section 4.1 . Following such efforts, either Party may terminate this Agreement if it provides the other Party written notice of that Party's failure to comply with a material term of this Agreement, including a failure by any Party's agents or invitees to comply with terms applicable to them under this Agreement, and if the failure is not cured to the complaining Party's reasonable satisfaction within 30 days or such other reasonable timeframe mutually agreed to by the Parties in writing. In the event of the expiration of this Agreement in accordance with Section 1 or termination of this Agreement pursuant to this Section 13, this Agreement shall become void and there shall be no liability on the part of any Party hereto except that that obligations set forth in this Section 13 (Termination), Sections 5(j) (City's Obligations) Section 7 (Indemnification) and Section 15 (Miscellaneous) shall survive the expiration or termination of this Agreement.

**14. Conflicts of Interest.** By executing this Agreement, Grantor certifies that it is not aware of, and shall promptly inform Public Works if becomes aware of, a conflict of interest arising out of this Agreement. For example, Grantor will notify Public Works if it becomes aware that any Public Works employee or officer participates in a decision in which the employee or officer, or a member of their family, has a financial interest. In addition, the Parties agree and acknowledge that Grantor's support of Public Works, or lack thereof, shall have no bearing on and shall not be relevant towards any future contracting, leasing, or permitting decisions by Public Works.

**15. Miscellaneous.**

a. **Entire Agreement.** This Agreement (including the Exhibits hereto, which are incorporated herein by reference) contains the entire understanding between the Parties as of the date of this Agreement, and all prior written or oral negotiations, discussions, understandings and agreements are merged herein.

b. **Compliance with Applicable Laws.** All actions described herein are subject to and must be conducted and accomplished in accordance with the City's charter, its municipal code, and all applicable state and federal laws, building codes and regulations. Grantor understands and agrees that Public Works is entering into this agreement in its capacity as a property owner, and that nothing herein shall limit Grantor's obligations to obtain any required regulatory approvals from City departments, boards or commissions or other governmental regulatory authorities or limit in any way City's exercise of its police powers.

c. **Approvals.** Except as expressly provided to the contrary, all approvals, consents and determinations to be made by the City hereunder may be made by the [General Manager] of Public Works or his or her designee in his or her sole and absolute discretion.<sup>2</sup>

d. **Independent Relations.** Nothing herein contained shall be construed as creating the relationship of employer and employee between the City and Grantor or any of their respective agents or employees or Contractors. Grantor shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it performs the duties required of it by the terms of this Agreement. Grantor shall exercise full control and supervision of its duties and full control and responsibility as to the employment, direction, compensation, and discharge of all persons assisting it in the performance this Agreement. Nothing set forth in this Agreement shall be deemed to render the City a partner in Grantor's business, or a joint venture or member in any joint enterprise with Grantor.

e. **No Third Party Beneficiaries.** Except as expressly provided, nothing contained in this Agreement shall create or justify any claim against the City or Grantor by any third person with respect to the performance of any duties or other projects being undertaken by Grantor or the City. The provisions of this Agreement are not intended to benefit any third party, and no third party may rely hereon.

f. **Amendments.** This Agreement may be amended or modified only in writing by the Parties. The Public Works Director, in consultation with the City Attorney, may execute such amendments on behalf of the City, provided the amendments are in the best interests of the City, do not materially increase the City's obligations or liabilities, are necessary or advisable to effectuate the purposes of the Project, and are in compliance with all applicable laws.

g. **Assignments.** Neither Party shall assign, transfer, or encumber its interest in this Agreement or any other right, privilege, or license conferred by this Agreement, either in whole or in part, without obtaining the prior written consent of the other Party, which consent may given or withheld in such Party's sole discretion. Any nonconsensual assignment, transfer, or encumbrance shall be void and of no force and effect.

h. **Governing Law.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California, without regard to its conflict of laws principles. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

j. **Good Standing.** Grantor represents that it is in good standing under the laws of the State where it is incorporated. Upon City's request, Grantor shall provide documentation demonstrating its compliance with such legal requirements. Each Party shall provide the other Party written notice promptly following any and all changes in circumstances that could reasonably be expected to cause the noticing Party to become unable to comply with its obligations under this Agreement in a material manner.

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<sup>2</sup> NTD: DPW please confirm if an individual at DPW has such authority.

**I. Further Assurances.** Each of the Parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

**m. Severability.** If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

**n. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement.

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## EXHIBIT A: Powell Street Project Description

### I. Project Summary

The Powell Street Improvement Project (the “**Project**”) is an infrastructure improvement project focused on the three-block corridor of Powell Street between Market Street and Geary Street in San Francisco. The Project is being implemented by the City and County of San Francisco, acting through the Department of Public Works. The Project will include pedestrian and circulation improvements, streetscape surface and landscape enhancements including a large scale programmable LED light installation above the cable car turnaround at Market Street, utility and infrastructure modifications, street lighting modifications, and cable car stop and loading zone modifications. The Project is designed to enhance the public experience and support retail and economic recovery in the surrounding area.

The Project consists of a comprehensive revitalization of the streetscape and pedestrian improvements on Powell Street between Market and Geary Streets. Construction is on an expedited schedule and anticipated to start by fall 2026 and be substantially completed by late 2027.

Project elements may include:

- Sidewalk widening on Powell Street from Ellis to Geary Streets
- Full sidewalk replacement
- New/replacement curb ramps
- Golden Lantern LED lighting element to be installed at Market and Powell Streets
- Benches along the corridor
- Gray unit pavers in the furnishing zone
- New planter pots
- Dark gray City Standard CIP concrete with sparkle finish, and metal inlays.
- Updated loading and cable car service stops
- The existing northbound cable car bus stops at Powell and O'Farrell Streets and Powell and Geary Streets are proposed to be consolidated to one midblock bus stop on Powell Street between O'Farrell and Geary Streets.
- The existing southbound cable car bus stops at Powell and Geary Streets and Powell and O'Farrell Streets are proposed to be consolidated to one midblock bus stop on Powell Street between O'Farrell and Geary Streets.

### II. Budget and Funding Structure

The total estimated cost of the Project is approximately \$40.3 million.

The funding structure for the Public Works Scope is as follows:

- a. City Funding Obligation
  - i. Proposition B General Obligation Bond Proceeds: \$21,787,000 (secured).

- i. Prior City Funding (SFMTA / General Fund): \$4,000,000 (secured).
- b. Grant Amount
  - i. Private Capital Contribution: \$14,500,000.

**EXHIBIT B:**

**PROJECT BUDGET AND SCHEDULE**

4928-4651-3576, v. 2