

1 [Lease Amendment - YMCA SF - Building 49 - 701 Illinois Street - Crane Cove Park - Rent
2 Credit \$156,000]

3 **Resolution approving and authorizing the execution, delivery, and performance of the**
4 **First Amendment to Port Lease No. 17134 for Building 49, located at 701 Illinois Street**
5 **within Crane Cove Park between the Port of San Francisco and the Young Men's**
6 **Christian Association of San Francisco (YMCA SF) to eliminate the provision which**
7 **would reduce by \$6,000 the amount of rent credits that are intended to offset operation**
8 **and maintenance costs associated with the public restrooms; and provide \$150,000 in**
9 **new rent credits to partially offset unexpected costs related to improving the structural**
10 **condition of Building 49, effective upon the later of Port's execution of the First**
11 **Amendment or October 1, 2025; and authorizing the Executive Director of the Port to**
12 **enter into any additions, amendments or other modifications that do not materially**
13 **increase obligations or liabilities of the City or Port and are necessary or advisable to**
14 **complete the transactions which this Resolution contemplates and effectuate the**
15 **purpose and intent of this Resolution.**

16
17 WHEREAS, California Statutes of 1968, Chapter 1333 (as amended, the "Burton Act")
18 and Charter, Sections 4.114 and B3.581 empower the San Francisco Port Commission ("Port"
19 or "Port Commission") with the power and duty to use, conduct, operate, maintain, manage,
20 regulate and control the lands within Port Commission jurisdiction in the City and County of
21 San Francisco; and

22 WHEREAS, On April 25, 2023, the Port Commission adopted Resolution No. 23-20
23 authorizing Port staff to execute Lease No. 16997 ("Original Lease") with the Young Men's
24 Christian Association of San Francisco (the "YMCA SF") for the development and use of
25 Building 49 located at 701 Illinois Street within Crane Cove Park following approval of the by

1 the Board of Supervisors, which approval occurred on June 27, 2023, pursuant to Resolution
2 No. 344-23, and in such Resolutions, the Port Commission and the Board of Supervisors each
3 also adopted environmental findings regarding the Original Lease, copies of which are on file
4 with the Clerk of the Board of Supervisors in Board File No. 230541; and

5 WHEREAS, Shortly after execution of the Original Lease, the YMCA SF's further due
6 diligence investigation of the existing building conditions during final design process revealed
7 significant unforeseen costs and risks with regards to planned structural and seismic
8 upgrades; and

9 WHEREAS, The Port and YMCA SF entered into a second round of negotiations in an
10 effort to incorporate changes to the original lease terms that were viewed as necessary to
11 bring the project back into financial feasibility; and

12 WHEREAS, On January 23, 2024, the Port Commission adopted Resolution No. 24-01,
13 which authorized execution of Amended and Restated Lease L-17134 that amended and
14 restated the Original Lease (the "Lease", or "Amended and Restated Lease") following
15 consideration and approval of the Lease by the Board of Supervisors as required by Charter,
16 Section 9.118, which Lease the Board of Supervisors approved on February 27, 2024,
17 pursuant to Resolution 94-24; and

18 WHEREAS, The Port Commission and the Board of Supervisors each adopted
19 environmental findings regarding the Original Lease in Resolutions Nos. 23-20 and 344-23,
20 respectively, and such findings are hereby incorporated into this Resolution; and

21 WHEREAS, The new Dogpatch YMCA of Crane Cove Park, along with a water
22 recreation outfitter operated under a sublease agreement by Dogpatch Paddle, LLC, opened
23 for business in February 2025; and

1 WHEREAS, With the successful completion of the rehabilitation of Building 49, the
2 YMCA SF has delivered on its commitment to providing significant community benefits
3 satisfying one of the Port's objectives for this site; and

4 WHEREAS, Port staff recommends approval of an amendment to the Lease (the "First
5 Amendment") with the Young Men's Christian Association of San Francisco, which would do
6 the following: 1) eliminate the provision which would reduce by \$6,000 the amount of rent
7 credits that are intended to offset the YMCA SF's operation and maintenance costs
8 associated with public restrooms within its leased premises; and 2) provide \$150,000 in new
9 rent credits to partially offset unexpected costs related to improving the structural condition of
10 Building 49; and

11 WHEREAS, On July 8, 2025, the Port Commission adopted Resolution No. 25-38
12 which authorized the Port Executive Director to execute the First Amendment if the same is
13 approved by the Board of Supervisors and to enter into any additions, amendments or other
14 modifications to the Lease and the First Amendment that the Executive Director, in
15 consultation with the City Attorney, determines are in the best interest of the Port and do not
16 materially increase the obligations or liabilities of the Port or materially decrease the public
17 benefits accruing to the Port, a copy of such Resolution is on file with the Clerk of the Board of
18 Supervisors in File No. 250853; and

19 WHEREAS, The proposed changes in the First Amendment exceed the authority
20 granted by the Board of Supervisors to the Port's Executive Director under Resolution
21 No. 94-24, and the Port is therefore seeking approval by Board of Supervisors of the First
22 Amendment; and

23 WHEREAS, Key terms of the First Amendment are further described in the Port staff
24 report to the Port Commission dated June 6, 2025, and the draft First Amendment, both of
25

1 which are on file with the Clerk of the Board of Supervisors in File No. _____; now,
2 therefore, be it

3 RESOLVED, That the Board of Supervisors hereby approves the First Amendment and
4 authorizes the Executive Director of the Port, or her designee, to execute First Amendment in
5 a form approved by the City Attorney and in substantially the same form on file with the Clerk
6 of the Board of Supervisors in File No. 250853; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors authorizes the Port Executive
8 Director to enter into any additions, amendments, or other modifications to the Lease that the
9 Port Executive Director, in consultation with the City Attorney, determines, when taken as a
10 whole, to be in the best interest of the Port, do not materially increase the obligations or
11 liabilities of the City or the Port or materially reduce the benefits to the City or the Port, and
12 are necessary or advisable to complete the transactions which this Resolution contemplates
13 and effectuate the purpose and intent of this Resolution, such determination to be
14 conclusively evidenced by the execution and delivery by the Port Executive Director of such
15 documents; and, be it

16 FURTHER RESOLVED, That within thirty (30) days of the First Amendment being fully
17 amended and executed by all parties, the Port shall provide a copy of the First Amendment to
18 the Clerk of the Board for inclusion into the official file.