

City & County of San Francisco  
Daniel Lurie, Mayor



Office of the City Administrator  
Carmen Chu, City Administrator  
Andrico Q. Penick, Director of Real Estate

March 12, 2025

Honorable Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

RE: Sale of Exempt Surplus Land between 2265 and 2275 McKinnon Street

Dear Board Members:

Attached for your consideration is a resolution for the sale by the City of a vacant 5,449 square foot lot situated between 2265 and 2275 McKinnon Streets, for \$375,000. The property is a curved, 17-foot-wide former railroad spur (APN 5588A/04) running the length of the block between McKinnon and Newcomb Streets, conveyed to the City in 1942 as part of a land exchange agreement. The last use of the land was for an open-air art studio business operating under a City license. Following several months of failure by the licensee to make payment on their recurring fees, the license was terminated in August, 2022.

RFPs to re-lease the property were issued on September, 2022, and again in April, 2023, failing to generate a transaction on either occasion. Later that year, the owner of the adjacent property, a sheet metal expressed interest in purchasing the property. Before considering negotiations with the owner, Bayview McKinnon, LLC, the Real Estate Division (RED) canvassed City departments to identify any interest in use of the site.

In 2024, Bayview McKinnon asked the City if it would entertain a formal purchase offer. Given the challenge of estimating a value from very limited market data, an appraisal was ordered to inform consideration of any prospective offer. McKinnon Bayview asked the City for the appraised value and upon receiving that information, tendered an unsolicited offer to purchase the property for the appraised value of \$375,000. Prior to responding to the offer, RED, in consultation with the City Attorney's Office, determined that sale of the property is in the public interest, and competitive bidding for its purchase is impractical given its inability to support any meaningful development.

As a disposition of City property, review by the California Department of Housing and Community Development (HCD) is required under the State's Surplus Land Act (SLA). However, the site's size and buyer's adjacency indicated that the property would be exempt, by statute, from classification as surplus land. Upon approval of the resolution by the Board, the sale of the property will also have state approval to proceed.

Should you have any questions regarding this matter, please contact Burt Hirschfeld, Senior Real Property Officer in the Real Estate Division, at (415) 554-9862.

Respectfully,



---

Andrico Q. Penick  
Director of Real Estate