

File No. 211204

Committee Item No. 16

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date December 8, 2021

Board of Supervisors Meeting Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

- CEQA Referral 11/24/21
- General Plan Referral 11/30/21
- CEQA Determination 12/2/21
- _____
- _____
- _____
- _____
- _____
- _____

Completed by: Brent Jalipa Date December 2, 2021

Completed by: Brent Jalipa Date _____

1 [Purchase of Real Property - Georgios Markoulakis and Crisula Markoulakis, as Trustees of
2 the Markoulakis Family Trust, Dated November 6, 2008 - 822 Geary Street and 629 Hyde
3 Street - \$6,320,000]

4 **Resolution 1) approving and authorizing the Director of Property to acquire certain real**
5 **property located at 822 Geary Street and 629 Hyde Street (“Property”); 2) approving**
6 **and authorizing an Agreement of Purchase and Sale for Real Estate for the acquisition**
7 **of the Property, for the purchase price of \$6,300,000 plus an estimated \$20,000 for**
8 **typical closing costs, for a total amount of \$6,320,000 from Georgios Markoulakis and**
9 **Crisula Markoulakis, as Trustees of the Markoulakis Family Trust, Dated November 6,**
10 **2008 (“Purchase Agreement”); 3) authorizing the Director of Property to execute the**
11 **Purchase Agreement, make certain modifications, and take certain actions in**
12 **furtherance of this Resolution and the Purchase Agreement, as defined herein; 4)**
13 **affirming the Planning Department’s determination under the California Environmental**
14 **Quality Act; and 5) adopting the Planning Department’s findings that the Purchase**
15 **Agreement, and the transaction contemplated therein, is consistent with the General**
16 **Plan, and the eight priority policies of Planning Code, Section 101.1.**

17
18 WHEREAS, The Department of Public Health (“DPH”) strives to protect and promote
19 the health of all San Franciscans by providing a wide range of public health services and
20 programs; and

21 WHEREAS, On December 6, 2019, the San Francisco Board of Supervisors passed
22 an Ordinance amending the Administrative Code to establish Mental Health San Francisco
23 (“Mental Health SF”), which provides access to mental health services, substance use
24 treatment, and psychiatric medications to all adult San Francisco residents with mental illness
25

1 and/or substance abuse who are homeless, uninsured, or enrolled in Medi-Cal or Healthy San
2 Francisco; and

3 WHEREAS, The Property includes approximately 9,056 square feet of land and a
4 single story building with mezzanine and adjacent vacant lot; and

5 WHEREAS, The Property was determined to be an ideal space for the purpose of
6 establishing behavioral health programs that will serve individuals in the community that
7 are experiencing behavioral health crises or are in need of community based behavioral
8 health services and care; and

9 WHEREAS, The City, through DPH and the Real Estate Division, in consultation with
10 the Office of the City Attorney, has negotiated the Purchase Agreement to acquire the
11 Property from the Seller for \$6,300,000 (“Purchase Price”), substantially in the form approved
12 by the Director of property and the DPH Executive Director and on file with the Clerk of the
13 Board of Supervisors in File No. 211204, incorporated herein by reference; and

14 WHEREAS, The Purchase Price, plus an estimated \$20,000 for typical closing costs,
15 are collectively referred to as the “Acquisition Cost”; and

16 WHEREAS, The Director of Property has determined the Purchase Price to be at or
17 below fair market value; and

18 WHEREAS, The Purchase Agreement will not become effective until the Board of
19 Supervisors and the Mayor approve this Resolution, in their sole and absolute discretion; and

20 WHEREAS, Proposition C (2018) (Gross Receipts Tax for Homelessness Services
21 (“Prop C”), passed by San Francisco voters in November 2018, created the Homelessness
22 Gross Receipts Tax to fund the Our City, Our Home Fund; and

23 WHEREAS, DPH anticipates using Prop C funding to purchase the Property; and

24 WHEREAS, The Planning Department has determined that the actions contemplated in
25 this Resolution comply with the California Environmental Quality Act (“CEQA Determination”)

1 (California Public Resources Code, Sections 21000 et seq.); the Planning Department has
2 also determined that the actions contemplated in this Resolution are consistent, on balance,
3 with the General Plan, and eight priority policies of Planning Code, Section 101.1 (“General
4 Plan Findings”); a copy of said determination (“Planning Letter”) is on file with the Clerk of the
5 Board of Supervisors in File No. 211204 and is incorporated herein by reference; the Board
6 affirms these determinations; now, therefore, be it

7 RESOLVED, That in accordance with the recommendation of the Executive Director of
8 DPH and the Director of Property, the Board of Supervisors approves the Purchase
9 Agreement in substantially the form presented to the Board, and authorizes the Director of
10 Property to take all actions necessary or appropriate to acquire the Property; and, be it

11 FURTHER RESOLVED, That, in accordance with the recommendations of the DPH
12 Executive Director and the Director of Property, the Board of Supervisors approves the
13 Purchase Agreement, and approves the DPH Executive Director and the Director of
14 Property to take all actions necessary or appropriate to effectuate the Purchase Agreement
15 and this Resolution; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors approves the Director of
17 Property (or the Director’s designees), in consultation with the DPH Executive Director and
18 the Office of the City Attorney, to enter into any additions, amendments, or other
19 modifications to the Purchase Agreement and any other documents or instruments
20 necessary in connection therewith (including but not limited to the exhibits and ancillary
21 agreements attached to the Purchase Agreement), that the Director of Property determines
22 are in the best interests of the City, do not materially decrease the benefits to the City with
23 respect to the Property, do not materially increase the obligations or liabilities of the City,
24 and are necessary or advisable to complete the transaction contemplated in the Purchase
25 Agreement, and that effectuate the purpose and intent of this Resolution, such

1 determination to be conclusively evidenced by the execution and delivery by the Director of
2 Property of any such additions, amendments, or other modifications; and, be it

3 FURTHER RESOLVED, The Board of Supervisors affirms the Planning
4 Department's CEQA Determination and General Plan Findings, for the same reasons as
5 set forth in the Planning Letter, and hereby incorporates such determinations by reference
6 as though fully set forth in this Resolution; and, be it

7 FURTHER RESOLVED, That the Director of Property shall provide the Clerk of the
8 Board of Supervisors with a fully executed copy of the Purchase Agreement within thirty (30)
9 days (or as soon thereafter as final documents are available) of execution by all parties.

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\$6,320,000 Available
Fund ID: 10582
Department ID: 240645
Project ID: 10036747
Authority ID:21531
Account ID:506070
Activity ID: 0001

_____/s/_____
Ben Rosenfield
Controller

1 RECOMMENDED:

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3 _____/s/
4 Andrico Penick
5 Director of Property

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AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

GEORGIOS MARKOULAKIS AND CHRISULA MARKOULAKIS, AS TRUSTEES OF THE
MARKOULAKIS FAMILY TRUST, DATED NOVEMBER 6, 2008,
as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,
as Buyer

For the purchase and sale of
822 Geary and 629 Hyde Streets
San Francisco, California

October __, 2021

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LIST OF EXHIBITS

- EXHIBIT A – Real Property Description
- EXHIBIT B – Grant Deed
- EXHIBIT C – Certificate of Transferor Other Than An Individual (FIRPTA Affidavit)

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE
(822 Geary Street and 629 Hyde Street, San Francisco)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (this “Agreement”) dated for reference purposes only as of _____, 2021 is by and between GEORGIOS MARKOULAKIS AND CHRISULA MARKOULAKIS, AS TRUSTEES OF THE MARKOULAKIS FAMILY TRUST, DATED NOVEMBER 6, 2008 (“Seller”), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“Buyer” or “City”).

IN CONSIDERATION of the payment of the non-refundable sum of Ten Dollars (\$10) by City, the receipt of which is hereby acknowledged by Seller, and the respective agreements contained hereinbelow, Seller and City agree as follows:

1. PURCHASE AND SALE

1.1 Property Included in Sale

Seller agrees to sell and convey to City, and City agrees to purchase from Seller, subject to the terms, covenants and conditions hereinafter set forth, the following:

(a) the real property consisting of approximately Nine Thousand Fifty-Six (9,056) square feet (or 0.2079 acres) of land, located in the City and County of San Francisco, commonly known as 822 Geary Street and 629 Hyde Street, and more particularly described in Exhibit A attached hereto (the “Land”);

(b) all improvements and fixtures located on the Land, including, without limitation, that certain single story building with mezzanine and adjacent vacant lot, containing approximately Eight Thousand Eight Hundred and Seventy Five (8,875) square feet of net rentable area, as well as all other buildings and structures located on the Land, all apparatus, equipment and appliances used in connection with the operation or occupancy of the Land and its improvements, and together with any on-site parking (collectively, the “Improvements”);

(c) any and all rights, privileges, and easements incidental or appurtenant to the Land or Improvements, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Land, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Land, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land or Improvements, and any and all of Seller's right, title and interest in and to all roads and alleys adjoining or servicing the Land or Improvements (collectively, the “Appurtenances”).

All of the items referred to in Subsections (a), (b), (c), above are collectively referred to as the “Property.”

2. PURCHASE PRICE

2.1 Purchase Price

The total purchase price for the Property is Six Million Three Hundred Thousand Dollars (\$6,300,000) (the “Purchase Price”).

2.2 Payment

On the Closing Date (as defined in Section 6.2 [Closing Date]), City shall pay the Purchase Price, adjusted pursuant to the provisions of Article 7 [Expenses and Taxes], and reduced by any credits due City hereunder.

Seller acknowledges and agrees that if Seller fails at Closing to deliver to City the documents required under Sections 6.3 [Seller's Delivery of Documents], City may be required to withhold a portion of the Purchase Price pursuant to Section 1445 of the United States Internal Revenue Code of 1986, as amended (the "Federal Tax Code"), or Section 18662 of the California Revenue and Taxation Code (the "State Tax Code"). Any amount properly so withheld by City shall be deemed to have been paid by City as part of the Purchase Price, and Seller's obligation to consummate the transaction contemplated herein shall not be excused or otherwise affected thereby.

2.3 Funds

All payments made by any party hereto shall be in legal tender of the United States of America, paid by Controller's warrant or in cash or by wire transfer of immediately available funds to Title Company (as defined in Section 3.2), as escrow agent.

3. TITLE TO THE PROPERTY

3.1 Conveyance of Title to the Property

At the Closing Seller shall convey to City, or its nominee, marketable and insurable fee simple title to the Land, the Improvements and the Appurtenances, by duly executed and acknowledged grant deed in the form attached hereto as Exhibit B (the "Deed"), subject to the Accepted Conditions of Title (as defined in Section 5.1(a)).

3.2 Title Insurance

Delivery of title in accordance with the preceding Section shall be evidenced by the commitment of Chicago Title Insurance Company (the "Title Company") to issue to City an CLTA extended coverage owner's policy of title insurance (the "Title Policy") in the amount of the Purchase Price.

4. BUYER'S DUE DILIGENCE INVESTIGATIONS

4.1 Due Diligence and Time for Satisfaction of Conditions

City has been given or will be given before the end of the Due Diligence Period (as defined below), a full opportunity to investigate the Property, either independently or through agents of City's own choosing, including, without limitation, the opportunity to conduct such appraisals, inspections, tests, audits, verifications, inventories, investigations and other due diligence regarding the economic, physical, environmental, title and legal conditions of the Property as City deems fit, as well as the suitability of the Property for City's intended uses. City and its Agents may commence due diligence investigations on the Property on or after the date this Agreement is executed by both parties hereto. The period for completion of all such investigations shall expire on November 30, 2021 (the "Due Diligence Period"), subject to the terms and conditions provided hereinbelow. Seller agrees to deliver to City all of the Documents and other items described in Section 5.1(d) within ten (10) days after the date hereof, provided that if Seller fails to do so, then the expiration of the Due Diligence Period shall be extended by

the number of days after the end of such ten (10) day delivery period that Seller delivers all such items to City.

Notwithstanding anything in this Agreement to the contrary, City shall have the right to terminate this Agreement at any time during the Due Diligence Period upon written notice to Seller. Upon such termination, neither City nor Seller shall have any further rights or obligations hereunder, except as otherwise expressly provided herein. This Section is subject to, and shall not serve to modify or limit, any right or remedy of City arising under Section 5.1 [City's Conditions to Closing] of this Agreement.

5. ENTRY; CONDITIONS TO CLOSING

During the Due Diligence Period and at all times prior to the Closing Date, Seller shall afford City and its Agents reasonable access to the Property and all books and records located therein for the purposes of satisfying City with respect to the representations, warranties and covenants of Seller contained herein and the satisfaction of the Conditions Precedent; provided however, that any drilling of test wells, the taking of soil borings, or other invasive testing shall be subject to the approval of Seller, in its sole and absolute discretion. City hereby agrees to indemnify and hold Seller harmless from any damage or injury to persons or property caused by the active negligence or willful misconduct of City or its Agents during any such entries onto the Property prior to the Closing, except to the extent such damage or injury is caused by the acts or omissions of Seller or any of its Agents. The foregoing Indemnity shall not include any claims resulting from the discovery or disclosure of pre-existing environmental conditions on, in, under or about the Property, including the Improvements. In the event this Agreement is terminated for any reason other than Seller's default hereunder, City shall restore the Property to substantially the condition it was found subject to applicable laws. This indemnity shall survive the termination of this Agreement or the Closing, as applicable, provided that Seller must give notice of any claim it may have against City under such indemnity (i) within one (1) year of such termination if the claim is brought by a third party against Seller or (ii) within six (6) months of such termination or the Closing Date, as applicable, if the claim involves damage to the Property or any other claim not brought by a third party against the Seller.

5.1 City's Conditions to Closing

The following are conditions precedent to City's obligation to purchase the Property (collectively, "Conditions Precedent"):

(a) City shall have reviewed and approved title to the Property, as follows:

(i) Within ten (10) days after the date City and Seller execute this Agreement, Seller shall deliver to City a current extended coverage preliminary report on the Real Property, issued by Title Company, accompanied by copies of all documents referred to in the report (collectively, the "Preliminary Report");

(ii) Within the period referred to in clause (i) above, Seller shall deliver to Buyer copies of any existing or proposed easements, covenants, restrictions, agreements or other documents that affect the Property, and are not disclosed by the Preliminary Report, or, if Seller knows of no such documents, a written certification of Seller to that effect; and

(iii) City may at its option arrange for an "as-built" survey of the Real Property and Improvements prepared by a licensed surveyor (the "Survey"). Such survey shall

be acceptable to, and certified to, City and Title Company and in sufficient detail to provide the basis for and the Title Policy without boundary, encroachment or survey exceptions.

City shall advise Seller, prior to the end of the Due Diligence period, what exceptions to title, if any, City is willing to accept (the "Accepted Conditions of Title"). City's failure to so advise Seller within such period shall be deemed disapproval of title. Seller shall have ten (10) days after receipt of City's notice of any objections to title to give City: (A) evidence satisfactory to City of the removal of all objectionable exceptions from title or that such exceptions will be removed or cured on or before the Closing; or (B) notice that Seller elects not to cause such exceptions to be removed. If Seller gives notice under clause (B), City shall have ten (10) business days to elect to proceed with the purchase or terminate this Agreement. If City shall fail to give Seller notice of its election within such ten (10) days, City shall be deemed to have elected to terminate this Agreement. If Seller gives notice pursuant to clause (A) and fails to remove any such objectionable exceptions from title prior to the Closing Date, and City is unwilling to take title subject thereto, Seller shall be in default hereunder and City shall have the rights and remedies provided herein or at law or in equity.

(b) City's review and approval, within the Due Diligence Period, of the physical and environmental conditions of the Property, including, without limitation, structural, mechanical, electrical and other physical conditions of the Property. Such review may include an examination for the presence or absence of any Hazardous Material (as defined in Section 8.1(I)).

(c) City's review and approval, within the Due Diligence Period, of the compliance of the Property with all applicable laws, regulations, permits and approvals.

(d) City's review and approval, within the Due Diligence Period, of the following documents, all to the extent such documents exist and are either in the possession or control of Seller, or any affiliate of Seller, or may be obtained by Seller, or any affiliate of Seller, through the exercise of commercially reasonable efforts: (i) structural calculations for the Improvements; site plans; certified copies of the as-built plans and specifications for the Improvements; recent inspection reports by Seller's engineers; service contracts; utility contracts; maintenance contracts; employment contracts, management contracts; brokerage and leasing commission agreements which may continue after Closing; certificates of occupancy; presently effective warranties or guaranties received by Seller from any contractors, subcontractors, suppliers or materialmen in connection with any construction, repair or alteration of the Improvements or any tenant improvements; insurance policies, insurance certificates of tenants, and reports of insurance carriers insuring the Property and each portion thereof respecting the claims history of the Property; environmental reports, studies, surveys, tests and assessments; soils and geotechnical reports; and any other contracts or documents of significance to the Property (collectively, the "Documents"); and (ii) such other information relating to the Property that is specifically requested by City of Seller in writing during the Due Diligence Period (collectively, the "Other Information").

(e) Seller shall not be in material default in the performance of any covenant or agreement to be performed by Seller under this Agreement, and all of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct as of the Closing Date. At the Closing, Seller shall deliver to City a certificate certifying that each of Seller's representations and warranties contained in Section 8.1 [Representations and Warranties of Seller] below are true and correct in all material respects as of the Closing Date.

(f) The physical condition of the Property shall be substantially the same on the Closing Date as on the date of City's execution of this Agreement, reasonable wear and tear

and loss by casualty excepted (subject to the provisions of Section 9.1 [Risk of Loss]), and, as of the Closing Date, there shall be no litigation or administrative agency or other governmental proceeding, pending or threatened, which after the Closing would materially adversely affect the value of the Property or the ability of City to operate the Property for its intended use, and no proceedings shall be pending or threatened which could or would cause the change, redesignation or other modification of the zoning classification of, or of any building or environmental code requirements applicable to, any of the Property.

(g) Title Company shall be committed at the Closing to issue to City, or its nominee, the Title Policy as provided in Section 3.2 [Title Insurance].

(h) The City's Mayor and the Board of Supervisors, in the respective sole discretion of each, shall have enacted a resolution approving, adopting and authorizing this Agreement and the transactions on or before [December 31], 2021.

(i) Seller shall have delivered the items described in Section 6.3 [Seller's Delivery of Documents] on or before the Closing.

(j) Title Company shall have agreed to be the real estate reporting person for the Closing in compliance with the Reporting Requirements (as defined in Section 6.6 below).

The Conditions Precedent contained in the foregoing Subsections (a) through (j) are solely for the benefit of City. If any Condition Precedent is not satisfied, City shall have the right in its sole discretion either to waive in writing the Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement, provided that the Conditions Precedent described in item (h) above may not be waived. The waiver of any Condition Precedent shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant or agreement of Seller, except to the extent of the specific City Condition Precedent so waived. If City shall not have approved or waived in writing all of the Conditions Precedent in items (a) through (j) by the end of the Due Diligence Period, then this Agreement shall automatically terminate. In addition, the Closing Date may be extended, at City's option, for up to thirty (30) days, to allow such Conditions Precedent to be satisfied, subject to City's further right to terminate this Agreement upon the expiration of the period of any such extension if all such Conditions Precedent have not been satisfied.

In the event the sale of the Property is not consummated because of a default under this Agreement on the part of Seller or if a Condition Precedent cannot be fulfilled because Seller frustrated such fulfillment by some affirmative act or negligent omission, City may, at its sole election, either (1) terminate this Agreement by delivery of notice of termination to Seller, whereupon Seller shall pay to City any title, escrow, legal and inspection fees incurred by City and any other expenses incurred by City in connection with the performance of its due diligence review of the Property, and neither party shall have any further rights or obligations hereunder, or (2) continue this Agreement pending City's action for specific performance and/or, in the event of Seller's intentional misrepresentation or fraud, damages hereunder, including, without limitation, City's reasonable costs and expenses incurred hereunder.

5.2 Cooperation with City

Seller shall cooperate with City and do all acts as may be reasonably requested by City with regard to the fulfillment of any Conditions Precedent including, without limitation, execution of any documents, applications or permits, but Seller's representations and warranties to City shall not be affected or released by City's waiver or fulfillment of any Condition Precedent. Seller hereby irrevocably authorizes City and its Agents to make all inquiries with

and applications to any person or entity, including, without limitation, any regulatory authority with jurisdiction as City may reasonably require to complete its due diligence investigations.

5.3 As-Is Sale

(a) As provided in this Agreement, it is the intent of Seller and City that, by the Closing Date, City will have had the opportunity to perform a diligent and thorough inspection and investigation of the Property, either independently or through its Agents. CITY SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER IS CONVEYING AND CITY IS ACQUIRING SELLER'S INTEREST IN THE PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS. CITY IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND, OTHER THAN THE REPRESENTATIONS AND WARRANTIES OF SELLER EXPRESSLY SET FORTH IN THIS AGREEMENT, NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PROPERTY, THE SUITABILITY FOR CITY'S INTENDED USES OR ANY OF THE PROPERTY CONDITIONS THEREOF. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 8.1 (REPRESENTATIONS AND WARRANTIES OF SELLER), SELLER DOES NOT WARRANT THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL, ZONING, OR OTHER CONDITIONS OF THE PROPERTY, OR THE SUITABILITY FOR ANY USE, NOR DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF THE PROPERTY OR ITS USE WITH ANY APPLICABLE LAWS. IT IS CITY'S SOLE RESPONSIBILITY TO DETERMINE ALL BUILDING, PLANNING, ZONING, AND OTHER REGULATIONS AND APPLICABLE LAWS RELATING TO THE PROPERTY AND THE USES TO WHICH IT MAY BE PUT.

(b) As part of its agreement to accept the Property and in its "as is and with all faults" condition, City as of the Closing Date, on behalf of itself and its successors and assigns, waives any right to recover from Seller, and forever releases and discharges, Seller and its Agents, and their respective heirs, successors, legal representatives and assigns, from any and all Losses, whether direct or indirect, known or unknown, or foreseen or unforeseen, that may arise on account of or in any way be connected with (a) the use of the Property by City and its successors and assigns or (b) the physical, geological, or environmental condition of the Property, including but not limited to the presence of any Hazardous Materials on, in, under or about the Property. "Losses" means any and all claims, demands, losses, liabilities, damages (including foreseeable and unforeseeable consequential damages), liens, obligations, interest, injuries, penalties, fines, lawsuits and other proceedings, judgments, and awards and reasonable costs and expenses of whatever kind or nature, known or unknown, foreseen or unforeseen, or contingent or otherwise, including attorneys' fees and costs. In connection with the foregoing release, City, as of the Closing Date, expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

(c) NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE FOREGOING PROVISIONS OF THIS SECTION 5.3 WILL NOT SERVE TO RELEASE

SELLER OR ITS AGENTS FROM, AND NO RELEASE IN THIS SECTION 5.3 APPLIES TO, AND CITY EXPRESSLY DOES NOT WAIVE ANY LOSSES TO THE EXTENT ARISING FROM (A) ANY INTENTIONAL MISREPRESENTATION, INTENTIONAL OMISSION OR FRAUD ON THE PART OF SELLER OR ITS AGENTS, (B) ANY MATERIAL BREACH OF ANY COVENANT OR REPRESENTATION OR WARRANTY MADE BY SELLER UNDER THIS AGREEMENT, OR (C) ANY CLAIM MADE BY ANY THIRD PARTY AGAINST CITY WITH RESPECT TO THE PROPERTY ARISING DURING SELLER'S OWNERSHIP, EXCEPT AS AND TO THE EXTENT CAUSED BY CITY.

6. ESCROW AND CLOSING

6.1 Opening of Escrow

On or before the Closing Date (as defined in Section 6.2), the parties shall open escrow by depositing an executed counterpart of this Agreement with Title Company, and this Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and City agree to execute such additional or supplementary instructions as may be appropriate to enable the escrow holder to comply with the terms of this Agreement and close the transaction; provided, however, that in the event of any conflict between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement shall control.

6.2 Closing Date

The consummation of the purchase and sale contemplated hereby (the "Closing") shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of Title Company located at One Embarcadero Center Suite 250, San Francisco, California 94111, on [January 10], 2022, or on such other date as City and Seller may mutually agree (the "Closing Date"), subject to the provisions of Article 5 Conditions Precedent. The Closing Date may not be extended without the prior written approval of both Seller and City, except as otherwise expressly provided in this Agreement. In the event the Closing does not occur on or before the Closing Date, Title Company shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items which may have been deposited hereunder. Any such return shall not, however, limit the provisions hereof or otherwise relieve either party hereto of any liability it may have for its wrongful failure to close.

6.3 Seller's Delivery of Documents

At or before the Closing, Seller shall deliver to City through escrow, the following:

- (a) a duly executed and acknowledged Deed;
- (b) originals of the Documents and any other items relating to the ownership or operation of the Property not previously delivered to City;
- (c) a properly executed affidavit pursuant to Section 1445(b)(2) of the Federal Tax Code in the form attached hereto as Exhibit C, and on which City is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code;

(d) a properly executed California Franchise Tax Board Form 590 certifying that Seller is a California resident if Seller is an individual or Seller has a permanent place of business in California or is qualified to do business in California if Seller is a corporation or other evidence satisfactory to City that Seller is exempt from the withholding requirements of Section 18662 of the State Tax Code;

(e) such resolutions, authorizations, or other organizational documents or agreements relating to Seller and its partners as City or the Title Company may reasonably require to demonstrate the authority of Seller to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of Seller to act for and bind Seller;

(f) closing statement in form and content satisfactory to City and Seller; and

(g) the duly executed certificate regarding the continued accuracy of Seller's representations and warranties as required by Section 8.1 hereof.

6.4 City's Delivery of Documents and Funds

At or before the Closing, City shall deliver to Seller through escrow the following:

(a) an acceptance of the Deed executed by City's Director of Property;

(b) a closing statement in form and content satisfactory to City and Seller;
and

(c) the Purchase Price, as provided in Article 2 hereof.

6.5 Other Documents

Seller and City shall each deposit such other instruments as are reasonably required by Title Company as escrow holder or otherwise required to close the escrow and consummate the purchase of the Property in accordance with the terms hereof.

6.6 Title Company as Real Estate Reporting Person

Section 6045(e) of the United States Internal Revenue Code of 1986 and the regulations promulgated thereunder (collectively, the "Reporting Requirements") require that certain information be made to the United States Internal Revenue Service, and a statement to be furnished to Seller, in connection with the Closing. Seller and City agree that if the Closing occurs, Title Company will be the party responsible for closing the transaction contemplated in this Agreement and is hereby designated as the real estate reporting person (as defined in the Reporting Requirements) for such transaction. Title Company shall perform all duties required of the real estate reporting person for the Closing under the Reporting Requirements, and Seller and City shall each timely furnish Title Company with any information reasonably requested by Title Company and necessary for the performance of its duties under the Reporting Requirements with respect to the Closing.

7. EXPENSES AND TAXES

7.1 Apportionments

The following are to be apportioned through escrow as of the Closing Date:

(a) Utility Charges

Seller shall cause all the utility meters to be read on the Closing Date, and will be responsible for the cost of all utilities used prior to the Closing Date. All utility deposits paid by Seller shall remain the property of Seller and City shall reasonably cooperate to cause such deposits to be returned to Seller to the extent Seller is entitled thereto.

(b) Other Apportionments

Amounts payable under any contracts assumed pursuant hereto, annual or periodic permit or inspection fees (calculated on the basis of the period covered), and liability for other normal Property operation and maintenance expenses and other recurring costs shall be apportioned as of the Closing Date.

7.2 Closing Costs

City shall pay the cost of the Survey, the premium for the Title Policy and the cost of the endorsements thereto, and escrow and recording fees. Seller shall pay the cost of any transfer taxes applicable to the sale. Seller shall be responsible for all costs incurred in connection with the prepayment or satisfaction of any loan, bond or other indebtedness secured by the Property including, without limitation, any prepayment fees, penalties or charges. Any other costs and charges of the escrow for the sale not otherwise provided for in this Section or elsewhere in this Agreement shall be allocated in accordance with the closing customs for San Francisco County, as determined by Title Company.

7.3 Real Estate Taxes and Special Assessments

General real estate taxes payable for the tax year prior to year of Closing and all prior years shall be paid by Seller at or before the Closing. General real estate taxes payable for the tax year of the Closing shall be paid in full by Seller, and after the end of the tax year of the Closing, City shall reimburse Seller for the prorated portion of the general real estate taxes from the Closing Date to the end of the tax year of the Closing. At or before the Closing, Seller shall pay the full amount of any special assessments against the Property, including, without limitation, interest payable thereon, applicable to the period prior the Closing Date.

7.4 Intentionally Deleted

7.5 Post-Closing Reconciliation

If any of the foregoing prorations cannot be calculated accurately on the Closing Date, then they shall be calculated as soon after the Closing Date as feasible. Either party owing the other party a sum of money based on such subsequent prorations shall promptly pay such sum to the other party.

7.6 Survival

The provisions of this Section 7 shall survive the Closing.

8. REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of Seller

Seller represents and warrants to and covenants with City as follows:

(a) To Seller's actual knowledge, there are now, and at the time of the Closing will be, no material physical or mechanical defects of the Property, and no violations of any laws, rules or regulations applicable to the Property, including, without limitation, any earthquake, life safety and handicap laws (including, but not limited to, the Americans with Disabilities Act).

(b) The Documents and Other Information furnished to City are all of the relevant documents and information pertaining to the condition and operation of the Property to the extent available to Seller, and are and at the time of Closing will be true, correct and complete copies of such documents.

(c) To Seller's knowledge, no document or instrument furnished or to be furnished by the Seller to the City in connection with this Agreement contains or will contain any untrue statement of material fact or omits or will omit a material fact of which Seller has actual knowledge that is necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

(d) Seller does not have knowledge of any condemnation, either instituted or planned to be instituted by any governmental or quasi-governmental agency other than City, which could detrimentally affect the use, operation or value of the Property.

(e) To Seller's actual knowledge, all water, sewer, gas, electric, telephone, and drainage facilities and all other utilities required by law or by the normal use and operation of the Property are and at the time of Closing will be installed to the property lines of the Property..

(f) To Seller's actual knowledge, there are no easements or rights of way which have been acquired by prescription or which are otherwise not of record with respect to the Property, and to Seller's knowledge, there are no easements, rights of way, permits, licenses or other forms of agreement which afford third parties the right to traverse any portion of the Property to gain access to other real property. To Seller's actual knowledge, there are no disputes with regard to the location of any fence or other monument of the Property's boundary nor any claims or actions involving the location of any fence or boundary.

(g) To Seller's actual knowledge, there is no litigation pending or threatened against Seller or any basis therefor that arises out of the ownership of the Property or that might detrimentally affect the use or operation of the Property for its intended purpose or the value of the Property or the ability of Seller to perform its obligations under this Agreement.

(h) Seller is the legal and equitable owner of the Property, with full right to convey the same, and without limiting the generality of the foregoing, Seller has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of the Property.

(i) Seller is a trust duly organized and validly existing under the laws of the State of California and in good standing under the laws of the State of California this Agreement and all documents executed by Seller which are to be delivered to City at the Closing are, or at the Closing will be, duly authorized, executed and delivered by Seller, are, or at the Closing will be, legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, are, and at the Closing will be, sufficient to convey good and marketable title (if they purport to do so), and do not, and at the Closing will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(j) Seller represents and warrants to City that it has not been suspended, disciplined or disbarred by, or prohibited from contracting with, any federal, state or local governmental agency. In the event Seller has been so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify the City of same and the reasons therefore together with any relevant facts or information requested by City. Any such suspension, debarment, discipline or prohibition may result in the termination or suspension of this Agreement.

(k) Seller, to its actual knowledge, knows of no facts nor has Seller failed to disclose any fact that would prevent City from using and operating the Property after Closing in the normal manner in which it is intended.

(l) Seller hereby represents and warrants to and covenants with City that the following statements are true and correct and will be true and correct as of the Closing Date, each made to the Seller's actual knowledge: (i) the Property is not now, nor has it ever been, used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material; (ii) there has been no release and there is no threatened release of any Hazardous Material in, on, under or about the Property; (iii) there have not been and there are not now any underground storage tanks, septic tanks or wells or any aboveground storage tanks at any time used to store Hazardous Material located in, on or under the Property; (v) the Property does not consist of any landfill or of any building materials that contain Hazardous Material; and (vi) the Property is not subject to any claim by any governmental regulatory agency or third party related to the release or threatened release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about the Property, or the migration of Hazardous Material from or to other property. As used herein, the following terms shall have the meanings below:

(i) "Environmental Laws" shall mean any present or future federal, state or local laws, ordinances, regulations or policies relating to Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge or storage) or to health and safety, industrial hygiene or environmental conditions in, on, under or about the Property, including, without limitation, soil, air and groundwater conditions.

(ii) "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Section 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of the Improvements or are naturally occurring substances on or about the Property; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids; and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. Section 3011 et seq.

(iii) "Release" or "threatened release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any of the improvements, or in, on, under or about the Property. Release shall include,

without limitation, “release” as defined in Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601).

(m) There are now, and at the time of Closing will be, no leases or other occupancy agreements affecting any of the Property. At the time of Closing there will be no outstanding written or oral contracts made by Seller for any of the Improvements that have not been fully paid for and Seller shall cause to be discharged all mechanics' or materialmen's liens arising from any labor or materials furnished to the Property prior to the time of Closing. There are no obligations in connection with the Property which will be binding upon City after Closing. There is not any personal property on the Property.

(n) Seller is not a “foreign person” within the meaning of Section 1445(f)(3) of the Federal Tax Code.

As used herein, “to Seller’s actual knowledge,” “to the knowledge of Seller” and similar phrases shall mean to the current actual knowledge of Georgios Markoulakis (“Seller’s Representative”) only, who is the most likely person in the ordinary course of Seller’s business and with respect to the transactions contemplated hereby to have responsibility for and therefore to have personal knowledge of the matters set forth herein, without any duty of independent investigation or inquiry. Actual knowledge shall not be deemed to exist merely by assertion by Buyer of a claim that the foregoing person should have known of such facts or circumstances, if such person did not have actual knowledge such facts and circumstances, and such term shall not include the knowledge of any other person or firm, it being understood by Buyer that (i) Seller’s Representative was not involved in the operation of the Property before Seller’s acquisition of the Property, (ii) Seller’s Representative is not charged with knowledge of any of the acts or omissions of predecessors in title to the Property or the management of the Property before Seller’s acquisition of the Property, and (iii) Seller’s actual knowledge shall not apply to, or be construed to include, information or material which may be in the possession of Seller generally or incidentally, but of which Seller’s Representative does not have actual knowledge.

8.2 Indemnity

Seller, on behalf of itself and its successors and assigns, hereby agrees to indemnify, defend and hold harmless City, its Agents and their respective successors and assigns, from and against any and all liabilities, claims, demands, damages, liens, costs, penalties, losses and expenses, including, without limitation, reasonable attorneys' and consultants' fees, resulting from any misrepresentation or breach of warranty or breach of covenant made by Seller in this Agreement or in any document, certificate, or exhibit given or delivered to City pursuant to or in connection with this Agreement. The foregoing indemnity includes, without limitation, costs incurred in connection with the investigation of site conditions and all activities required to locate, assess, evaluate, remediate, cleanup, remove, contain, treat, stabilize, monitor or otherwise control any Hazardous Material. The indemnification provisions of this Section shall survive beyond the Closing, or, if title is not transferred pursuant to this Agreement, beyond any termination of this Agreement.

9. RISK OF LOSS AND POSSESSION

9.1 Risk of Loss

If any of the Property is damaged or destroyed prior to the Closing Date, or if condemnation proceedings are commenced against any portion of the Property, then the rights and obligations of Seller and City hereunder shall be as follows:

(a) If such damage or destruction is fully covered by Seller's insurance except for the deductible amount thereunder, and the insurer agrees to timely pay for the entire cost of such repair (except the deductible), and such damage or destruction would cost less than One Hundred Thousand Dollars (\$100,000) (the "Threshold Damage Amount") to repair or restore, then this Agreement shall remain in full force and effect and City may proceed to acquire the Property upon the terms and conditions set forth herein. In such event, City shall receive a credit against the Purchase Price equal to such deductible amount, and Seller shall assign to City at Closing all of Seller's right, title and interest in and to all proceeds of insurance on account of such damage or destruction pursuant to an instrument satisfactory to City.

(b) If such damage or destruction is not fully covered by Seller's insurance, other than the deductible amount, and would cost less than the Threshold Damage Amount to repair or restore, then the transaction contemplated by this Agreement shall be consummated with City receiving a credit against the Purchase Price at the Closing in an amount reasonably determined by Seller and City (after consultation with unaffiliated experts) to be the cost of repairing such damage or destruction.

(c) If the cost of the repairs of such damage or destruction would equal or exceed the Threshold Damage Amount, or if condemnation proceedings are commenced against any of the Property, then, City shall have the right, at its election, either to terminate this Agreement in its entirety, or only as to that portion of the Property damaged or destroyed or subject to condemnation proceedings (in which case there shall be an equitable adjustment to the Purchase Price), or to not terminate this Agreement and purchase the Property (or the portion not damaged or affected by condemnation, as the case may be). City shall have thirty (30) days after Seller notifies City that an event described in this Subsection (c) has occurred to make such election by delivery to Seller of an election notice. City's failure to deliver such notice within such thirty (30)-day period shall be deemed City's election to terminate this Agreement in its entirety. If this Agreement is terminated in its entirety or in part pursuant to this Subsection (c) by City's delivery of notice of termination to Seller, then City and Seller shall each be released from all obligations hereunder pertaining to that portion of the Property affected by such termination. If City elects not to terminate this Agreement, Seller shall: (1) notify City of Seller's intention to repair such damage or destruction, in which case this Agreement shall remain in full force and effect, (2) notify City of Seller's intention not to repair and to give City a credit against the Purchase Price equal to such deductible amount, and Seller shall assign to City at Closing all of Seller's right, title and interest in and to all proceeds of insurance on account of such damage or destruction pursuant to an instrument satisfactory to City, or (3) notify the City that the damage is not insured and that Seller will take no action, in which event the City may chose to waive and close or terminate this Agreement. Any repairs elected to be made by Seller pursuant to this Subsection shall be made within one hundred eighty (180) days following such damage or destruction and the Closing shall be extended until the repairs are substantially completed.

9.2 Insurance

Through the Closing Date, Seller shall maintain or cause to be maintained, at Seller's sole cost and expense, a policy or policies of property insurance in amounts equal to the full

replacement value of the Improvements, insuring against all insurable risks, including, without limitation, fire, vandalism, malicious mischief, lightning, windstorm, water, and other perils customarily covered by casualty insurance and the costs of demolition and debris removal. Seller shall furnish City with evidence of such insurance upon request by City.

9.3 Possession

Seller will deliver possession of the Property to City on the Closing Date, vacant.

10. MAINTENANCE; CONSENT TO NEW CONTRACTS

10.1 Maintenance of the Property by Seller

Between the date of Seller's execution of this Agreement and the Closing, Seller shall maintain the Property in good order, condition and repair, reasonable wear and tear excepted and shall make all repairs, maintenance and replacements of the Improvements and otherwise operate the Property in the same manner as before the making of this Agreement, as if Seller were retaining the Property.

10.2 City's Consent to New Contracts Affecting the Property; Termination of Existing Contracts

After the date of this Agreement, Seller shall not enter into any Lease or contract, or any amendment thereof, or permit any tenant of the Property to enter into any sublease, assignment or agreement pertaining to the Property, without in each instance obtaining City's prior written consent thereto City agrees that it shall not unreasonably withhold or delay any such consent. Seller shall terminate prior to the Closing, at no cost or expense to City, any and all management agreements affecting the Property that City does not agree in writing prior to the Closing to assume.

11. GENERAL PROVISIONS

11.1 Notices

Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, against receipt, (ii) one (1) day after being deposited with a reliable overnight courier service, or (iii) two (2) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

City:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: **822 Geary Street and 629 Hyde Street**
Facsimile No.: (415) 552-9216

with copy to:

Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682

Re: **822 Geary Street and 629 Hyde Street**
jessie.cassella@sfcityatty.org

Seller:

MARKOULAKIS FAMILY TRUST
555 CHATEAUR DR.
HILLSBOROUGH, CA 94010-6501

With a copy to:

Starr Finley LLP
235 Pine Street, 15th Floor
San Francisco, CA 94104
Attn: Katie Phetteplace, Esq.

or to such other address as either party may from time to time specify in writing to the other upon five (5) days prior written notice in the manner provided above. For convenience of the parties, copies of notices may also be given by email, to the telephone number listed above, or such other numbers as may be provided from time to time. However, neither party may give official or binding notice by facsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

11.2 Brokers and Finders

Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the purchase and sale contemplated herein, except for Mark Gedymin with Beacon Advisors, whose commission, if any is due, shall be the sole responsibility of Seller pursuant to a separate written agreement with such broker, and City shall have no liability whatsoever therefor. In the event that any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the Closing.

11.3 Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

11.4 Amendments

Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by City and Seller.

11.5 Continuation and Survival of Representations and Warranties

All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct as of the Closing, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement),

shall survive the execution and delivery of this Agreement and the Closing, or, to the extent the context requires, beyond any termination of this Agreement. All statements contained in any certificate or other instrument delivered at any time by or on behalf of Seller in conjunction with the transaction contemplated hereby shall constitute representations and warranties hereunder.

11.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11.7 Merger of Prior Agreements

The parties intend that this Agreement (including all of the attached exhibits and schedules, which are incorporated into this Agreement by reference) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements or understandings. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

11.8 Parties and Their Agents; Approvals

The term "Seller" as used herein shall include the plural as well as the singular. If there is more than one (1) Seller, then the obligations under this Agreement imposed on Seller shall be joint and several. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party. All approvals, consents or other determinations permitted or required by City hereunder shall be made by or through City's Director of Property unless otherwise provided herein, subject to applicable law.

11.9 Interpretation of Agreement

The article, section and other headings of this Agreement and the table of contents are for convenience of reference only and shall not affect the meaning or interpretation of any provision contained herein. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa, and each gender reference shall be deemed to include the other and the neuter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

11.10 Seller Tax Obligations

Seller acknowledges that under Section 6.10-2 of the San Francisco Business and Tax Regulations Code, the City Treasurer and Tax Collector may require the withholding of payments to any vendor that is delinquent in the payment of any amounts that the vendor is required to pay the City under the San Francisco Business and Tax Regulations Code ("Delinquent Payment"). If, under that authority, any payment City is required to make to Seller under this Agreement is withheld because Seller owes the City a Delinquent Payment, then City

will not be in breach or default under this Agreement, and the Treasurer and Tax Collector will authorize release of any payments withheld under this paragraph to Seller, without interest, late fees, penalties, or other charges, upon Seller coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

11.11 Attorneys' Fees

In the event that either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment). For purposes of this Agreement, reasonable attorneys' fees of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. The term "attorneys' fees" shall also include, without limitation, all such fees incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees were incurred. The term "costs" shall mean the costs and expenses of counsel to the parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney.

11.12 Sunshine Ordinance

Seller understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov. Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder public records subject to public disclosure. Seller hereby acknowledges that the City may disclose any records, information and materials submitted to the City in connection with this Agreement.

11.13 Conflicts of Interest

Through its execution of this Agreement, Seller acknowledges that it is familiar with the provisions of Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Seller becomes aware of any such fact during the term of this Agreement, Seller shall immediately notify the City.

11.14 Notification of Prohibition on Contributions

Through its execution of this Agreement, Seller acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from any department of the City whenever such transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (1) the City elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or candidate, at any time from the commencement of negotiations

for the contract until the later of either the termination of negotiations for such contract or twelve (12) months after the date the contract is approved. Seller acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Seller further acknowledges that the (i) prohibition on contributions applies to each Seller; each member of Seller's board of directors, and Seller's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than ten percent (10%) in Seller; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Seller; and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department with whom Seller is contracting is obligated to submit to the Ethics Commission the parties to the contract and any subcontractor. Additionally, Seller certifies that Seller has informed each of the persons described in the preceding sentence of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the contract, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

11.15 Non-Liability of City Officials, Employees and Agents

Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of City shall be personally liable to Seller, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Seller, its successors and assigns, or for any obligation of City under this Agreement.

11.16 Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

11.17 Effective Date

As used herein, the term "Effective Date" means the date on which City, and Seller have executed this Agreement, as authorized by a resolution or ordinance, as applicable, enacted by the City's Board of Supervisors and Mayor approving and authorizing this Agreement and the transaction contemplated hereunder.

11.18 Severability

If any provision of this Agreement or the application thereof to any person, entity or circumstance shall be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement.

11.19 Acceptance of Agreement by Seller

This Agreement shall be null and void unless Seller accepts it and returns to City four (4) fully executed counterparts hereof on or before 5:00 p.m. San Francisco Time on [December 31], 2021.

11.20 Cooperative Drafting.

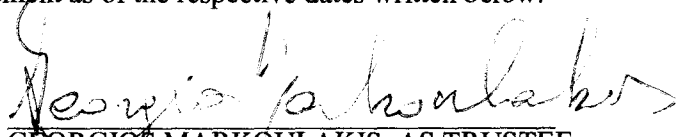
This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, SELLER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL APPROPRIATE LEGISLATION OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH LEGISLATION, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH LEGISLATION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

[SIGNATURES ON FOLLOWING PAGES]

The parties have duly executed this Agreement as of the respective dates written below.

SELLER:



GEORGIOS MARKOULAKIS, AS TRUSTEE
OF THE MARKOULAKIS FAMILY TRUST,
DATED NOVEMBER 6, 2008

Date: 10-28-21

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
ANDRICO Q. PENICK
Director of Property

Date: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Jessica Alfaro-Cassella
Deputy City Attorney

EXHIBIT A

All that certain real property located in the County of San Francisco, State of California,
described as follows:

[SEE ATTACHED FROM PRELIMINARY TITLE REPORT]

EXHIBIT B

GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Director of Property
Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102

The undersigned hereby declares this
instrument to be exempt from Recording Fees
(CA Govt. Code § 27383) and Documentary
Transfer Tax (CA Rev. & Tax Code § 11922
and S.F. Bus. & Tax Reg. Code § 1105)

(Space above this line reserved for Recorder's
use only)

GRANT DEED

(Assessor's Parcel No. 0302/006 and 0302/009)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
GEORGIOS MARKOULAKIS AND CHRISULA MARKOULAKIS, AS TRUSTEES OF THE
MARKOULAKIS FAMILY TRUST, DATED NOVEMBER 6, 2008, hereby grants to the
CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the real property
located in the City and County of San Francisco, State of California, described on Exhibit A
attached hereto and made a part hereof (the "Property").

TOGETHER WITH any and all rights, privileges and easements incidental or
appurtenant to the Property.

[SIGNATURES ON FOLLOWING PAGE]

Executed as of this ____ day of _____, 20__.

_____, a _____

_____, **By:** _____
NAME

Its: _____

_____, **By:** _____
NAME

Its: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property located at _____ conveyed by the foregoing Grant Deed dated _____ to the City and County of San Francisco, a municipal corporation, is hereby accepted pursuant to Board of Supervisors' Resolution No. _____, approved _____, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____
Andrico Q. Penick
Director of Property

EXHIBIT A

REAL PROPERTY DESCRIPTION

All that certain real property located in the County of San Francisco, State of California, described as follows:

[LEGAL DESCRIPTION TO COME FROM PRELIMINARY REPORT]

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, IN THE COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel I:

BEGINNING at a point on the Westerly line of Hyde Street, distant thereon 137 feet 6 inches Southerly from the Southerly line of Post Street; running thence Southerly and along said line of Hyde Street 25 feet to a point distant thereon 112 feet and 6 inches Northerly from the Northerly line of Geary Street; thence at a right angle Westerly 87 feet and 6 inches; thence at a right angle Northerly 25 feet to a line drawn at right angles to the Westerly line of Hyde Street from the point of beginning; thence at a right angle Easterly 87 feet and 6 inches to the point of beginning.

BEING part of 50 Vara Block No. 310.

APN: Lot 006; Block 0302

Parcel II:

BEGINNING at a point on the Northerly line of Geary Street, distant thereon 87 feet and 6 inches Westerly from the Westerly line of Hyde Street; running thence Westerly along said line of Geary Street 50 feet; thence at a right angle Northerly 137 feet and 6 inches; thence at a right angle Easterly 50 feet; and thence at a right angle Southerly 137 feet and 6 inches to the point of beginning.

BEING part of 50 Vara Block No. 310.

APN: Lot 009; Block 0302

EXHIBIT C

**CERTIFICATE OF TRANSFEROR
OTHER THAN AN INDIVIDUAL
(FIRPTA Affidavit)**

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the transferee of certain real property located in the City and County of San Francisco, California, that withholding of tax is not required upon the disposition of such U.S. real property interest by _____

_____, a _____
("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor's U.S. employer identification number is _____; and
3. Transferor's office address is _____

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: _____, 20__.

On behalf of:

[NAME]

a _____

By: _____
[NAME]

Its: _____



GENERAL PLAN REFERRAL

November 30, 2021

Case No.: 2021-011262GPR
Block/Lot No.: 0302/009 and 0302/006
Project Sponsor: Real Estate Division
Applicant: Jeff Suess – (415) 554-9873
jeff.suess@sfgov.org
Real Estate Division
25 Van Ness Suite 400
San Francisco, CA 94104

Staff Contact: Danielle Ngo – (628) 652-7591
danielle.ngo@sfgov.org

Recommended By: 
AnMarie Rodgers, Director of Citywide Policy, for Rich Hillis, Director of Planning

Recommendation: Finding the project, on balance, is **in conformity** with the General Plan

Project Description

The project sponsor, Real Estate Division, is looking to acquire two adjacent parcels in District 6 (822 Geary Street and 629 Hyde Street) on behalf of the Department of Public Health. At 822 Geary Street, there is approximately 8,875 square feet (with mezzanine) of single-story masonry building on approximately 6,873 square feet of land (0.158 acres). At 629 Hyde Street, there is a 2,185 square foot parcel (0.05 acres) with no structures.

The Department of Public Health seeks to acquire the land and building of these two parcels for the purpose of establishing behavioral health programs that would serve individuals in the community who are experiencing behavioral health crises or are in need of community based behavioral health services and care.

The Real Estate Division requests this General Plan Referral to be granted for the purchase of 822 Geary Street and 629 Hyde Street, a real estate transaction (the Project).

Environmental Review

This Project is a real estate transaction only. It is not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

General Plan Compliance and Basis for Recommendation

As described below, the project is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in conformity with the Objectives and Policies of the General Plan.

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 3

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

POLICY 3.2

Promote measures designed to increase the number of San Francisco jobs held by San Francisco residents.

The Project will enable a building that is currently vacant to become occupied and active.

OBJECTIVE 7

ENHANCE SAN FRANCISCO'S POSITION AS A NATIONAL AND REGIONAL CENTER FOR GOVERNMENTAL, HEALTH, AND EDUCATIONAL SERVICES.

POLICY 7.3

Promote the provision of adequate health and educational services to all geographical districts and cultural groups in the city.

These two adjacent parcels are currently vacant and have the potential to expand health services in the city. At the site in District 6, the Department of Public Health seeks to establish behavioral health programs. These programs would serve individuals who are experiencing behavioral health crises or need community based behavioral health services and care.

COMMUNITY FACILITIES ELEMENT

OBJECTIVE 3

ASSURE THAT NEIGHBORHOOD RESIDENTS HAVE ACCESS TO NEEDED SERVICES AND A FOCUS FOR NEIGHBORHOOD ACTIVITIES.

POLICY 3.7

Program the centers to fill gaps in needed services, and provide adequate facilities for ill-housed existing services.

At the site in District 6, the Department of Public Health seeks to establish behavioral health programs. These programs would serve individuals who are experiencing behavioral health crises or need community based behavioral health services and care. The Department of Public health is designing the social services to be provided at the site for the direct benefit of the neighboring community.

OBJECTIVE 7

DISTRIBUTION THROUGHOUT THE CITY OF DISTRICT PUBLIC HEALTH CENTERS TO MAKE THE EDUCATIONAL AND PREVENTIVE SERVICES OF THE DEPARTMENT OF PUBLIC HEALTH CONVENIENT TO THE PEOPLE, THEREBY HELPING TO ACHIEVE THE GOALS OF THE PUBLIC HEALTH PROGRAM IN SAN FRANCISCO.

At the site in District 6, the Department of Public Health seeks to establish behavioral health programs. These programs would serve individuals who are experiencing behavioral health crises or need community based behavioral health services and care. The clients of the site are projected to be from the neighborhood. Local access to behavioral health services would then be offered where none currently exist.

HOUSING ELEMENT

OBJECTIVE 6

REDUCE HOMELESSNESS AND THE RISK OF HOMELESSNESS.

POLICY 6.3 Aggressively pursue other strategies to prevent homelessness and the risk of homelessness by addressing its contributory factors.

At the site in District 6, the Department of Public Health seeks to establish behavioral health programs. These programs would serve individuals who are experiencing behavioral health crises or need community based behavioral health services and care. The social services expected at the site should directly benefit the neighborhood community, especially people with special needs and people experiencing homelessness.

POLICY 6.4 Improve coordination among emergency assistance efforts, existing shelter programs, and health care outreach services.

At the site in District 6, the Department of Public Health seeks to establish behavioral health programs. These programs would serve individuals who are experiencing behavioral health crises or need community based behavioral health services and care. The social services expected at the site should directly benefit the neighborhood community, increasing access to the health care and services systems, especially people with special needs and people experiencing homelessness.

Planning Code Section 101 Findings

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The Project would not have a negative effect on existing neighborhood-serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail. The Project would activate a site that is currently inactive. The employees of the site will likely frequent local businesses.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The Project would not have a negative effect on housing or neighborhood character. The social services provided by the site should directly benefit the neighborhood community.

3. That the City's supply of affordable housing be preserved and enhanced;

The Project would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The Project would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking. The clients of the site will likely be from the neighborhood, and there is no anticipation of high traffic volume associated with this project's acquisition or activation.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The Project would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired. This site is not a commercial office development. The site will be a public facing service activation that will improve resident employment.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The Project would not have an adverse effect on City's preparedness against injury and loss of life in an

earthquake. Any improvements made to the building will include seismic upgrades.

7. That the landmarks and historic buildings be preserved;

The Project would not have an adverse effect on the City's Landmarks and historic buildings. There will be no changes to the exterior façade of the building that would impact the historic nature of the building.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The Project would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas. There are no parks that will be impacted by the building.

Recommendation: Finding the project, on balance, is in conformity with the General Plan

Attachments:

Owners Authorization for GPR
Photos

September 30, 2021

Mr. Jeff Sues
City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA 94012

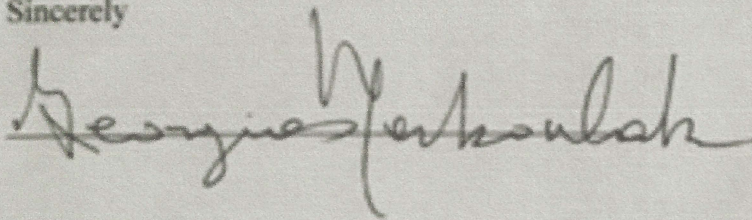
RE: General Plan Referral

Dear Mr. Sues:

I am the of the properties known as 822 Geary Street and 629 Hyde Street, San Francisco, also known as Assessors Block 0301/009 and 0302/006, Lot 026. We have executed a letter of intent to sell this building to the City and County of San Francisco.

We hereby authorize the Real Estate Division of the City and County of San Francisco to pursue and obtain a General Plan Referral for the purposes of allowing us to enter into a Purchase and Sales Agreement with the City and Country of San Francisco.

Sincerely



10-1-21
Date

Street views of both 822 Geary and 629 Hyde



822 Geary Street

822 Geary Street store front view



View East from subject

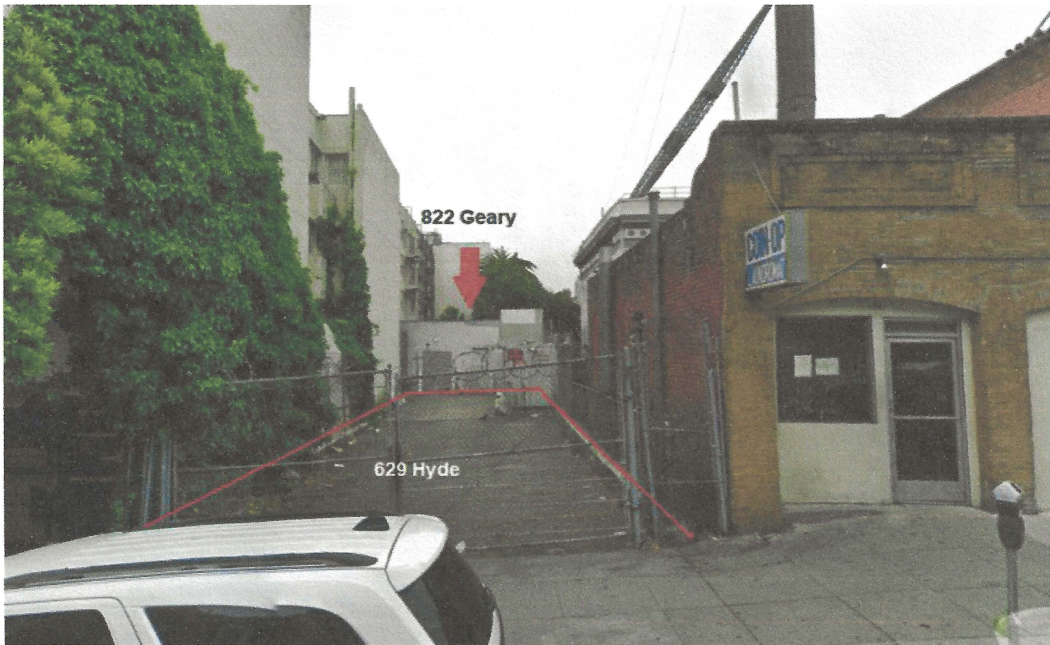
Street views of both 822 Geary and 629 Hyde



Street views of both 822 Geary and 629 Hyde



822 Geary and 629 Hyde Overview

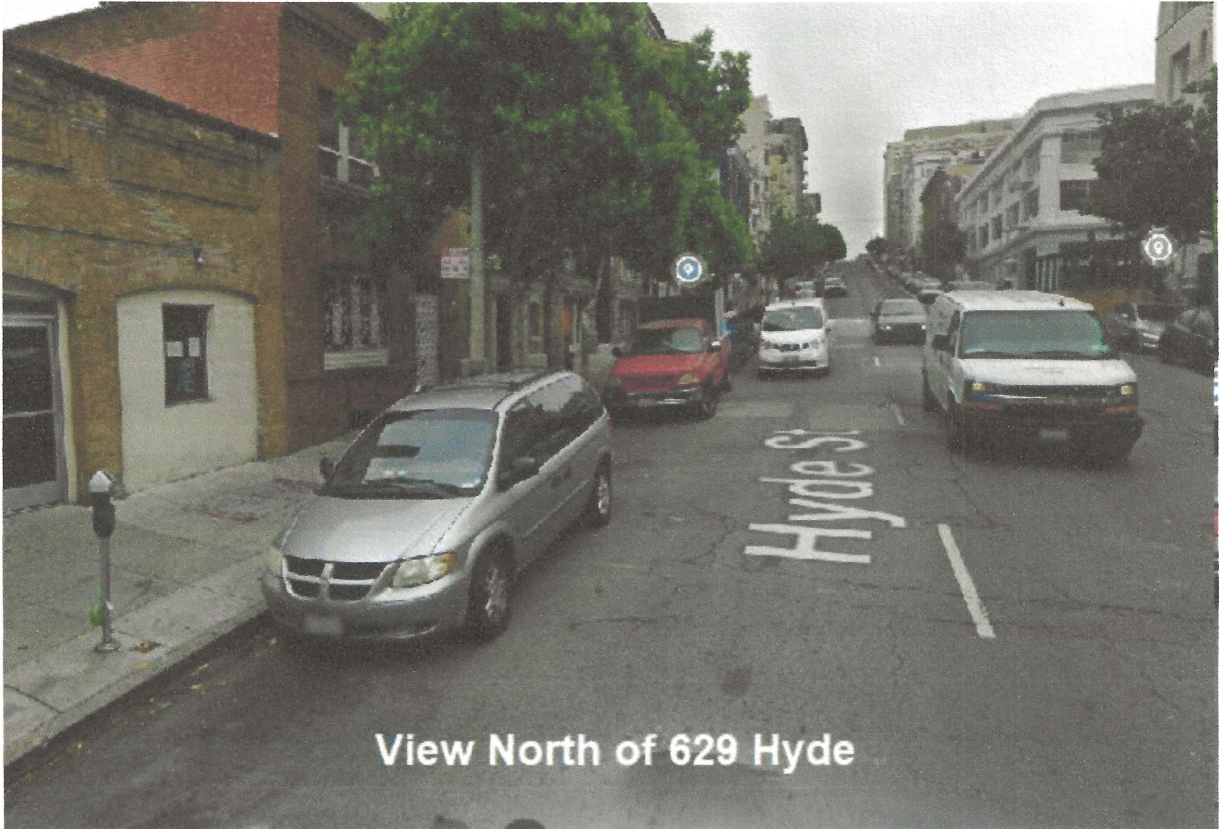


629 Hyde

Street views of both 822 Geary and 629 Hyde



Street views of both 822 Geary and 629 Hyde



View North of 629 Hyde

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

November 24, 2021

File No. 211204

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On November 16, 2021, Mayor London Breed introduced the following legislation:

File No. 211204

Resolution 1) approving and authorizing the Director of Property to acquire certain real property located at 822 Geary Street and 629 Hyde Street ("Property"); 2) approving and authorizing an Agreement of Purchase and Sale for Real Estate for the acquisition of the Property, for the purchase price of \$6,300,000 plus an estimated \$20,000 for typical closing costs, for a total amount of \$6,320,000 from Georgios Markoulakis and Crisula Markoulakis, as Trustees of the Markoulakis Family Trust, Dated November 6, 2008 ("Purchase Agreement"); 3) authorizing the Director of Property to execute the Purchase Agreement, make certain modifications, and take certain actions in furtherance of this Resolution and the Purchase Agreement, as defined herein; 4) affirming the Planning Department's determination under the California Environmental Quality Act; and 5) adopting the Planning Department's findings that the Purchase Agreement, and the transaction contemplated therein, is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

Brent Jalipa

By: Brent Jalipa, Assistant Clerk
Budget and Finance Committee

Attachment

c: Devyani Jain, Environmental Planning
Joy Navarrete, Environmental Planning
Don Lewis, Environmental Planning

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment. Individual physical projects will require separate environmental review.

12/2/2021

A handwritten signature in black ink, appearing to be "D. Navarrete".

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
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Angela Calvillo, Clerk of the Board

Brent Jalipa

By: Brent Jalipa, Assistant Clerk
Budget and Finance Committee

Attachment

c: Devyani Jain, Environmental Planning
Joy Navarrete, Environmental Planning
Don Lewis, Environmental Planning



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 211204

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Legislative Clerks Division	415-554-5184
FULL DEPARTMENT NAME	EMAIL
office of the clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Jeff Suess	415.554.9850
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
ADM RED	jeff.suess@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Markoulakis Family Trust	TELEPHONE NUMBER 415-621-2031
STREET ADDRESS (including City, State and Zip Code) 555 Chateaur Dr. Hillsborough, CA 94010-6501	EMAIL

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 211204
DESCRIPTION OF AMOUNT OF CONTRACT \$6,300,000		
NATURE OF THE CONTRACT (Please describe) Purchase of real property (822 Geary Street and 629 Hyde Street)		

7. COMMENTS
Ownership is a Trust.

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Markoulakis	Georgios	Other Principal Officer
2	Markoulakis	Chrisula	Other Principal Officer
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
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14			
15			
16			
17			
18			
19			

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
20			
21			
22			
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38			

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
40			
41			
42			
43			
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48			
49			
50			
<input type="checkbox"/>	Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.		

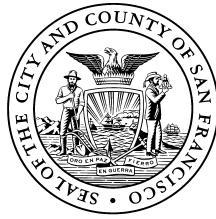
10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

<p>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</p> <p>BOS Clerk of the Board</p>	<p>DATE SIGNED</p>
---	---------------------------

City & County of San Francisco
London N. Breed, Mayor



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

November 16, 2021

Department of Public Health
Acquisition of real property
822 Geary Street and 629 Hyde
Street

Through Carmen Chu
City Administrator

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

RE: Acquisition – 822 Geary Street and 629 Hyde Street

Dear Board Members:

Attached for consideration is a Resolution authorizing the acquisition of 822 Geary Street, a 6,823 square foot parcel with an 8,875 square foot building, and 629 Hyde Street, a 2,186 square foot vacant lot adjacent to the Geary Street parcel, for use by the Department of Public Health (DPH) for the purpose of establishing behavioral health programs, including the newly created “Mental Health SF,” that will serve individuals in the community that are experiencing behavioral health crises or are in need of community based behavioral health services and care

DPH and the Director of Property have conducted a search and determined that the two properties are ideally located for the programs, where behavioral health services have a high need and will deliver these services where they will have the highest impact. The properties have the unique feature of both indoor and significant outdoor space, which allows for a broader range of services that can be provided. Mental Health SF is the City’s strategic framework for improving the behavioral health response to people experiencing homelessness.

The sites to be acquired are currently vacant. The Department of Public Works has done an assessment of the condition of the building and an environmental review of the site and determined the building is suitable for City use.

The City has negotiated a price of \$6,300,000 for the acquisition of these parcels and has confirmed the price as "Fair Market Value" through an appraisal by a certified MAI appraiser, the appraisal was further reviewed and affirmed by a second MAI appraiser.

The Planning Department found that the acquisition of the parcels is not considered a project under CEQA and that it is consistent with the eight priority policies of the General Plan.

The Real Estate Division recommends approval of this acquisition. If you have any questions regarding this matter, please contact me of the Real Estate Division office at 415-554-9860.

Respectfully,

cc. Dr. Grant Colfax, Director DPH

From: [Conine-Nakano, Susanna \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Paulino, Tom \(MYR\)](#); [Rana, Shalini \(DPH\)](#); [Mahogany, Honey \(BOS\)](#); [Temprano, Tom \(BOS\)](#); [Penick, Andrico; Rosenfield, Ben \(CON\)](#); [Patil, Sneha \(DPH\)](#)
Subject: Mayor-- Resolution - 822 Geary Street Acquisition
Date: Tuesday, November 16, 2021 3:54:20 PM
Attachments: [02. 822 Geary Street and 629 Hyde Street acquisition Memo.docx](#)
[03. PSA 822 Gear Street 629 Hyde Street seller signed.pdf](#)
[04. Form 126 - 822 Geary St and 629 Hyde Street 11 15 21.pdf](#)
[01. Resolution 822 Geary 629 Hyde.docx](#)

Dear Clerks,

Attached for introduction to the Board of Supervisors is a **Resolution 1) approving and authorizing the Director of Property to acquire certain real property located at 822 Geary Street and 629 Hyde Street (“Property”); 2) approving and authorizing an Agreement of Purchase and Sale for Real Estate for the acquisition of the Property, for the purchase price of \$6,300,000 plus an estimated \$20,000 for typical closing costs, for a total amount of \$6,320,000 from Georgios Markoulakis and Crisula Markoulakis, as Trustees of the Markoulakis Family Trust, Dated November 6, 2008 (“Purchase Agreement”); 3) authorizing the Director of Property to execute the Purchase Agreement, make certain modifications, and take certain actions in furtherance of this Resolution and the Purchase Agreement, as defined herein; 4) affirming the Planning Department’s determination under the California Environmental Quality Act; and 5) adopting the Planning Department’s findings that the Purchase Agreement, and the transaction contemplated therein, is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

I’ve copied Ben Rosenfield and Andrico Penick to confirm their approvals.

Please note that Supervisor Haney and Supervisor Mandelman are co-sponsors of this resolution. Please reach out to Tom Paulino with any questions.

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