

1 [Development Agreement - Prologis, L.P. - San Francisco Gateway Project - Toland Street at
2 Kirkwood Avenue]

3 **Ordinance approving a Development Agreement between the City and County of San**
4 **Francisco and Prologis, L.P., a Delaware limited partnership, for the development of an**
5 **approximately 17.1-acre site located at Toland Street at Kirkwood Avenue with two**
6 **multi-story production, distribution, and repair buildings in a core industrial area,**
7 **including 1,646,000 square feet of production, distribution, and repair, space for non-**
8 **retail sales and service, automotive, and retail uses, a rooftop solar array, ground-floor**
9 **maker space, and streets built to City standard; making findings under the California**
10 **Environmental Quality Act; making findings of conformity with the General Plan, and**
11 **with the eight priority policies of Planning Code, Section 101.1(b); making findings of**
12 **public convenience, necessity, and welfare under Planning Code, Section 302;**
13 **approving certain development impact fees for the Project and waiving certain**
14 **Planning Code fees and requirements; confirming compliance with or waiving certain**
15 **provisions of Labor and Employment Code, Articles 131, 132, 103, 104, and 106, and**
16 **Administrative Code, Chapters 56, 14B, 82, 83, and 23; and ratifying certain actions**
17 **taken in connection therewith, as defined herein.**

18 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
19 **Additions to Codes** are in *single-underline italics Times New Roman font*.
20 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
21 **Board amendment additions** are in double-underlined Arial font.
22 **Board amendment deletions** are in ~~strikethrough Arial font~~.
23 **Asterisks (* * * *)** indicate the omission of unchanged Code
24 subsections or parts of tables.

23 Be it ordained by the People of the City and County of San Francisco (the "City"):

24 Section 1. General Findings.

25 The Board of Supervisors makes the following findings:

1 (a) California Government Code Section 65864 et seq. authorizes any city, county,
2 or city and county to enter into an agreement for the development of real property within its
3 jurisdiction. Chapter 56 of the San Francisco Administrative Code (“Chapter 56”) sets forth
4 certain procedures for the processing and approval of development agreements in San
5 Francisco.

6 (b) Prologis, L.P., a Delaware limited partnership (the “Developer”) owns and
7 operates an approximately 17.1-acre site, generally bounded by and including portions of
8 Kirkwood Avenue to the north, Rankin Street to the east, McKinnon Avenue to the south, and
9 Toland Street to the west, which site is currently occupied by four single-story production,
10 distribution, and repair (“PDR”) buildings, totaling approximately 448,000 square feet (the
11 “Project Site”).

12 (c) On April 23, 2025, the Developer filed an application with the City’s Planning
13 Department for approval of a development agreement relating to the Project Site (the
14 “Development Agreement”) under Chapter 56. A copy of the Development Agreement is on
15 file with the Clerk of the Board in File No. 250427.

16 (d) The Developer proposes a development project with two new PDR and
17 commercial use buildings that may include manufacturing and maker space, parcel delivery
18 service, wholesale sales and storage, private parking garage, and other uses permitted under
19 the PDR-2 zoning and the San Francisco Gateway Special Use District (the “SUD”), all as
20 more particularly described in the Development Agreement and the SUD (the “Project”).
21 Specifically, the Project includes two new multi-story buildings, totaling approximately
22 1,646,000 enclosed gross square feet, or 2,160,000 square feet including approximately
23 514,000 square feet of open, active roof area. The two buildings will include a total of
24 approximately 543,500 gross square feet of on-site loading and parking for bicycles and
25 vehicles (including a total of approximately 55,900 gross square feet on the ground level and

1 approximately 487,600 gross square feet on the roof level), approximately 8,400 gross square
2 feet of ground floor retail, and approximately 20,000 gross square feet of maker space, all as
3 more particularly described in the Development Agreement. The Project will also improve the
4 surrounding streets of Kirkwood and McKinnon Avenues, and Toland, Rankin, and Selby
5 Streets, and provide additional streetscape improvements adjacent to the Project Site.

6 (e) While the Development Agreement is between the City, acting primarily through
7 the Planning Department, and the Developer, other City agencies retain a role in reviewing
8 and issuing certain later approvals for the Project. Later approvals include without limitation
9 all approvals required under the SUD or as otherwise set forth in the Municipal Code. As a
10 result, affected City agencies have consented to the Development Agreement.

11 (f) The Project is anticipated to generate an annual average of approximately 795
12 construction jobs during construction and, upon completion, approximately 1,980 permanent
13 on-site jobs, an approximately \$7 million annual increase in property taxes, and approximately
14 \$16 million in development impact fees (including transportation, school, and capacity fees),
15 as well as approximately \$5.8 million in annual general fund revenues to the City. In addition
16 to the significant jobs and economic benefits to the City from the Project, the City has
17 determined that development of the Project under the Development Agreement will provide
18 additional clear benefits to the public that could not be obtained through application of existing
19 City ordinances, regulations, and policies. Major additional public benefits to the City from the
20 Project include: (1) streetscape and public infrastructure improvements exceeding those that
21 otherwise would be required; (2) a meaningful support program for PDR users and other small
22 businesses; (3) workforce obligations, including significant training, employment, and
23 economic development opportunities as part of the development and operation of the Project;
24 (4) transportation demand management measures and other transportation-related support
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1 exceeding the level otherwise required; and (5) sustainability and resilience measures, each
2 as further described in the Development Agreement.

3 (g) The Development Agreement will eliminate uncertainty in the City’s land use
4 planning for the Project Site and secure orderly development.

5 (h) Concurrently with this ordinance, the Board is taking a number of actions in
6 furtherance of the Project, as generally described in the Development Agreement, including
7 those described in Exhibit C to the Development Agreement.

8 Section 2. CEQA Findings.

9 On September 25, 2025, by Motion No. 21826, the Planning Commission certified as
10 adequate, accurate, and complete the Final Environmental Impact Report (“FEIR”) for the
11 Project pursuant to the California Environmental Quality Act (California Public Resources
12 Code Section 21000 et seq.) (“CEQA”). A copy of Planning Commission Motion No. 21826 is
13 on file with the Clerk of the Board of Supervisors in File No. 250427. Also on
14 September 25, 2025, by Motion No. 21827, the Planning Commission adopted CEQA findings
15 and a Mitigation Monitoring and Reporting Program (the “MMRP”). These Motions are on file
16 with the Clerk of the Board of Supervisors in File No. 250427. In accordance with the actions
17 contemplated herein, this Board has reviewed the FEIR and related documents, and adopts
18 as its own and incorporates by reference as though fully set forth herein the CEQA Findings
19 and the MMRP.

20 Section 3. General Plan and Planning Code Section 101.1(b) Findings.

21 (a) The Board of Supervisors is considering companion legislation concerning the
22 SUD that adopts public necessity findings under Planning Code Section 302 (the “SUD
23 Ordinance”). A copy of the SUD Ordinance is on file with the Clerk of the Board of
24 Supervisors in File No. 250426.

1 (b) For purposes of this ordinance, the Board of Supervisors finds that the
2 Development Agreement will serve the public necessity, convenience, and general welfare for
3 the reasons set forth in the SUD Ordinance.

4 (c) For purposes of this ordinance, the Board of Supervisors finds that the
5 Development Agreement is consistent with the General Plan and the eight priority policies of
6 Planning Code Section 101.1(b) for the reasons set forth in the SUD Ordinance.

7 Section 4. Development Agreement.

8 (a) The Board of Supervisors approves all of the terms and conditions of the
9 Development Agreement in substantially the form on file with the Clerk of the Board of
10 Supervisors in File No. 250427.

11 (b) The Board of Supervisors approves and authorizes the City's execution,
12 delivery, and performance of the Development Agreement as follows: (1) the Director of
13 Planning (and other City officials listed thereon) are authorized to execute and deliver the
14 Development Agreement and consents thereto, and (2) the Director of Planning and other
15 applicable City officials are authorized to take all actions reasonably necessary or prudent to
16 perform the City's obligations under the Development Agreement in accordance with the
17 terms of the Development Agreement. The Director of Planning, at the Director of Planning's
18 discretion and in consultation with the City Attorney, is authorized to enter into any additions,
19 amendments, or other modifications to the Development Agreement that the Director of
20 Planning determines are in the best interests of the City and that do not materially increase
21 the obligations or liabilities of the City or materially decrease the benefits to the City, as
22 provided in the Development Agreement.

23 (c) The Board of Supervisors authorizes the Controller and City Departments to
24 accept any funds paid by the Developer under the Development Agreement, and to
25 appropriate and use such funds for the purposes described therein. The Board expressly

1 approves the use of the development impact fees as set forth in the Development Agreement,
2 and waives or overrides any provision in Article 4 of the Planning Code that would otherwise
3 conflict with the uses of these funds as described in the Development Agreement.

4 Section 5. Administrative Code Conformity and Waivers.

5 (a) The Development Agreement shall prevail if there is any conflict between the
6 Development Agreement and Administrative Code Chapters 14B and 56, and the provisions
7 of Chapters 14B and 56 are waived to the extent inconsistent with the Development
8 Agreement.

9 (b) The Development Agreement shall prevail if there is any conflict between the
10 Development Agreement and Labor and Employment Code Articles 131 and 132, and the
11 provisions of Articles 131 and 132 are waived to the extent inconsistent with the Development
12 Agreement. The Board of Supervisors waives Labor and Employment Code Sections 103.1,
13 103.3(a)-(d), 103.3(f), 104.1, 104.2, 104.3, 106.1, 106.2, 106.4, and 106.6 to the extent
14 otherwise applicable to the Project.

15 (c) In connection with the Development Agreement, the Board of Supervisors finds
16 that the requirements of Chapter 56 have been substantially complied with and waives any
17 procedural or other requirements of Chapter 56 if and to the extent to which there has not
18 been strict compliance. The following provisions of Chapter 56 are deemed satisfied as
19 follows:

20 (1) The Project comprises approximately 17.1 acres and is the type of large
21 multi-phase and/or mixed-use development contemplated by Chapter 56, and satisfies the
22 provisions of Administrative Code Section 56.3(g).

23 (2) The provisions of the Development Agreement, including its attached
24 Workforce Agreement, apply and satisfy the requirements of Administrative Code Section
25 14B.20 and Section 56.7(c).

1 (3) The provisions of the Development Agreement regarding any amendment
2 or termination, including those relating to "Material Change," shall apply in lieu of the
3 provisions of Administrative Code Section 56.15.

4 (4) The provisions of Administrative Code Section 56.20 have been satisfied
5 by the Memorandum of Understanding between the Developer and the Mayor's Office of
6 Economic and Workforce Development for the reimbursement of City costs, a copy of which is
7 on file with the Clerk of the Board of Supervisors in File No. 250427.

8 (d) The requirements of the Workforce Agreement attached to the Development
9 Agreement shall apply and shall supersede, to the extent of any conflict, the provisions of: (1)
10 Administrative Code Chapter 82 (Local Hire Requirements, Coverage); (2) Administrative
11 Code Chapter 83 (First Source Hiring for Construction); and (3) Administrative Code Chapter
12 14B (Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance).

13 (e) The Board of Supervisors finds that, so long as the square footage of real
14 property conveyed to the City in connection with the dedication and acceptance of Public
15 Improvements is greater than the square footage of any right-of-way easements held by City
16 that are contemplated to be vacated and quitclaimed to the Developer pursuant to the
17 Development Agreement, no appraisal of value of the acquired or conveyed property will be
18 required by the City, and the requirements of Administrative Code Section 23.3 are waived.

19 (f) The Board of Supervisors authorizes the Director of Property, and other City
20 agencies if applicable, to accept or to grant easements or licenses, or to enter into other
21 agreements concerning real property, whether such easements, licenses, or agreements are
22 temporary, interim, or permanent, that the Director of Property and the affected City agency
23 determine are reasonably necessary in furtherance of implementation of the Project, whether
24 on or off the Project Site, and on terms acceptable to the Director of Property in the Director's
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1 sole discretion. Accordingly, the Board of Supervisors waives any provisions of Administrative
2 Code Chapter 23, Article I that conflict with the foregoing sentence.

3 Section 6. Planning Code Waivers; Ratification.

4 (a) The Board of Supervisors finds that the impact fees and other exactions due
5 under the Development Agreement will provide greater benefits to the City than the impact
6 fees and exactions under Planning Code Article 4 and waives the application of, and to the
7 extent applicable exempts the Project from, impact fees and exactions under Planning Code
8 Article 4 on the condition that the Developer pays the impact fees and exactions due under
9 the Development Agreement.

10 (b) The Board of Supervisors finds that the Transportation Demand Management
11 Plan attached to the Development Agreement and other provisions of the Development
12 Agreement comply with the City's Transportation Demand Management Program in Planning
13 Code Section 169.

14 (c) The Board of Supervisors finds that the Infrastructure Plan attached to the
15 Development Agreement sets forth sufficient standards for streetscape design and waives the
16 requirements of Planning Code Section 138.1 (Streetscape and Pedestrian Improvements).

17 Section 7. Ratification.

18 (a) All actions taken by City officials in preparing and submitting the Development
19 Agreement to the Board of Supervisors for review and consideration are hereby ratified and
20 confirmed, and the Board of Supervisors hereby authorizes all subsequent actions to be taken
21 by City officials consistent with this ordinance.

22 Section 8. Effective and Operative Date.

23 (a) This ordinance shall become effective 30 days after the date of enactment.
24 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance
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