

[Public Works and Administrative Codes - Encroachment Permit for the 530 Sansome Mixed-Use Tower and Fire Station 13 Development Project and Public Infrastructure Acceptance]

Ordinance approving a major encroachment permit for EQX Jackson SQ Holdco LLC to occupy portions of Merchant Street between Sansome and Battery Streets adjacent to 425 Washington Street, 439-445 Washington Street, and 530 Sansome Street (Assessor's Parcel Block No. 0206, Lot Nos. 013, 014, and 017) for the purpose of installing and maintaining decorative roadway and sidewalk paving, tabletop crosswalks, overhead string lighting, various pedestrian- and bike-oriented improvements, other non-standard infrastructure, and new street trees; waiving certain requirements under Public Works Code, Sections 724.7 (construction occupancy fee), 786.3 (final review of City departments prior to Public Works hearing), and 806 (street tree removal notice and appeal and replacement at or exceeding requirements), and Administrative Code, Section 1.51 (acceptance of public infrastructure), in connection with Permittee's implementation of the encroachment permit and project development; delegating to the Public Works Director the authority to accept an irrevocable offer for the public infrastructure in Merchant Street, dedicate such infrastructure to public use, designate it for street and roadway purposes, and accept it for City maintenance and liability purposes, subject to specified limitations; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; accepting a Public Works Order that recommends the major encroachment and delegation to the Public Works Director of the acceptance and related actions for the public improvements; and authorizing official acts, as defined, in connection with this Ordinance.

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3 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
4 **Additions to Codes** are in *single-underline italics Times New Roman font*.
5 **Deletions to Codes** are in *~~strikethrough italics Times New Roman font~~*.
6 **Board amendment additions** are in double-underlined Arial font.
7 **Board amendment deletions** are in ~~strikethrough Arial font~~.
8 **Asterisks (* * * *)** indicate the omission of unchanged Code
9 subsections or parts of tables.

10 Be it ordained by the People of the City and County of San Francisco:

11 Section 1. Project Background; Planning and Environmental Findings.

12 (a) Pursuant to Public Works Code Sections 786 et seq., EQX Jackson SQ Holdco
13 LLC, a Delaware limited liability company (“Permittee” or “Project Sponsor”), requested a
14 major encroachment permit to occupy an approximately 9,580 square foot portion of the
15 Merchant Street public right-of-way to install and maintain: (1) decorative roadway and
16 sidewalk surface paving treatment, (2) tabletop crosswalks at the entrances on Battery Street
17 and Sansome Street, (3) overhead string lighting, (4) various pedestrian- and bike-oriented
18 amenities, (5) other non-standard infrastructure, and (6) new street trees (collectively, the
19 “Encroachments”). The Encroachments would occur on the portion of Merchant Street
20 between Sansome and Battery Streets adjacent to 425 Washington Street, 439-445
21 Washington Street, and 530 Sansome Street (Assessor’s Block 0206, Lots 013, 014, and
22 017). The Encroachments are a required component of the Development Agreement
23 (“Development Agreement”) associated with the 530 Sansome Mixed-Use Tower and Fire
24 Station 13 Development Project (also known as the 530 Sansome and 447 Battery Street
25 Development Project or “Project”) and addressed in legislation on file with the Clerk of the
Board of Supervisors in File No. 250698. Project Sponsor’s description of the
Encroachments, their related plans, and a maintenance matrix addressing the Encroachments
are contained in the Development Agreement’s Exhibit E, which is on file with the Clerk of the

1 Board of Supervisors in File Nos. 250698 and 250802, and incorporated herein by reference.

2 (b) In companion legislation adopting a Development Agreement associated with the
3 Project, the Board of Supervisors (or the "Board") adopted environmental findings pursuant to
4 the California Environmental Quality Act (CEQA) (California Public Resources Code
5 Sections 21000 et seq.), the CEQA Guidelines (14 Cal. 22 Code Reg. Sections 15000 et
6 seq.), and Chapter 31 of the Administrative Code. The Board adopts these environmental
7 findings as though fully set forth herein in relation to this ordinance. A copy of said companion
8 legislation is in Board of Supervisors File No. 250698 and it and its environmental findings are
9 incorporated herein by reference.

10 (c) In companion legislation adopting General Plan amendments associated with the
11 Project, the Board adopted findings that the actions contemplated in this ordinance are
12 consistent, on balance, with the City's General Plan and eight priority policies of Planning
13 Code Section 101.1. The Board incorporates these findings by reference and adopts these
14 findings as though fully set forth herein in relation to this ordinance. A copy of said companion
15 legislation is in Board of Supervisors File No. 250764.

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17 Section 2. Merchant Street Major Encroachment Permit Findings.

18 (a) The Permittee will construct the Encroachments in conjunction with the Project,
19 and the Permittee shall maintain the Encroachments for the period set forth in the
20 Development Agreement.

21 (b) In conjunction with the installation of the Encroachments, the Permittee will
22 undertake additional street improvements to increase the sidewalk widths on Merchant Street
23 between Sansome and Battery Streets in accordance with plans for the Encroachments,
24 which are on file with the Clerk of the Board of Supervisors in File Nos. 250698 and 250802.

25 (c) The Board of Supervisors acknowledges that such sidewalk width changes qualify

1 for administrative approval in accordance with Ordinance No. 34-12. A copy of this ordinance
2 is on file with the Clerk of the Board of Supervisors in File No. 111281.

3 (d) The Board of Supervisors' approval of the major encroachment permit
4 acknowledges the potential removal of approximately three existing street trees (as defined in
5 Public Works Code Section 802) along the north side of Merchant Street between Sansome
6 and Battery Streets and replacement of such trees at a level that meets or exceeds the
7 requirements of Public Works Code Section 806. With the Permittee's installation of new
8 street trees, which shall be subject to final design review and approval from Public Works,
9 Merchant Street between Sansome and Battery Streets will have approximately 10 street
10 trees.

11 (e) After a duly noticed public hearing on July 23, 2025, the Public Works Director
12 recommended and City Engineer certified in Public Works Order No.211940, dated
13 July 24, 2025, that the Board of Supervisors approve a major encroachment permit and
14 associated maintenance agreement (collectively, the "Permit") for the construction and
15 maintenance of the Encroachments and related sidewalk width expansion, subject to certain
16 conditions including: (1) Permittee shall submit detailed design plans generally consistent
17 with the schematic design reviewed with the Permit for final review and approval by Public
18 Works and impacted City agencies; (2) construction work shall not commence until Permittee
19 obtains all construction authorizations from Public Works; (3) Permittee and Public Works
20 execute a final maintenance agreement; and (4) Public Works inspects the completed work
21 and issues a Notice of Completion. A copy of the Public Works Order ("PW Order") is on file
22 with the Clerk of the Board of Supervisors in File No. 250802 and is incorporated herein by
23 reference.

24 (f) In this PW Order, the Public Works Director and City Engineer (collectively,
25 "Director") determined under Public Works Code Section 786.7(f)(3) that because the

1 Encroachments provide a public benefit as contemplated in the Project's Development
2 Agreement, the Project qualifies for a public right-of-way occupancy assessment fee waiver,
3 in accordance with Public Works Code Section 786.7(f)(3).

4 (g) In the PW Order, the Director also recommended that in light of the extensive City
5 department review and hearings associated with the Project in various public forums that
6 already have occurred, the Board of Supervisors waive the requirement under Public Works
7 Code Section 786.3 for final Transportation Advisory Staff Committee (a City multi-agency
8 review body chaired by the San Francisco Municipal Transportation Agency) approval of the
9 Permit. For these same reasons and the fact that the street tree removal and replacement
10 program associated with the Permit is pending before the Board of Supervisors as part of this
11 ordinance, the Director also recommended that the Board waive the separate hearing and
12 appeal process associated with street tree removal under Public Works Code Section 806. In
13 addition, given the construction schedule to build all elements of the Project contemplated in
14 the Development Agreement and the public benefits associated with the Project, the Director
15 recommended waiver of the construction occupancy fee for the Project's use of Merchant
16 Street for construction staging under Public Works Code Section 724.7.

17 (h) In the PW Order, the Director further recommended to the Board of Supervisors
18 that it delegate to the Director the authority under California Streets and Highways Code
19 Section 1806 and Administrative Code Sections 1.51 et seq. to take various actions related to
20 acceptance of the new public improvements in Merchant Street (the "Infrastructure"). The
21 Director's acceptance would take place upon the Project Sponsor's completion of all
22 respective requirements related to the Infrastructure and the City Engineer's issuance of a
23 Notice of Completion certifying that the Infrastructure has been constructed in accordance
24 with Public Works' adopted plans and specifications for public right-of-way and all applicable
25 City Codes, regulations, and other requirements, and determining that it is ready for its

intended use. The Director's recommendation includes the following public improvement acceptance actions, which shall be taken after consultation with all affected City departments: (1) acceptance of an irrevocable Offer of the Merchant Street Infrastructure; (2) dedication of the Infrastructure to public use; (3) designation of the Infrastructure for street and roadway purposes; and (4) acceptance of the Infrastructure for City maintenance and liability.

Section 3. Additional Requirements for the Major Encroachment Permit.

(a) The final approved Permit shall be in substantially the same form as that in the Clerk of the Board File No. 250802, which is incorporated herein by reference.

(b) The Permit for the Encroachments shall not become effective until:

(1) The Permittee satisfies the conditions of approval set forth in the PW Order;

(2) The Permittee executes and acknowledges the Permit and delivers said Permit and all required documents and fees to Public Works; and

(3) Project Sponsor is the owner of 530 Sansome, City is the owner of 447 Battery, and Public Works records the Permit in the County Recorder's Office, excluding the City-owned property.

(c) The Permittee, at its sole expense and as is necessary as a result of the Permit, shall make the following arrangements:

(1) To provide for the support and protection of City-owned facilities under the jurisdiction of Public Works, the San Francisco Public Utilities Commission, the Fire Department, other City departments, and public utility companies;

(2) To provide access to such facilities to allow said entities to construct, reconstruct, maintain, operate, or repair such facilities as set forth in the Permit; and

(3) To remove or relocate such facilities if installation of the Encroachments requires said removal or relocation and to make all necessary arrangements with the owners

1 of such facilities, including payment for all their costs, should said removal or relocation be
2 required.

3 (d) Permittee shall assume all costs for the maintenance and repair of the
4 Encroachments pursuant to the Permit, and no cost or obligation of any kind shall accrue to
5 Public Works or any other City department by reason of this Permit.

6 (e) Permittee agrees that no structures shall be erected or constructed within the
7 public right-of-way except as specifically authorized in the Permit.

8 (f) Permittee has committed, as part of the Development Agreement and Permit, to
9 enter into a voluntary agreement with Public Works for Permittee to maintain all new street
10 trees planted and established on Merchant Street in accordance with the terms of Public
11 Works Code Section 805(c) for the period set forth in the Development Agreement.

12
13 Section 4. Major Encroachment Permit Approval.

14 (a) The Board of Supervisors accepts the recommendations of the PW Order in regard
15 to the Permit.

16 (b) Pursuant to Public Works Code Sections 786 et seq., the Board of Supervisors
17 hereby grants revocable, personal, non-exclusive, and non-possessory permission to the
18 Permittee to occupy the public right-of-way with the Encroachments and maintain said
19 Encroachments under the terms of the Permit, this ordinance, and the Development
20 Agreement. The Board of Supervisors' approval of the Permit is subject to certain conditions
21 specified in this ordinance. The Board also authorizes the Public Works Director to perform
22 and exercise the City's rights and obligations with respect to the Encroachments under the
23 Permit and to finalize the Permit and enter into amendments or modifications to the Permit
24 with respect to the Encroachments subject to the limitations set forth below. The authorized
25 amendments and modifications are those that the Director, in consultation with the City

1 Attorney, determines are in the best interest of the City, do not materially increase the
2 obligations or liabilities of the City or materially decrease the obligations of the Permittee or its
3 successors, are necessary or advisable to effectuate the purposes of the Permit or this
4 ordinance with respect to the Encroachments, and are in compliance with all applicable laws.

5 (c) The Board acknowledges waiver of the public right-of-way occupancy assessment
6 fee for the Encroachments in accordance with the Director's determination under Public
7 Works Code Section 786.7(f)(3) regarding a Development Agreement project.

8 (d) The Board acknowledges that Public Works will inspect the construction of the
9 Infrastructure and Encroachments and issue a Notice of Completion to certify that the
10 Infrastructure, including the private Encroachments, has been constructed per approved
11 permit plans and requirements to the satisfaction of the City Engineer and ready for its
12 intended use.

13 (e) The Board also acknowledges that as part of the Development Agreement and
14 Permit, the Permittee will enter into a voluntary agreement with Public Works for Permittee to
15 maintain all new street trees planted and established on Merchant Street in accordance with
16 the terms of Public Works Code Section 805(c) for the period set forth in the Development
17 Agreement.

18
19 Section 5. Waiver of the Public Works and Administrative Codes for Purposes of the
20 Permit, Project, and in Connection with the Public Infrastructure; Delegation to Public Works
21 Director to Accept the Infrastructure.

22 (a) The Board of Supervisors adopts as its own the recommendations in the PW Order
23 to waive specified provisions of the Public Works Code and Administrative Code as part of the
24 implementation of the Permit, Project, and the Infrastructure.

25 (b) In regard to the Permit, the Board of Supervisors waives the requirement under

1 Public Works Code Section 786.3 for final Transportation Advisory Staff Committee approval
2 on the Permit. The Board also waives the separate hearing and appeal process associated
3 with street tree removal and replacement under Public Works Code Section 806.

4 (c) In regard to the Project, the Board waives the construction occupancy fee for the
5 Project's use of Merchant Street for construction staging under Public Works Code
6 Section 724.7.

7 (d) In regard to the Infrastructure, the Board waives the procedures of Administrative
8 Code Sections 1.51 et seq., regarding acceptance of public improvements subject to the
9 conditions listed in Subsections (e)-(g).

10 (e) Pursuant to the PW Order and California Street and Highways Code Section 1806,
11 the Board of Supervisors delegates to the Public Works Director, in consultation with the
12 Public Utilities Commission General Manager and other affected City departments, the
13 authority to accept the Infrastructure for public use after the City Engineer issues a Notice of
14 Completion for the Infrastructure and in compliance with the terms and conditions specified in
15 the PW Order.

16 (f) Notwithstanding the provisions of San Francisco Administrative Code Sections 1.51
17 et seq., the Board of Supervisors delegates the authority to the Public Works Director, in
18 consultation with the SFPUC General Manager and other affected City departments, to take
19 all other actions related to acceptance of the Infrastructure including acceptance of such
20 Infrastructure for City maintenance and liability. Such actions include, but are not limited to:
21 (1) acceptance of an irrevocable Offer of the Merchant Street Infrastructure; (2) dedication of
22 the Infrastructure to public use; (3) designation of the Infrastructure for street and roadway
23 purposes; and (4) acceptance of the Infrastructure for City maintenance and liability.

24 (g) The Board of Supervisors also conditions its delegation of the acceptance of the
25 Infrastructure on the Director's obtaining the Project Sponsor's conditional assignment of all

warranties and guaranties related to the construction of the Infrastructure.

Section 6. Effective and Operative Dates.

(a) This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within 10 days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

(b) This ordinance shall become operative only on (and no rights or duties are affected until) the later of, (1) its effective date, as stated in subsection (a) above, or (2) the effective date of the ordinance approving the Development Agreement for the Project, adopted by the Board of Supervisors. A copy of said ordinance is on file with the Clerk of the Board of Supervisors in File No. 250698.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ JOHN D. MALAMUT
JOHN D. MALAMUT
Deputy City Attorney

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