

File No. 220296

Committee Item No. 10

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date April 13, 2022

Board of Supervisors Meeting Date _____

Cmte Board

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<input checked="" type="checkbox"/>	<input type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
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Completed by: Brent Jalipa Date April 7, 2022

Completed by: Brent Jalipa Date _____

1 [Acquisition of Real Property - Prologis, L.P. - 1236 Carroll Avenue - Not to Exceed
2 \$40,000,000 - Approval of Memorandum of Understanding - Port - Not to Exceed \$6,000,000]

3 **Resolution approving and authorizing the Director of Property, on behalf of the Fire**
4 **Department to: 1) execute a Purchase and Sale Agreement with Prologis, L.P. to**
5 **purchase real property located at 1236 Carroll Avenue for a purchase price of**
6 **\$38,500,000 plus closing costs, for a total cost not to exceed \$40,000,000; 2) execute a**
7 **Memorandum of Understanding with the Port to transfer jurisdiction of real property**
8 **located at 1236 Carroll Avenue at fair market value plus closing costs, for a total cost**
9 **not to exceed \$6,000,000; 3) place both properties under the jurisdiction of the Fire**
10 **Department; and 4) adopt the Planning Department's findings that the contemplated**
11 **transactions are consistent with the General Plan, and the eight priority policies of**
12 **Planning Code, Section 101.1.**

13
14 WHEREAS, The mission of the San Francisco Fire Department ("SFFD") is to protect
15 the lives and property of the people of San Francisco from fires, natural disasters, and
16 hazardous materials incidents; to save lives by providing emergency medical services; to
17 prevent fires through prevention and education programs; and to provide a work environment
18 that values health, wellness and cultural diversity and is free of harassment and
19 discrimination; and

20 WHEREAS, SFFD's training facilities are currently located in San Francisco, with the
21 "Primary Facility" at Treasure Island, under the jurisdiction of the Treasure Island
22 Development Authority ("TIDA"), and an ancillary training tower facility ("Ancillary Facility")
23 located at 19th and Folsom Streets (collectively, the "Fire Training Facilities"); and

24 WHEREAS, SFFD educates and trains new fire fighters and provides refresher training
25 and recertification to veteran fire fighters; and

1 WHEREAS, SFFD has approximately 1,700 firefighters who use the Fire Training
2 Facilities each year depending on their qualifications and the requirements for their position,
3 and at a minimum, each firefighter has approximately 200 hours of training per year; and

4 WHEREAS, Initial and ongoing classroom and physical training is essential for the
5 safety of firefighters and the public; and

6 WHEREAS, No later than December 31, 2026, TIDA requires SFFD to relocate the
7 Primary Facility; SFFD requested the City's Real Estate Division ("RED") to assist with
8 identifying a suitable replacement property that would consolidate the Fire Training Facilities
9 into one location within the geographic limits of San Francisco, consisting of a minimum of 7.5
10 acres; combining the Primary Facility and Ancillary Facility at one location is a primary
11 objective of SFFD, as it will promote training and administrative efficiencies, reduce long term
12 capital costs, and eliminate the need to travel to two locations across town in order to
13 complete training; and

14 WHEREAS, Prologis, L.P. ("Prologis") owns all of Assessor's Parcel Block No. 4852
15 except Lot No. 1, consisting of 94,000 net square feet, and owns the entirety of Assessor's
16 Parcel Block No. 4877 consisting of 120,000 square feet, for a total of 214,000 square feet
17 (collectively, the "Prologis Property"); and

18 WHEREAS, Port jurisdiction includes Lot 001 within Block 4852 consisting of
19 approximately 28,048 square feet; Griffith Street, a paper street that forms the eastern
20 boundary of Blocks 4852 and 4877, consisting of approximately 38,400 square feet; and
21 Bancroft Avenue, a paper street that separates Block 4852 and Block 4877, consisting of
22 approximately 48,000 square feet; for a total of approximately 114,448 square feet
23 (collectively, the "Port Property"); and
24
25

1 WHEREAS, The Port Property and the Prologis Property are adjacent to each other
2 and if assembled together total approximately 328,448 contiguous square feet, or 7.54 acres,
3 of potentially developable land; and

4 WHEREAS, In consultation with SFFD, RED has determined that the Prologis Property
5 together with the Port Property is the best location to relocate the Fire Training Facilities; and

6 WHEREAS, Prologis and the City negotiated a Purchase and Sale Agreement ("PSA")
7 on file with the Clerk of the Board of Supervisors in File No. 220296, for the City's purchase of
8 the Prologis Property, with an agreed upon purchase price of \$38,500,000 (the "Purchase
9 Price"); and

10 WHEREAS, On May 25, 2021, the Board of Supervisors unanimously approved a
11 purchase option with Prologis ("Purchase Option") on file with the Clerk of the Board of
12 Supervisors in File No. 210509 to: (1) keep the Prologis Property off the market; (2) lock in the
13 Purchase Price and terms of the PSA for one year through May 31, 2022; (3) give the City
14 and the Port time to negotiate terms for the transfer of the adjacent Port Property; and (4)
15 provide the Port time to seek state legislation approving terms to remove the Burton Act
16 statutory trust and the common law public trust for commerce, navigation, and fisheries
17 (collectively, the "Public Trust") from the Port Property and to transfer it to the City ("State
18 Legislation"); and

19 WHEREAS, The City pays Prologis \$15,000 per month under the Option Agreement;
20 the Option Agreement gives the City the unilateral right to purchase the Prologis Property on
21 the terms of the PSA, and expires May 31, 2022; and

22 WHEREAS, The City and the Port negotiated a Memorandum of Understanding
23 ("MOU") on file with the Clerk of the Board of Supervisors in File No. 220296, which sets forth
24 the terms and preconditions, including passage of the State Legislation and confirmation of
25 the fair market value of the Port Property by the California State Lands Commission, upon

1 which the Port is willing to transfer and the City is willing to accept title to the Port Property;
2 and

3 WHEREAS, The State Legislation was introduced on February 18, 2022, by Assembly
4 Member Ting as AB 2607, and is on file with the Clerk of the Board of Supervisors in File
5 No. 220296; the State Legislation is not scheduled to be voted upon or signed by Governor
6 Newsom before the Purchase Option expires on May 31, 2022; approval of the State
7 Legislation to lift the Public Trust is a necessary precondition to transfer the Port Property to
8 the City; and

9 WHEREAS, RED and SFFD desire to move forward with the acquisition of the Prologis
10 Property upon the terms of the PSA while the State Legislation is pending; and

11 WHEREAS, On April 12, 2022, the Port Commission is expected to approve the
12 transfer of the Port Property pursuant to the terms and preconditions of the MOU; and

13 WHEREAS, In accordance with the State Legislation, prior to the transfer of the Port
14 Property the California State Lands Commission must determine that the Port will receive the
15 fair market value of the Port Property; the City's appraisal of the Port Property is \$5,860,000
16 which appraised value was confirmed by review appraisal, must be confirmed by the
17 California State Lands Commission after passage of the State Legislation; and

18 WHEREAS, The City has received assurances that the transfer of the Port Property for
19 a new Fire Training Facility has strong support at the Port Commission, California State Lands
20 Commission staff and the State Legislature, and the City is confident that passage of the
21 State Legislation is likely; the Port held an informational hearing at the Port Commission
22 meeting on March 22, 2022 and an informational meeting at its Southern Advisory Committee
23 meeting on March 23, 2022, at which strong support for the new Fire Training Facility and the
24 transaction was expressed; in addition, the State Legislation was introduced by
25 Assemblymember Ting on February 18, 2022, and has received support; and

1 WHEREAS, On June 8, 2021, the Board of Supervisors passed Ordinance No. 082-21
2 which among other things, authorized the allocation of proceeds from the Earthquake Safety
3 and Emergency Response 2021 bond which will fund the purchase of the Prologis Property;
4 and

5 WHEREAS, On December 30, 2021, the Planning Department issued a Final Mitigated
6 Negative Declaration ("FMND") in compliance with the provisions of the California
7 Environmental Quality Act (California Public Resources Code Sections 21000 et seq.,
8 "CEQA"), the State CEQA Guidelines (California Code of Regulations Title 14 Sections 15000
9 et seq.), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"), for the
10 proposed fire training facility, which determined that the proposed fire training facility would
11 not have a significant effect on the environment with implementation of the identified
12 mitigation measures; the FMND is on file with the Clerk of the Board of Supervisors in File No.
13 220054 and incorporated herein by reference; and

14 WHERAS, On February 8, 2022, pursuant to Motion M22-016, the Board of Supervisors
15 adopted findings for the project under the California Environmental Quality Act; and

16 WHEREAS, In a letter dated March 22, 2022, the Planning Department determined that
17 the actions contemplated in this resolution are consistent, on balance, with the City's General
18 Plan, and eight priority policies of Planning Code, Section 101.1 ("General Plan
19 Determination"); a copy of said determination is on file with the Clerk of the Board of
20 Supervisors in File No. 220296, and incorporated herein by reference; and

21 WHEREAS, RED, in conjunction with SFFD, requests the Board of Supervisors to
22 approve the purchase of the Prologis Property for the Purchase Price plus closing costs, not
23 to exceed \$40,000,000 on the terms and conditions of the PSA and prior to passage of the
24 State Legislation so that it may preserve this one of a kind opportunity to acquire a site in San
25 Francisco suitable for a new Fire Training Facility; and

1 WHEREAS, RED, in conjunction with SFFD, requests the Board of Supervisors to
2 approve the transfer of the Port Property in exchange for payment to the Port of fair market
3 value to be finally confirmed or otherwise adjusted by the California State Lands Commission,
4 plus closing costs, not to exceed \$6,000,000 subject to certification of funding, upon the terms
5 and conditions of the MOU; now, be it

6 RESOLVED, That in accordance with the recommendation of the Director of Property
7 and the Fire Chief, the Board of Supervisors approves the PSA in substantially the form
8 presented to the Board, and authorizes the Director of Property, in consultation with the Office
9 of the City Attorney and the Fire Chief, to take all actions necessary or appropriate to acquire
10 the Prologis Property in accordance with the PSA; and, be it

11 FURTHER RESOLVED, That in accordance with the recommendation of the Port
12 Executive Director, the Port Commission, the Fire Chief, and the Director of Property, the
13 Board of Supervisors approves the MOU in substantially the form presented to the Board, and
14 encourages the Port Commission to authorize the Port Executive Director, in consultation with
15 the Office of the City Attorney, to take all actions necessary or appropriate to transfer the Port
16 Property, subject to the terms and preconditions of the MOU; and, be it

17 FURTHER RESOLVED, That in accordance with the recommendation of the Director
18 of Property and the Fire Chief, the Board of Supervisors approves the MOU in substantially
19 the form presented to the Board, and authorizes the Director of Property, in consultation with
20 the Office of the City Attorney and the Fire Chief, to take all actions necessary or appropriate
21 to acquire the Port Property, subject to the terms and preconditions of the MOU; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors affirms and adopts as its own,
23 the findings made by the Planning Department in the General Plan Determination, on file with
24 the Clerk of the Board of Supervisors in File No. 220296, and is incorporated herein by
25 reference.; and, be it

1 FURTHER RESOLVED, That the Director of Property is authorized to enter into any
2 amendments or modifications of the PSA and/or the MOU, including, without limitation,
3 completion and execution of the exhibits, and to take all steps, including, but not limited to the
4 execution and delivery of all certificates, notices, consents, agreements, memoranda, and
5 other documents, that the Director of Property determines, in consultation with the City
6 Attorney, are in the best interests of the City, do not materially increase the obligations or
7 liabilities of the City or materially reduce the benefits to the City, are necessary or advisable to
8 complete the actions contemplated in the PSA and/or the MOU, effectuate the purpose and
9 intent of the PSA, the MOU, or this resolution, and are in compliance with all applicable laws,
10 including the City's Charter; and be it

11 FURTHER RESOLVED, That the Port Commission is encouraged to authorize the
12 Executive Director of the Port to enter into any amendments or modifications of the MOU,
13 including, without limitation, completion and execution of the exhibits, and to take all steps,
14 including, but not limited to the execution and delivery of all certificates, notices, consents,
15 agreements, memoranda, and other documents, that the Executive Director of the Port, in
16 consultation with the City Attorney, determines are in the best interests of the Port, do not
17 materially increase the obligations or liabilities of the Port or materially reduce the benefits to
18 the Port, are necessary or advisable to complete the actions contemplated in the MOU,
19 effectuate the purpose and intent of the MOU or this resolution, and are in compliance with all
20 applicable laws, including the City's Charter; and be it

21 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
22 with respect to the PSA or MOU are hereby approved, confirmed and ratified; and, be it

23 FURTHER RESOLVED, That upon transfer to the City, the Prologis Property and the
24 Port Property will be placed under the jurisdiction of the SFFD; and, be it

1 FURTHER RESOLVED, That RED shall provide a copy of the executed PSA and MOU
2 to the Clerk of the Board for inclusion into the official file within thirty (30) days of full execution
3 of each of them.

4
5 Available: \$40,000,000
Fiscal Year 2021-22

6 1236 Carroll Avenue, Prologis, \$40,000,000

7 Fund ID:	15514
8 Department ID:	229787
9 Project ID:	10037585
Authority ID:	21566
10 Account ID:	567000
Activity ID:	0002

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17 /s/
Michelle Allersma, Budget and Analysis
18 Division Director on behalf of
Ben Rosenfield
19 Controller

20 Funding for Fiscal Year 2022/2023 is
21 subject to the enactment of the Annual
22 Appropriation Ordinance for Fiscal Year
23 2022/2023.
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San Francisco Fire Department
Fire Chief

Real Estate Division
Director of Property

Port of San Francisco
Executive Director

Item 10 File 22-0296	Departments: Real Estate Division, Fire Department
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> The proposed resolution would (i) approve a purchase and sale agreement with Prologis L.P. for the purchase of 1236 Carroll Avenue, (ii) approve a memorandum of understanding between the Real Estate Division, Fire Department, and Port Department to transfer Port property adjacent to 1236 Carroll Avenue to the Fire Department. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> The Fire Department has two training facilities on Treasure Island and in the Mission District. The City’s plan for a new consolidated fire training facility includes the purchase of land at 1236 Carroll Street, for which the Board of Supervisors has previously approved a purchase option, and the acquisition of adjacent Port-owned property, subject to approval of the State Lands Commission, the San Francisco Port Commission, and the State Legislature. The parcels will be combined to form a 7.54-acre site for the training facility. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> The proposed resolution caps the acquisition of 1236 Carroll Street transaction amount at \$40 million, with \$38.5 million for the purchase of the land (per the option agreement) and up to \$1.5 million in closing costs. The cost of acquiring Port property is capped at \$6 million, including \$5.86 million for the land purchase plus \$140,000 in closing costs. The 1236 Carrol Street acquisition will be funded by 2020 Earthquake Safety and Emergency Response general obligation bond proceeds; the General Fund will pay the Port acquisition. <p style="text-align: center;">Policy Considerations</p> <ul style="list-style-type: none"> The Board of Supervisors authorized \$628 million in 2020 Earthquake Safety and Emergency Response general obligation bonds, including \$275 million for a fire training facility and upgrades to fire stations. According to Public Works, the cost to develop the fire training facility is \$210.7 million. Once the \$40 million in land acquisition costs and \$210.7 million in training facility development costs are paid, \$24.3 million in bond funds would remain, which is sufficient for a limited scope renovation of one fire station. The Fire Department has not determined how it will repurpose the Mission training facility land once the new training facility is operational. The Board of Supervisors could consider alternative uses for Mission training area once it is vacated, such as affordable housing. If state and local authorities do not approve the transfer of Port land, the most likely option would be that the fire training facility would have to be re-designed to accommodate the 4.91 acre land currently owned by Prologis at 1236 Carroll Street. According to Director Penick, in that event, the fire training facility at Treasure Island could still move to that space and the Fire Department would keep the training facility in the Mission District operational rather than consolidate it with the new facility contemplated at 1236 Carroll Street. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> Approve the proposed resolution. 	

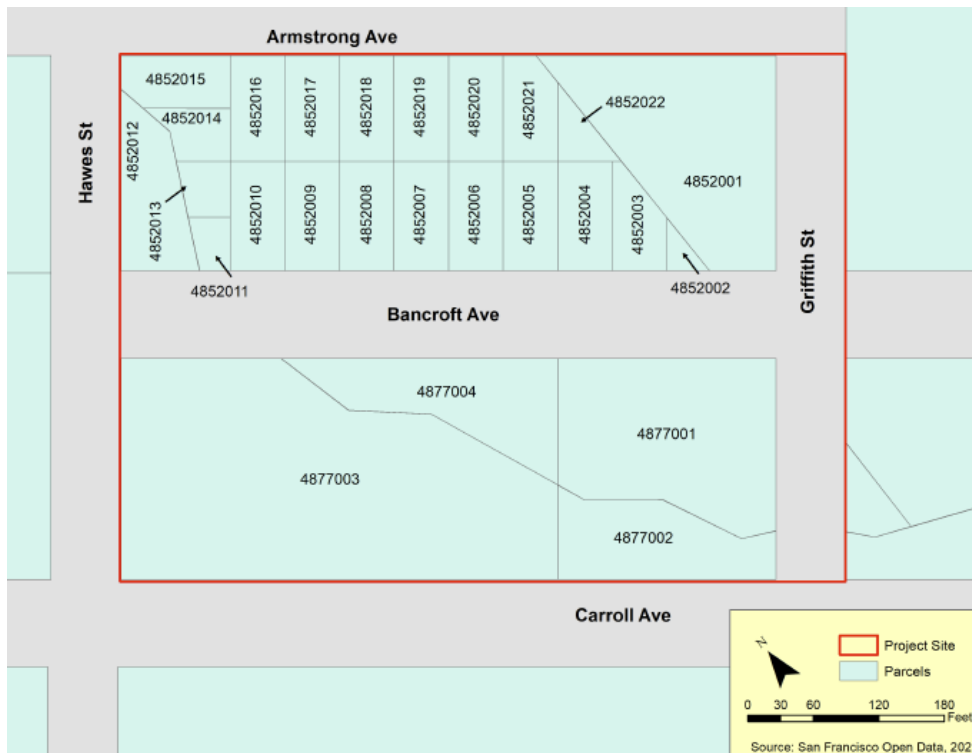
MANDATE STATEMENT

Administrative Code Section 23.3 states that the Board of Supervisors must approve acquisitions of real property by resolution. An appraisal of the property is required if the Real Estate Division determines that the fair market value is greater than \$10,000 and an appraisal review if the fair market value is greater than \$200,000.

BACKGROUND**Fire Training Facility**

The Fire Department has two training facilities, one on Treasure Island and one in the Mission District. According to the City's ten-year Capital Plan for Fiscal Years 2022-2031, the Fire Department will need a replacement training facility by 2024 because the Mission District facility is too small to meet Department needs and the Treasure Island facility will be demolished as part of the Treasure Island development plan. The Fire Department intends to demolish the Mission District training facility and expand the adjacent Fire Station 7 seven in its place.

The October 2018 Pre-Design Planning Study, conducted by Telamon Engineering Consultants, Inc. and McClaren, Wilson, & Lawrie Inc. for the Fire Department and Department of Public Works, found that a new training facility would require from 7.0 acres (for a multi-story facility) to 7.8 acres (for a ground-level facility). The City's plan for the new fire training facility includes the purchase of land at 1236 Carroll Street, for which the Board of Supervisors has previously approved a purchase option (File 21-0509), and the acquisition of adjacent Port-owned property. The parcels will be combined to form the site of the 7.54-acre site for the fire training facility. Exhibit 1 below shows a map of the planned site.

Exhibit 1: Proposed Fire Training Facility Site

Source: Planning Department Final Mitigated Negative Declaration for San Francisco Fire Training Facility, December 30, 2021

Notes: Block 4877, lots 001 – 004 and Block 4852, lots 002 - 022 are subject of the proposed purchase and sale agreement with Prologis. Block 4852, lot 001 and portions of Griffith Street and Bancroft Street are under jurisdiction of the Port.

Purchase Option Agreement for 1236 Carroll Street

In May 2021, the Board of Supervisors approved a purchase option agreement with Prologis, L.P., to purchase 1236 Carroll Street in San Francisco by June 1, 2022 (File 21-0509). Actions that would need to be taken prior to exercise of the purchase option include (i) satisfying any conditions or requirements under the California Environmental Quality Act (CEQA), and (ii) Board of Supervisors' approval of the final purchase of the property. The City may withdraw from the Agreement with two-day written notice.

The purchase option agreement locked in a purchase price of \$38.5 million for the property. The consideration for the purchase option was \$15,000 per month which is not credited towards the purchase price. The purchase price was consistent with the third-party appraisal conducted by R. Blum and Associates in January 2021 and confirmed by an appraisal review conducted by Clifford Advisory, LLC in March 2021.

Environmental Review

In February 2022, the Board of Supervisors approved a motion adopting the California Environmental Quality Act (CEQA) findings, adopting a mitigation, monitoring and reporting

program, and adopting the Final Mitigated Negative Declaration in connection with the proposed San Francisco Fire Department Training Facility at 1236 Carroll Avenue, including the adjacent Port property that is expected to be transferred to the Fire Department (22-0054). Final project design may be subject to further CEQA analysis if it differs materially from the Final Mitigated Negative Declaration.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would (i) approve a purchase and sale agreement with Prologis L.P. for the purchase of 1236 Carroll Avenue, (ii) approve a memorandum of understanding between the Real Estate Division, Fire Department, and Port Department to transfer Port property adjacent to 1236 Carroll Avenue to the Fire Department, (ii) place both properties under the jurisdiction of the Fire Department, and (iv) adopt the Planning Department's findings that the contemplated transactions are consistent with the General Plan and the eight priority policies of Planning Code Section 101.1.

1236 Carroll Street Purchase and Sale Agreement

Under the proposed purchase and sale agreement, the purchase price remains \$38.5 million, as per the purchase option agreement. The proposed resolution would allow spending of up to \$1.5 million in closing costs, for a total not to exceed amount of \$40 million for the purchase of 1236 Carroll Street. The 2021 appraisal was not updated because the purchase price is locked under the previously approved purchase option agreement, described above. According Andrico Penick, Director of Real Estate, the Board of Supervisors approval of the Final Mitigated Negative Declaration and General Plan approval in the proposed resolution are sufficient to satisfy the environmental review requirements to exercise the purchase option.

Real Estate & Port Memorandum of Understanding

The proposed memorandum of understanding between the Real Estate Division, Fire Department, and Port Department would allow for the transfer of Port property to the Fire Department. The. proposed \$6 million not to exceed amount for purchase of the Port-owned land and closing costs is consistent with an appraised valuation completed by R. Blum & Associates. As of this writing an appraisal review is underway but not available for our review. As noted below, the transaction requires approval of the State Legislature, State Lands Commission, and San Francisco Port Commission and sale proceeds will be dedicated to Port capital projects.

The Port-owned land adjacent to 1236 Carroll Street is currently vacant.

Estimated Costs and Timeline to Develop Fire Training Facility

According to Charles Higuera, Public Works project manager of the Earthquake Safety & Emergency Response Program, the current cost to develop the fire training facility is \$210.7 million. Construction is expected to take 30 months and occur between October 2024 and March 2027.

FISCAL IMPACT

The proposed resolution caps the acquisition of 1236 Carroll Street transaction amount at \$40 million, with \$38.5 million for the purchase of the land (per the option agreement) and up to \$1.5 million in closing costs. The cost of acquiring Port property is capped at \$6 million, including \$5.86 million for the land purchase plus \$140,000 in closing costs. Exhibit 2 below summarizes the costs of the land acquisitions approve by the proposed resolution as well as the estimated cost to develop the fire training facility.

Exhibit 2: Land Acquisition & Development Costs for Fire Training Facility

Land Acquisitions (File 22-0296)	
1236 Carroll Street	\$38,500,000
Port Property	5,860,000
Closing Costs	1,640,000
Subtotal, Land Acquisition	\$46,000,000
Fire Training Facility Development	
Soft Costs	\$54,635,315
Hard Costs	156,100,900
Subtotal, Development Costs	\$210,736,215
Total	\$256,736,215

Source: Real Estate Division and Public Works

Note: Hard costs for the fire training facility development are based on a 2020 report commission by Public Works which estimated total development costs at \$147.3 million plus a 6% cost escalation to account for passage of time and increases in costs. Soft costs are estimated by Public Works to be 35% of the total hard costs.

The \$40 million acquisition costs for 1236 Carroll Street and \$210.7 million and facility development costs will be funded by 2020 Earthquake Safety and Emergency Response general obligation bond proceeds. Bond funds may not be used to pay for the Port property, which instead will be paid for by a General Fund account in the Fire Department's FY 2021-22 budget.

POLICY CONSIDERATION**Earthquake Safety and Emergency Response Bonds**

In January 2021, the Board of Supervisors authorized the issuance of \$628 million in 2020 Earthquake Safety and Emergency Response general obligation bonds, including \$275 million for a fire training facility and upgrades to fire stations (File 20-1294). Once the \$40 million in land acquisition costs for 1236 Carroll Street and \$210.7 million in training facility development costs are paid, \$24.3 million in bond funds would remain for fire station improvements. According to the FY 2022-2031 Capital Plan, Fire Stations 3, 7, 8, & 40 are prioritized for seismic safety improvements. Based on the cost of prior seismic improvement projects to fire stations, the

Budget & Legislative Analyst estimates the remaining \$24.3 million in bond funding would be sufficient for a limited scope renovation of one fire station.

Mission Fire Training Facility

After the new fire training facility at 1236 Carroll is operational, the Fire Department will consider other uses for the training site on Folsom Street. According to Mark Corso, Fire Department Deputy Director of Finance & Planning, those other uses are still to be determined. The Board of Supervisors could also consider alternative uses for the training facility site on Folsom Street once it is vacated, such as affordable housing.

Pending State and Local Approvals of Port-Owned Land

The Real Estate Division is seeking approval of the acquisition of land at 1236 Carroll Street prior to expiration of the option agreement in June 2022 and approval of the City's acquisition of Port-owned land prior to state and local approval prior to the approval of state and local authorities of the acquisition.

Port-owned land is held as a public trust, in which the State granted title to the Port with restrictions on how the land may be used. The California Constitution authorizes the State Legislature to terminate the public trust if it determines that the land is no longer needed for the public trust's purposes. Assembly Bill 2607, which is under consideration by the State Legislature, would remove public trust requirements for the Port-owned land adjacent to 1236 Carroll Street and allow the transfer of the land from the Port to the City to develop the fire training facility, subject to approval of the State Lands Commission, the San Francisco Port Commission, and the Board of Supervisors. The State Lands Commission has stated it has no concerns with Assembly Bill 2607, according to analysis of the bill by State Assembly Natural Resource Committee staff. Final approval of Assembly Bill 2607, which would authorize the Port-owned land transfer, is expected between September 2022 – November 2022. If approved, the Governor would sign no later than December 31, 2022. The State Lands Commission would then consider approval and assess the fair market value of the transactions. The Port Commission is considering approval of the proposed memorandum of understanding on April 12, 2022, after to the issuance of this report but prior to consideration of the Budget & Finance Committee. Director Penick believes all state and local approvals will be obtained and has provided documentation confirming the fair market value of the transaction.

The Port-owned land is approximately 2.63 acres or 35 percent of the total 7.54 acres of the proposed acquisitions. If state and local authorities do not approve the transfer of Port land, the most likely option would be that the fire training facility would have to be re-designed to accommodate the 4.91 acre land currently owned by Prologis at 1236 Carroll Street. According to Director Penick, in that event, the fire training facility at Treasure Island could still move to that space and the Fire Department would keep the training facility in the Mission District operational rather than consolidate it with the new facility contemplated at 1236 Carroll Street.

RECOMMENDATION

Approve the proposed resolution.

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE
(San Francisco Assessor Parcel No. Block 4877, Lots 1-4 and Block 4852, Lots 2-22)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (this "Agreement") dated as of _____, 202_ (the "Effective Date"), is by and between PROLOGIS, L.P., a Delaware limited partnership ("Seller"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Buyer" or "City").

A. City and Seller are parties to that certain Purchase Option Agreement dated as of _____, 2021 (the "Option Agreement"), whereby Seller granted City an option to purchase the Property (as defined below) that is located at 1236 Carroll Avenue in San Francisco, California.

B. The Option Agreement provides that the purchase and sale of the Property will be pursuant to the terms of this Agreement. Seller executed and delivered this Agreement into escrow with Title Company (as defined in Section 3.2 [Title Insurance]) at the time that City took the Option Agreement to its Board of Supervisors for approval. Pursuant to the Option Agreement, City exercised its option to purchase the Property by notice dated as of the Effective Date, at which time City executed this Agreement.

IN CONSIDERATION of the respective agreements contained hereinbelow, Seller and City agree as follows:

1. PURCHASE AND 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 4.91 acres of land, located in the City and County of San Francisco, commonly known as San Francisco Assessor Parcel No. Block 4877, Lots 1-4 and Block 4852, Lots 2-22 and more particularly described in Exhibit A attached hereto (the "Land");

(b) all improvements and fixtures located on the Land (collectively, the "Improvements"); and

(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), and (c) above are collectively referred to as the "Property."

2. PURCHASE PRICE

2.1 Purchase Price

The total purchase price for the Property is Thirty Eight Million Five Hundred Thousand Dollars (\$38,500,000) (the "Purchase Price"), provided that Closing occurs on or before the date thirty (30) days from the Effective Date. If Closing occurs after such date for reasons other than a Seller default, Buyer will pay a fee in the amount of Fifteen Thousand Dollars on the 31st day after

the Effective Date, and by an additional Fifteen Thousand Dollars for each thirty day increment thereafter, provided that in no event shall the Closing be extended for longer than six (6) months.

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].

Seller acknowledges and agrees that if Seller fails at Closing to deliver to City the documents required under Sections 6.3(b) and 6.3(c) [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 in cash or by wire transfer of immediately available funds to Title Company, as escrow agent.

3. TITLE TO THE PROPERTY

3.1 Conveyance of Title to the Property

At the Closing Seller shall convey to City marketable 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 3.2 [Title Insurance]).

3.2 Title Insurance

Prior to the Effective Date, City has (i) reviewed and approved the title to the Property and a survey of the Property (the "Survey"), and (ii) obtained from First American Title Insurance Company (the "Title Company") a written commitment to issue to City an ALTA extended coverage owner's policy of title insurance (Form ALTA 2006) (the "Title Policy") in the amount of the Purchase Price, insuring fee simple title to the Land, the Appurtenances and the Improvements in City and subject only to the exceptions to title City is willing to accept or is deemed to have accepted (the "Accepted Conditions of Title"), and with such special endorsements as City is able to obtain from the Title Company. The Title Policy shall also provide for reinsurance with direct access with such companies and in such amounts as City may reasonably request.

If the Title Company revises the current title report dated _____, 202_, to add or modify the Accepted Conditions of Title, City shall advise Seller within five (5) business days of receipt of such revised title report whether it is willing to accept such new or modified exceptions to title. Seller shall have five (5) business days after receipt of City's notice of any objections to title to give City: (A) evidence satisfactory to City and Title Company of the removal of all objectionable exceptions from title or that such exceptions will be removed or cured on or before the consummation of the Closing; or (B) notice that Seller elects not to cause such exceptions to be removed. If Seller fails to respond to City regarding the title objections, Seller will be deemed to have elected clause (B). If Seller gives notice or is deemed to have given notice under clause (B) or if Seller gives notice pursuant to clause (A) and fails to remove any such objectionable exceptions from title prior to the Closing, City shall either (1) terminate this Agreement by written

notice to Seller, or (2) waive such objections and proceed with the purchase of the Property, and City will accept title to the Property with such exceptions, which will be deemed Accepted Conditions of Title. The Closing Date (as defined in Section 6.2 [Closing Date]) will be extended as needed for the time frames set forth herein. Notwithstanding the foregoing, if City objects to any of the added or modified exceptions and they are due to the (i) act of Seller or any of its Agents, or (ii) failure of Seller to pay any taxes or other amounts when due, Seller must cause them to be removed from title or cured on or before the Closing, and if Seller fails to remove such objectionable exceptions from title prior to the Closing, Seller shall be in default hereunder and City shall have the rights and remedies provided herein.

4. BUYER'S DUE DILIGENCE INVESTIGATIONS

4.1 Due Diligence

Prior to the Effective Date, City has fully investigated the Property, either independently or through agents of City's own choosing, including, without limitation, conducting such appraisals, inspections, tests, audits, verifications, inventories, investigations and other due diligence regarding the economic, physical, environmental, and legal conditions of the Property as City deems appropriate, as well as the suitability of the Property for City's intended uses, and City accepts the Property in its AS-IS condition. Notwithstanding the foregoing, City has the right to access the Property pursuant to Article 3 of the Option Agreement, which terms and conditions are incorporated by reference as if fully set forth in this Agreement, and which obligations survive the Closing or the termination of this Agreement.

4.2 Buyer's Reliance on its Investigations and Release

The provisions of this Section 4.2 shall survive indefinitely the Closing, close of escrow and recordation of the Deed, and shall not be deemed merged into any of the Closing documents.

(a) AS A MATERIAL PART OF THE CONSIDERATION FOR THIS AGREEMENT, SELLER AND CITY AGREE THAT EXCEPT AS EXPRESSLY PROVIDED IN SECTION 8.1 BELOW AND IN THE DOCUMENTS EXECUTED AND DELIVERED TO CITY BY SELLER UNDER SECTION 6.3 (COLLECTIVELY, "SELLER'S WARRANTIES"), SELLER IS SELLING AND CITY IS PURCHASING AND TAKING THE PROPERTY ON AN "AS IS" BASIS, WITH ANY AND ALL LATENT AND PATENT DEFECTS. CITY ACKNOWLEDGES THAT IT IS SOLELY RELYING UPON ITS EXAMINATION OF THE PROPERTY AND, EXCEPT FOR SELLER'S WARRANTIES, IT IS NOT RELYING UPON ANY REPRESENTATION, STATEMENT OR OTHER ASSERTION OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER, ITS AGENTS OR BROKERS AS TO ANY MATTER CONCERNING THE PROPERTY, INCLUDING, WITHOUT LIMITATION: (I) THE QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ACCESS, THE STRUCTURAL ELEMENTS, APPURTENANCES, PARKING FACILITIES, SEWAGE, AND UTILITY SYSTEMS, (II) THE QUALITY, NATURE, ADEQUACY, AND PHYSICAL CONDITION OF SOILS, GEOLOGY AND ANY GROUNDWATER, (III) THE EXISTENCE, QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF UTILITIES SERVING THE PROPERTY, (IV) THE DEVELOPMENT POTENTIAL OF THE PROPERTY, AND THE PROPERTY'S USE, HABITABILITY, MERCHANTABILITY, SUITABILITY, VALUE OR FITNESS OF THE PROPERTY FOR ANY PARTICULAR PURPOSE, (V) THE ZONING OR OTHER LEGAL STATUS OF THE PROPERTY OR ANY OTHER PUBLIC OR PRIVATE RESTRICTIONS ON USE OF THE PROPERTY, (VI) THE COMPLIANCE OF THE PROPERTY OR ITS OPERATION WITH ANY APPLICABLE CODES, LAWS, REGULATIONS, STATUTES, ORDINANCES, COVENANTS, CONDITIONS AND RESTRICTIONS OF ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY OR OF ANY OTHER PERSON OR ENTITY, (VII)

THE PRESENCE OF HAZARDOUS MATERIAL (AS DEFINED IN SECTION 8.1 BELOW) ON, UNDER OR ABOUT THE PROPERTY OR THE ADJOINING OR NEIGHBORING PROPERTY, (VIII) THE QUALITY OF ANY LABOR AND MATERIALS USED IN ANY IMPROVEMENTS ON THE LAND, (IX) THE CONDITION OF TITLE TO THE PROPERTY, AND (X) THE ECONOMICS OF THE OPERATION OF THE PROPERTY.

City's Initials

(b) WITHOUT LIMITING THE ABOVE, EXCEPT WITH RESPECT TO (1) A BREACH BY SELLER OF ANY OF IT SELLER'S WARRANTIES, (2) SELLER'S FAILURE TO PAY TIMELY PAY ANY AMOUNTS SELLER IS OBLIGATED TO PAY WITH RESPECT TO THE CONDITION OF THE PROPERTY DURING SELLER'S OWNERSHIP OF THE PROPERTY BY THE CITY AND COUNTY OF SAN FRANCISCO PURSUANT TO ITS REGULATORY AUTHORITY, CITY, FOR AND ON BEHALF OF ITSELF, AND ITS SUCCESSORS AND ASSIGNS, WAIVES ITS RIGHT TO RECOVER FROM AND FOREVER RELEASES AND DISCHARGES THE SELLER PARTIES FROM AND AGAINST ANY AND ALL DEMANDS, CLAIMS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, LOSSES, LIABILITIES, DAMAGES, PENALTIES, FINES, LIENS, JUDGMENTS, COSTS OR EXPENSES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COSTS) OF WHATEVER KIND OR NATURE, DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR FUTURE, CONTINGENT OR OTHERWISE (INCLUDING ANY ACTION OR PROCEEDING, BROUGHT OR THREATENED, OR ORDERED BY ANY APPROPRIATE GOVERNMENTAL ENTITY) THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY CONNECTED WITH OR RELATING TO THE PROPERTY OR ITS CONDITION OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING WITHOUT LIMITATION, THE PRESENCE, MISUSE, USE, DISPOSAL, RELEASE OR THREATENED RELEASE OF ANY HAZARDOUS OR TOXIC MATERIALS, CHEMICALS OR WASTES AT THE PROPERTY AND ANY LIABILITY OR CLAIM RELATED TO THE PROPERTY ARISING UNDER ANY STATE, LOCAL, OR FEDERAL ENVIRONMENTAL LAW (AS DEFINED BELOW); PROVIDED HOWEVER, THE FOREGOING RELEASE SHALL NOT OPERATE TO (1) RELEASE ANY CLAIM BY CITY AGAINST ANY PERSON OR ENTITY OTHER THAN SELLER, AND (2) PREVENT ANY GOVERNMENTAL REGULATORY AGENCY FROM PURSUING CLAIMS DIRECTLY AGAINST SELLER WITH RESPECT TO THE ENVIRONMENTAL CONDITION OF THE PROPERTY.

City's Initials

(c) CITY HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW:

"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 RELEASING PARTY."

BY INITIALIZING BELOW, CITY HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASE.

City's Initials

5. CLOSING CONDITIONS

5.1 City's Conditions to Closing

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

(a) Title Company has not revised the current title report to add or modify the Accepted Conditions of Title, or if it has, the parties have followed the process described in Section 3.2 and such title exceptions have either been waived by City or removed;

(b) Since the Approval Date (as defined in the Option Agreement), there has been no material change in the compliance of the Property with all applicable laws, regulations, permits and approvals;

(c) Seller has confirmed in writing to City that, to Seller's knowledge, it is unaware of any new or different Documents, Unrecorded Documents, or Other Information (as such terms are defined in the Option Agreement) since the Approval Date;

(d) 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 materially true and correct when made and shall be materially true and correct as of the Closing Date, subject to the terms of Section 8.1 [Representations and Warranties of Seller].

(e) The physical condition of the Property shall be substantially the same on the Closing Date as it was on the Approval Date (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, which, after the Closing, would materially and 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 which could or would cause the change of the zoning classification of the Property.

(f) Title Company shall be committed at the Closing to issue to City the Title Policy as provided in Section 3.2 [Title Insurance].

(g) The transactions contemplated herein shall have been approved by all applicable City departments and agencies, including, without limitation, the San Francisco Fire Department and the San Francisco Fire Commission, in their respective sole discretion, on or before the Completion Date.

(h) A resolution or an ordinance approving, adopting and authorizing this Agreement and the transactions must be adopted by City's Mayor and the Board of Supervisors, each in its respective sole discretion, and effective on or before the Closing Date.

The Conditions Precedent contained in the foregoing Subsections (a) through (h) are solely for the benefit of City. If any Condition Precedent is not satisfied prior to the Closing Date, 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 by delivery of written notice of termination to Seller and Title Company, provided that the Conditions Precedent described in items (g) and (h) above may not be waived. City's waiver of the Condition Precedent described in item (d) above shall relieve Seller of any liability or obligation with respect to any representation, warranty, covenant or agreement of Seller of which City's Director of Property had knowledge of prior to Closing. If City terminates this Agreement, then neither party shall have any further rights and obligations under this Agreement, and City will promptly deliver an executed Termination of Memorandum of Option (as defined in the Option Agreement) to Seller.

In the event the sale of the Property is not consummated because of a default under this Agreement on the part of Seller (after notice and ten days' opportunity to cure such default), City shall elect one of the following: (1) waive such default and proceed with the purchase (subject to all other terms of this Agreement), in which case City will not be entitled to any compensation or damages associated with the default; (2) terminate this Agreement by written notice to Seller, in which case this Agreement shall terminate, Seller will reimburse City for its out of pocket due diligence costs not to exceed \$50,000, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive, or (3) continue this Agreement pending City's action for specific performance hereunder, provided that any suit for specific performance must be brought within ninety (90) days of the expiration of Seller's cure period and City shall have fully satisfied all conditions to Closing except for those dependent upon Seller's performance. Notwithstanding the foregoing, solely in the event that either (1) City is unable to bring a suit for specific performance or because Seller has sold the Property, or (2) a court rules that City is unable to obtain a remedy of specific performance due to some other action by Seller that prevents the remedy of specific performance, then City may instead elect to bring an action for damages. This Agreement confers no present right, title or interest in the Property to City and City agrees not to file a lis pendens or other similar notice against the Property unless Seller attempts to sell, or enter into an agreement to sell, the Property to another party during the term of this Agreement, or after the proper filing of a suit for specific performance.

Initials:

City



Seller

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, provided that such cooperation is at no additional cost to Seller.

5.3 Seller's Conditions to Close

The obligations of Seller to consummate the transaction contemplated hereunder are contingent upon the following conditions (collectively, the "Seller's Closing Conditions"):

(a) City's representations and warranties contained herein shall be true and correct in all material respects as of the Effective Date and the Closing Date.

(b) As of the Closing Date, City shall have performed its obligations hereunder in all material respects and all deliveries to be made at Closing have been tendered.

(c) There shall exist no actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, pending or threatened against City that would materially and adversely affect City's ability to perform its obligations under this Agreement.

If any of the Seller's Condition Precedent is not satisfied prior to the Closing Date, Seller shall have the right in its sole discretion either to waive in writing the Seller's Condition Precedent in question and proceed with the sale of the Property or, in the alternative, terminate this Agreement by delivery of written notice of termination to City and Title Company. If Seller terminates this Agreement, then neither party shall have any further rights and obligations under this Agreement, and City will promptly deliver an executed Termination of Memorandum of Option to Seller.

In the event the sale of the Property is not consummated solely because of a material default under this Agreement on the part of City (after notice and ten days' opportunity to cure such default), Seller may terminate this Agreement by delivery of written notice of termination to City. If Seller terminates this Agreement, then neither party shall have any further rights and obligations under this Agreement, and City will promptly deliver an executed Termination of Memorandum of Option to Seller.

6. ESCROW AND CLOSING

6.1 Opening of Escrow

On or before the Effective Date, 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 Title Company 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.

Prior to the Effective Date, Seller executed and delivered this Agreement to City, to be held in escrow pursuant to the terms of the Option Agreement, subject to the condition that its signature on this Agreement will be deemed to be effective only if City exercises the option to purchase the Property pursuant to the terms of the Option Agreement, and City was not in default of the Option Agreement beyond applicable notice and cure periods at the time it exercised such option.

6.2 Closing Date

The consummation of the purchase and sale contemplated hereby (the "Closing") shall occur by delivery of all items to be made at the Closing under the terms of this Agreement at the offices of Title Company, located at 601 California Street, Suite 900, San Francisco, California 94108, Escrow No. 6573572, with Lesley Kaufman as the designated escrow officer (telephone no.: (916) 490-4512 and email: LKaufman@firstam.com) on the date that is thirty (30) days from the Effective Date, or on such earlier date as City and Seller may mutually agree (the "Closing Date"). If City's funds are received on the scheduled Closing Date after 11:00 A.M. Pacific Time, then the Closing Date shall be automatically adjusted to the next business day. 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 the Closing Date, then (i) either party may terminate this Agreement by written notice to the other party and to the Title Company (unless the notifying party is in default of its obligations under this Agreement), and (ii) 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 notice or termination or return of items 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 in escrow to Title Company, the following:

- (a) a duly executed and acknowledged Deed;
- (b) 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;
- (c) 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;
- (d) such resolutions, authorizations, or other partnership 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;
- (e) an assignment and assumption of contracts in form satisfactory to City and Seller ("Assignment of Contracts") executed by Seller, if City is assuming any contracts from Seller pursuant to Section 10.2; and
- (f) closing statement in form and content satisfactory to City and Seller.

6.4 City's Delivery of Documents and Funds

At or before the Closing, City shall deliver in escrow to Title Company 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;
- (c) an Assignment of Contracts executed by City, if applicable; and
- (d) 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 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 (if it elects to obtain one), the premium for the Title Policy and the cost of the endorsements thereto, and any escrow and recording fees. 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. The parties acknowledge transfer taxes will not apply to the sale of the Property to City under California Revenue and Taxation Code Section 11922 and San Francisco Business and Tax Regulation Code Section 1105.

7.3 Real Estate Taxes and Special Assessments

General real estate taxes payable for the tax year of the Closing and all prior years shall be paid in full by Seller at or before the Closing; provided that Seller has the right to apply to the San Francisco Assessor's Office for a reimbursement of the prorated portion of the general real estate taxes for the tax year of the Closing applicable for the period following Closing. At or before the Closing, Seller shall pay the full amount of any special assessments issued against the Property before the Closing Date, including, without limitation, interest payable thereon; provided, however, that City must reimburse Seller at Closing for the prorated portion of those paid special assessments that apply to the period after the Closing Date.

7.4 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.

7.5 Survival

The provisions of this Article 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 knowledge, Seller has not received a written notice of violation of any laws, rules or regulations applicable to the Property.

(b) To Seller's knowledge, the Documents Seller has delivered to City are the material documents about the condition of the Property 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.

(c) Seller has not received a written notice of any condemnation being instituted by any governmental or quasi-governmental agency other than City, which could detrimentally affect the use, operation or value of the Property.

(d) Except as disclosed in the Preliminary Report, to Seller's knowledge there are no leases, licenses or any other agreements that give any party the right to use or occupy any portion of the Property.

(e) To Seller's knowledge, other than as disclosed in the Documents or the Preliminary Report, there are (i) no easements or rights of way which have been acquired by prescription or which are otherwise not of record with respect to the Property except for the sewer system operated by the San Francisco Public Utilities Commission, (ii) no easements, rights of way, permits, licenses or other forms of written agreement which afford third parties the right to traverse any portion of the Property to gain access to other real property, and (iii) no other agreements, understandings or restrictions with or for the benefit of any person or entity, whether private, public or quasi-public, that will be binding upon City or the Property after Closing.

(f) There is no litigation pending against Seller arising out of the ownership of the Property or the ability of Seller to perform its obligations under this Agreement.

(g) To Seller's knowledge, 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.

(h) Seller is a limited partnership, duly organized and validly existing under the laws of the State of Delaware and is in good standing under the laws of the State of Delaware and is qualified to do business in the State of California.

(i) This Agreement and all documents executed by Seller that are to be delivered to City at the Closing are, or at the Closing will be, duly authorized, executed and delivered by Seller, and will be legal, valid and binding obligations of Seller, enforceable against Seller in

accordance with their respective terms; and this Agreement and all documents executed by Seller that are to be delivered to City 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 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) Except as otherwise set forth in the Documents, to Seller's knowledge, (i) Seller has not received any written notice that the Property is in violation of any Environmental Laws; (ii) the Property is not now used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material; and (iii) there is no current 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 regarding Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge, storage or remediation or other environmental response) or otherwise regarding health and safety, industrial hygiene, environmental conditions or Release or threatened release 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 Section 25281 of the California Health & Safety Code, or the Clean Water Act (33 U.S.C. Section 1251 et seq.), or the Porter-Cologne Water Quality Control Act (Water Code, Section 13000 et seq.); 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 1954, 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, migration, 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).

(l) 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.

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

(n) Seller is currently in compliance with and shall at all times during the term of this Agreement remain in compliance with the regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

"Seller's knowledge," as used in this Agreement means the current actual knowledge of Mark Hansen, who is the person responsible for the Property among all Seller employees and officers, and without personal liability whatsoever. "Seller's knowledge" does not include any duty of inquiry beyond Seller's Agents or investigation beyond the information maintained by Seller or Seller's Agents.

Seller's representations and warranties concerning the Property (collectively, the "Property Representations") are qualified by any knowledge obtained by City's Director of Property during the term of the Option Agreement. By City's exercise of its option to purchase the Property and execution of this Agreement, City shall be deemed to have accepted such qualification, and the Property Representations will automatically be made subject thereto without any adjustment to the Purchase Price. Seller may further qualify the Property Representations by notice delivered to City before the Closing Date, specifying with reasonable particularity the facts and circumstances known to Seller that make the applicable Property Representation false, misleading or inaccurate. If either a Seller Property Representation notice or if City obtains knowledge of any facts or circumstances that makes any Property Representation materially and adversely false, misleading or inaccurate (herein collectively referred to as "Exception Matters"), then City, as its sole remedy, may terminate this Agreement in its entirety within 3 business days after receipt of the Property Representation notice or after obtaining knowledge of such Exception Matters, and neither party shall have any further rights and obligations under this Agreement. Notwithstanding the foregoing, if City so elects to terminate this Agreement, Seller shall have the right, but not the obligation, to cure such Exception Matters within 30 days (and the Closing shall be delayed to the extent necessary to allow Seller the entire 30-day period within which to effect such cure) and if Seller cures such Exception Matters, then City's right to terminate this Agreement as a result of such Exception Matters shall be revoked, null and void and this Agreement shall continue without termination (and, if the Closing Date is extended, Closing shall occur on the date that is 5 business days after Seller cures such Exception Matters).

8.2 Representations and Warranties of City

As a material inducement to Seller to execute this Agreement and consummate this transaction, City represents and warrants to Seller as of the Effective Date and as of the Closing Date, as applicable, that:

(a) This Agreement has been duly authorized, executed and delivered by City, is a legal, valid and binding obligation on City pursuant to the terms herein, and is enforceable against City in accordance with its terms.

(b) As of the Closing Date, all documents executed by City which are to be delivered to Seller at the Closing will be duly authorized, executed and delivered by City, and

will be legal, valid and binding obligations of City pursuant to the terms therein, and enforceable against City in accordance with their respective terms.

9. RISK OF LOSS AND POSSESSION

9.1 Risk of Loss, Condemnation

All risk of loss related to the Property shall remain with Seller until the Closing.

(a) Seller shall immediately notify City of and provide City with all information related to: (1) any material damage or destruction to the Property or any portion thereof that occurs after the Effective Date; (2) any receipt after the Effective Date of notice of any potential eminent domain proceedings affecting all or a portion of the Property, the commencement of such proceedings after the Effective Date, or a taking after the Effective Date of all or a portion of the Property by eminent domain by anyone other than City (each a "Change in Condition").

(b) If a Change in Condition occurs, City shall have the right, at its election to terminate this Agreement by written notice to Seller, in which case this Agreement shall expire and terminate, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive. If City does not terminate this Agreement and agrees to accept the Property in its then condition, Seller will assign to City of all Seller's right, title and interest in and to any insurance or condemnation awards and proceeds.

9.2 Possession

Possession of the Property shall be delivered to City on the Closing Date.

10. MAINTENANCE; CONSENT TO NEW CONTRACTS

10.1 Maintenance of the Property by Seller

Between the Effective Date and the Closing, Seller shall maintain and operate the Property in substantially the same manner as on the Effective Date, as if Seller were retaining the Property, including maintaining its existing policy or policies of insurance.

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

During the term of this Agreement, Seller shall not (a) cause, permit or suffer to exist any lien, mortgage, or deed of trust, to be created or placed upon the Property; (b) grant any encumbrance, right, restriction or easement with respect to the Property; (c) cause or permit any mortgage, deed of trust, or other lien to be foreclosed upon due to Seller's actions or omissions, including failure to make a required payment or failure to obtain any required consent; or (d) sell, convey, assign, transfer, or otherwise dispose of the Property, or any part thereof or interest therein. In addition, Seller shall not commence any legal or regulatory action with respect to the Property, without first obtaining the prior written consent of City. Seller agrees that unless and until this Agreement terminates pursuant to its terms, Seller shall not negotiate with any other parties pertaining to the sale of or option to purchase the Property or any interest in the Property, and shall not market the Property to third parties. Seller shall terminate prior to the Closing, at no cost or expense to City, any contracts affecting the Property and any obligations in connection with the Property that would be binding upon City after Closing except only those that City has approved to survive the Closing that City will assume. Seller's obligations in the foregoing sentence shall survive the Closing.

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: **Prologis – 1236 Carroll**
Facsimile No.: (415) 552-9216
Email: andrigo.penick@sfgov.org

with copy to:

Elizabeth Dietrich
Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Re: **Prologis – 1236 Carroll**
Facsimile No.: (415) 554-4648
Email: elizabeth.dietrich@sfcityatty.org

Seller:

Prologis, L.P.
c/o Prologis, Inc.
Pier 1, Bay 1
San Francisco, California 94111
Attn: Mark Hansen
Email: mhansen@prologis.com

With a copy to:

Prologis, Inc.
1800 Wazee Street, Suite 500
Denver, Colorado 80202
Attn: Jason Bost, Nick Noriega, Kirsten Pederson
Email: jbost@prologis.com,
nnoriega@prologis.com,
kpederson@prologis.com

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 telefacsimile or email, to the telefacsimile number or email address 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 or email. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile or emailed 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 Colliers (City's broker), whose commission, if any is due, shall be the sole responsibility of City pursuant to a separate written agreement with such broker. If 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 permitted assigns. City shall not assign this Agreement without the prior written consent of Seller, in its sole discretion.

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 for a period of 6 months immediately following the Closing Date (the "Survival Period"); provided, however the indemnification provisions incorporated by reference in Section 4.1 [Due Diligence], the indemnification provisions of Section 11.2 [Brokers and Finders], and the provisions of Section 7.4 [Post-Closing Reconciliation] shall survive the termination of this Agreement or the Closing, whichever occurs, and shall not be merged, until the applicable statute of limitations with respect to any claim, cause of action, suit or other action relating thereto shall have fully and finally expired. Any claim based upon a misrepresentation or a breach of a covenant or warranty under this Agreement shall be actionable or enforceable if and only if: (i) notice of such claim is given to the party which allegedly made such misrepresentation or breached such covenant, obligation, warranty or agreement within the Survival Period; (ii) the amount of damages or losses as a result of such claim suffered or sustained by the party making such claim exceeds \$100,000.00 (the "Liability Floor"), and (iii) the aggregate liability of Seller for any and all such breaches or misrepresentation shall be limited to an amount equal to 3% of Purchase Price (the "Liability Ceiling"), provided that if the party's liability shall exceed the Liability Floor, such party shall be liable for the entire amount thereof up to the Liability Ceiling.

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 and certain specific provisions of the Option Agreement, all of 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, except to the extent there is a direct conflict between any written agreements regarding confidentiality.

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 Attorneys' Fees, Damages

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 final resolution of the dispute, as the case may be, shall pay the prevailing party's 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. In no event shall either party be entitled

to, or liable for, any special, consequential, indirect, or incidental damages arising out of or in connection with this Agreement or the Property, regardless of whether any claim is based on contract or tort.

11.11 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.

11.12 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.

11.13 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.

11.14 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.

11.15 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. A signature delivered on any counterpart by facsimile or other electronic means shall for all purposes be deemed to be an original signature to this Agreement.

11.16 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.

11.17 Agreement Not to Market

Seller agrees that unless and until this Agreement terminates pursuant to its terms, Seller shall not negotiate with any other parties pertaining to the sale of the Property and shall not market the Property to third parties.

11.18 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.

11.19 Calculation of Time Periods

All references to time are to Pacific time zone ("Pacific Time") unless expressly stated otherwise. References to "day" shall mean calendar days and references to "business day" shall mean a day that is neither a Saturday, Sunday or legal holiday for national banks in San Francisco, California. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day,

in which event the period shall run until the end of the next business day. The last day of any period of time described herein shall be deemed to end at 5:00 p.m. Pacific Time.

11.20 No Third-Party Beneficiary

This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions, or remedies to any person or entity as a third-party beneficiary, decree or otherwise.

11.21 ADA Disclosure

Seller makes the following statement based on Seller's actual knowledge in order to comply with California Civil Code Section 1938: The Land and the Improvements have not undergone an inspection by a Certified Access Specialist (CASP).

11.22 Natural Hazard Disclosure Requirement Compliance

City and Seller acknowledge that Seller will be required to disclose if the Property lies within the following natural hazard areas or zones: (i) a special flood hazard area designated by the Federal Emergency Management Agency (California Civil Code Section 1103(c)); (ii) an area of potential flooding (California Government Code Section 8589.4); (iii) a very high fire hazard severity zone (California Government Code Section 51183.5); (iv) a wild land area that may contain substantial forest fire risks and hazards (Public Resources Code Section 4136); (v) an earthquake fault zone (Public Resources Code Section 2621.9); or (vi) a seismic hazard zone (Public Resources Code Section 2694). Seller will request that Title Company (which, in such capacity, is herein called "Natural Hazard Expert") examine the maps and other information specifically made available to the public by government agencies for the purposes of enabling Seller to fulfill its disclosure obligations, if and to the extent such obligations exist, with respect to the natural hazards referred to in California Civil Code Section 1102.6c(a) and to report the result of its examination to City and Seller in writing, at least 5 days prior to the expiration of the Due Diligence Period. Provided City is made an express third party beneficiary of the written report prepared by the Natural Hazard Expert regarding the results of its full examination, the delivery of that report, fully and completely discharges Seller from its disclosure obligations referred to herein, if and to the extent any such obligations exist, and, for the purpose of this Agreement, the provisions of Civil Code Section 1102.4 regarding non-liability of Seller for errors or omissions not within its personal knowledge shall be deemed to apply and the Natural Hazard Expert shall be deemed to be an expert, dealing with matters within the scope of its expertise with respect to the examination and written report regarding the natural hazards referred to above. Seller's execution of report(s) prepared by the Natural Hazard Expert pursuant to this Section shall in no manner supersede, modify or expand Seller's representations and warranties provided in Section 8.1 above, nor shall it modify the provisions in Section 4.2(a).

11.23 Section 1031 Exchange

Notwithstanding anything to the contrary in this Agreement, Seller may consummate the sale of the Property as part of a so-called like kind exchange (the "Exchange") pursuant to Section 1031 of the Internal Revenue Code (as may be amended from time to time, the "Code"), provided that: (a) the Closing shall not be delayed or affected by reason of the Exchange nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to Seller's obligations under this Agreement; (b) Seller shall effect the Exchange through an assignment of all or a portion of this Agreement, or its rights under this Agreement, to a qualified intermediary; (c) City shall not be required to take an assignment of the purchase agreement for the relinquished property or be required to acquire or hold title to any real property for purposes of consummating the Exchange; and (d) Seller shall pay any additional costs that would not otherwise have been incurred by either party had Seller not consummated its sale through the Exchange. City shall not by this agreement or acquiescence to the Exchange (x) have its rights under this Agreement affected or diminished in any manner, or (y) be responsible for

compliance with or be deemed to have warranted to Seller that the Exchange in fact complies with Section 1031 of the Code. Seller agrees to indemnify and hold harmless City and its Agents from any claim, damage, liability, demand, cause of action, loss, cost, or expense (including, without limitation, reasonable attorney's fees) City or its Agents may suffer or incur as a result of participation in such exchange. The parties' obligations under this Section shall survive the Closing.

[SIGNATURES ON FOLLOWING PAGES]

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

SELLER:

PROLOGIS, L.P.,
a Delaware limited partnership

By: Prologis, Inc.
Its: general partner

By: JEBA
Its: Jason E. Bort, VP
Date: 5/18/21

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: _____
Elizabeth A. Dietrich
Deputy City Attorney

EXHIBIT A

REAL PROPERTY DESCRIPTION

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

PARCEL TWO:

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE, DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF ARMSTRONG AVENUE 100 FEET TO THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE SOUTHWESTERLY ALONG SAID LINE OF HAWES STREET 32 FEET 1-½ INCHES TO A POINT DISTANT THEREON 168 FEET 10-½ INCHES NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE SOUTH 16° 11' EAST 61 FEET 4 INCHES; THENCE SOUTH 23° 51' WEST 29 FEET 6 INCHES TO A POINT DISTANT 100 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE ON LINE DRAWN AT RIGHT ANGLES THERETO; THENCE SOUTHEASTERLY PARALLEL WITH THE SAID LINE OF ARMSTRONG AVENUE 46 FEET 10 INCHES TO A POINT DISTANT 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET ON A LINE DRAWN AT RIGHT ANGLES THERETO; THENCE NORTHEASTERLY 100 FEET TO THE POINT OF COMMENCEMENT.

BEING LOT NOS. 15 AND 16 IN BLOCK NO. 488, TIDE LANDS.
ASSESSORS PARCEL NO.: LOTS 14 AND 15, BLOCK 4852

PARCEL THREE:

COMMENCING AT THE POINT OF INTERSECTION OF THE SOUTHEASTERLY LINE OF HAWES STREET AND THE NORTHEASTERLY LINE OF BANCROFT AVENUE; RUNNING THENCE NORTHEASTERLY ALONG THE SAID SOUTHEASTERLY LINE OF HAWES STREET 168 FEET 10-½ INCHES TO THE NORTHEASTERLY LINE OF LOT 1, BLOCK 488, BAY VIEW HOMESTEAD ASSOCIATION, AS SHOWN ON MAP HEREINAFTER REFERRED TO; RUNNING THENCE SOUTH 16° 11' EAST ALONG SAID NORTHEASTERLY BOUNDARY LINE 61 FEET 4 INCHES TO THE SOUTHEASTERLY LINE OF SAID LOT; THENCE RUNNING SOUTH 23° 51' WEST ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 131 FEET 6 INCHES TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; AND RUNNING THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF BANCROFT AVENUE 73 FEET 6-½ INCHES TO THE POINT OF COMMENCEMENT.

BEING LOT 1, BLOCK 488, OF THE BAY VIEW HOMESTEAD ASSOCIATION, AS PER MAP THEREOF RECORDED JUNE 19, 1872, IN LIBER "C" AND "D" OF MAPS, PAGE 3, RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.
ASSESSORS PARCEL NO.: LOT 12, BLOCK 4852

PARCEL FOUR:

COMMENCING AT A POINT ON THE NORTHEASTERLY LINE OF BANCROFT AVENUE, DISTANT THEREON 73 FEET 6-½ INCHES SOUTHEASTERLY FROM THE INTERSECTION OF SAID LINE OF BANCROFT AVENUE WITH THE SOUTHEASTERLY LINE OF HAWES STREET (THE SAID POINT OF COMMENCEMENT BEING ALSO THE INTERSECTION OF SAID LINE OF BANCROFT AVENUE WITH THE SOUTHEASTERLY LINE OF LOT 1, IN BLOCK 488 OF THE BAY VIEW HOMESTEAD ASSOCIATION; AS SAID SOUTHEASTERLY LINE OF SAID LOT IS SHOWN ON MAP THEREOF RECORDED JUNE 19, 1872, IN BOOK "C" AND "D" OF MAPS, PAGE 3, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA); RUNNING THENCE SOUTHEASTERLY ALONG SAID LINE OF BANCROFT AVENUE 26 FEET 5-½ INCHES TO A

POINT DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE EASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 100 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 46 FEET 10 INCHES TO THE SOUTHEASTERLY LINE OF SAID LOT 1 IN BLOCK 488 OF THE BAY VIEW HOMESTEAD ASSOCIATION, ABOVE REFERRED TO; THENCE RUNNING SOUTH 23° 51' WEST ALONG SAID SOUTHEASTERLY LINE 102 FEET, MORE OR LESS, TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE AND THE POINT OF COMMENCEMENT.

BEING A PORTION OF BLOCK 488, TIDE LANDS.
ASSESSORS PARCEL NO.: LOTS 11 AND 13, BLOCK 4852

PARCELS TWO, THREE AND FOUR ALSO BEING DESCRIBED AS FOLLOWS:
BEING LOT NOS. 13, 14, 15 AND 16, IN BLOCK NO. 488, TIDE LANDS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF HAWES STREET AND THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE NORTHEASTWARDLY ALONG THE SAID SOUTHEASTERLY LINE OF HAWES STREET FOR 200 FEET TO THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE; THENCE SOUTHEASTWARDLY ALONG THE SAID SOUTHWESTERLY LINE OF ARMSTRONG AVENUE FOR 100 FEET TO THE NORTHWESTERLY CORNER OF LOT 17 IN THE SAID BLOCK 488, TIDE LANDS; THENCE SOUTHWESTWARDLY ALONG THE NORTHWESTERLY LINE OF THE SAID LOT 17 FOR 100 FEET TO THE NORTHWESTERLY CORNER OF LOT 12 IN THE SAID BLOCK 488, TIDE LANDS; THENCE SOUTHWESTWARDLY ALONG THE NORTHWESTERLY LINE OF THE SAID LOT 12 FOR 100 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE NORTHWESTWARDLY ALONG THE SAID NORTHEASTERLY LINE OF BANCROFT AVENUE FOR 100 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE:
COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE AND THE WESTERLY LINE OF THE LANDS OF THE SOUTHERN PACIFIC AND WESTERN PACIFIC RAILROAD COMPANIES, AS FIXED AND DESIGNATED BY THE BOARD OF TIDE LAND COMMISSIONERS OF THE STATE OF CALIFORNIA AND AS RESERVED PURSUANT TO CHAPTER 543 STATUTES OF 1868, AND AS SHOWN ON SHEET 13 OF THE MAP ENTITLED "HISTORIC SAN FRANCISCO MAPS" RECORDED JANUARY 31, 1975 IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA IN BOOK "W" OF MAPS, PAGES 40 THROUGH 54, INCLUSIVE, DISTANT THEREON 219 FEET 9-½ INCHES NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF ARMSTRONG AVENUE, 180 FEET 2-½ INCHES TO A POINT DISTANT THEREON 200 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, ALONG SAID LINE OF BANCROFT AVENUE 339 FEET 3-½ INCHES TO A POINT DISTANT THEREON 60 FEET 8-½ INCHES NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET, SAID POINT ALSO BEING LOCATED ON THE AFORESAID WESTERLY LINE OF THE LANDS OF THE SOUTHERN PACIFIC AND WESTERN PACIFIC RAILROAD COMPANIES; THENCE NORTHERLY TO THE POINT OF COMMENCEMENT.

BEING ALL OF LOT NOS. 6, 7, 8, 9, 10, 19, 20 AND 21, AND PORTIONS OF LOT NOS. 4, 5, 22, 23 AND 24, ALL IN BLOCK 488 SALT MARSH AND TIDE LANDS.
ASSESSORS PARCEL NO.: LOTS 2 THROUGH 8, AND LOTS 18 THROUGH 22, BLOCK 4852

PARCEL SIX:
BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE, DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE SOUTHEASTERLY ALONG SAID LINE OF ARMSTRONG AVENUE 100 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF

BANCROFT AVENUE; THENCE AT A RIGHT ANGLE, NORTHWESTERLY ALONG SAID LINE OF BANCROFT AVENUE 100 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 200 FEET TO THE POINT OF BEGINNING.

BEING LOT NOS. 11, 12, 17 AND 18, IN BLOCK NO. 488, TIDE LANDS.
ASSESSORS PARCEL NO.: LOTS 9, 10, 16 AND 17, BLOCK 4852

PARCEL ONE:

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF CARROLL AVENUE AND THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHEASTERLY AND ALONG SAID LINE OF GRIFFITH STREET 200 FEET TO THE SOUTHWESTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE NORTHWESTERLY AND ALONG SAID LINE OF BANCROFT AVENUE 200 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF CARROLL AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY AND ALONG SAID LINE OF CARROLL AVENUE 200 FEET TO THE POINT OF COMMENCEMENT.

BEING THE SOUTHEASTERLY 200 FEET OF BLOCK NO. 491, TIDE LANDS AND PART OF BLOCK NO. 491, BAY VIEW HOMESTEAD ASSOCIATION.

PARCEL TWO:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHWESTERLY LINE OF BANCROFT AVENUE AND THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE SOUTHEASTERLY AND ALONG SAID LINE OF BANCROFT AVENUE 400 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF CARROLL AVENUE; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE OF CARROLL AVENUE 400 FEET TO THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF HAWES STREET 200 FEET TO THE POINT OF BEGINNING.

BEING PART OF BLOCK 491, BAY VIEW HOMESTEAD.

APN: LOTS 1 AND 2, BLOCK 4877 (PARCEL ONE); LOTS 3 AND 4, BLOCK 4877 (PARCEL TWO)

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. _____)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, PROLOGIS, L.P., a Delaware limited partnership, 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, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Property, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Property, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Property and all of Grantor's right, title and interest in and to any and all roads and alleys adjoining or servicing the Property.

[SIGNATURES ON FOLLOWING PAGE]

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

PROLOGIS, L.P.,
a Delaware limited partnership

By: Prologis, Inc., a Maryland corporation, its
general partner

By: _____

Name: _____

Title: _____

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 _____)

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. 18110 Series of 1939, approved August 7, 1957, and Resolution No. _____, approved _____, 20____, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____
Andrico Q. Penick
Director of Property

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: _____

MEMORANDUM OF OPTION

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
Re: Prologis – 1236 Carroll

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)



Doc # **2021089679**

City and County of San Francisco
Joaquín Torres, Assessor – Recorder

6/2/2021	11:06:20 AM	Fees	\$0.00
Pages 10	Title 128 VT	Taxes	\$0.00
Customer 035		Other	\$0.00
		SB2 Fees	\$0.00
		Total	\$0.00

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

MEMORANDUM OF OPTION

THIS MEMORANDUM OF OPTION ("**Memorandum**") is entered into as of JUNE 1, 2021, by and between PROLOGIS LP, a Delaware limited partnership ("**Owner**") and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**").

1. The Owner currently owns certain real property, consisting of approximately 4.91 acres, located in the City and County of San Francisco, commonly known as San Francisco Assessor Parcel No. Block 4877, Lots 1-4 and Block 4852, Lots 2-22, as more particularly described in the attached Exhibit A and as shown generally on the map attached hereto as Exhibit A-1 (the "**Property**").

2. City and the Owner have entered into that certain Purchase Option Agreement dated for reference purposes only as of JUNE 1, 2021 (the "**Option Agreement**"), pursuant to which Owner has granted to City the option to purchase the Property ("**Option**") in accordance with the terms and conditions of the Option Agreement. The term of the Option commenced on JUNE 1, 2021, as defined in the Option Agreement, and as evidenced by the Resolution of the Board of Supervisors approved by the Mayor and shall expire on June 1, 2022, unless terminated earlier by City in writing.

3. The purpose of this Memorandum is to put third parties on notice of City's rights under the Option Agreement with respect to the Property. This Memorandum is given subject to the terms of the Option Agreement and any amendments thereto. If there should be any conflict between this Memorandum and the Option Agreement, the terms of the Option Agreement shall govern. All of the terms of the Option Agreement are incorporated herein by this reference.

Owner:

PROLOGIS, L.P.,
a Delaware limited partnership

By: Prologis, Inc.

Its: general partner

By: JEB

Its: JASON E Bost, VP

Date: 5/13/21

City:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: Andrico Q. Penick

Andrico Q. Penick

Director of Property

Date: 6/1/21

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By:

Elizabeth A. Dietrich
Deputy City Attorney

Owner:

PROLOGIS, L.P.,
a Delaware limited partnership

By: Prologis, Inc.

Its: general partner

By: JLB

Its: JASON E BOST, VP

Date: 5/13/21

City:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: Andrico Q. Penick

Andrico Q. Penick

Director of Property

Date: 6/1/21

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: DocuSigned by:
Elizabeth Dietrich

773AE04C78FF416
Elizabeth A. Dietrich
Deputy City Attorney

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 Colorado)
) ss
County of Denver)

On May 18, 2021, before me, Jennifer L. Pittenger, a notary public in and for said State, personally appeared Jason E. Bost, 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 Jennifer Pittenger (Seal)

JENNIFER L. PITTENGER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134062771
MY COMMISSION EXPIRES OCTOBER 3, 2021

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 _____)

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)

ACKNOWLEDGMENT

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
County of San Francisco)

On June 1, 2021 before me, Rachel Gosiengfiao, Notary Public
(insert name and title of the officer)

personally appeared Andrico Q. Penick
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

Rachel Gosiengfiao (Seal)



EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

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

PARCEL TWO:

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE, DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF ARMSTRONG AVENUE 100 FEET TO THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE SOUTHWESTERLY ALONG SAID LINE OF HAWES STREET 32 FEET 1-½ INCHES TO A POINT DISTANT THEREON 168 FEET 10-½ INCHES NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE SOUTH 16° 11' EAST 61 FEET 4 INCHES; THENCE SOUTH 23° 51' WEST 29 FEET 6 INCHES TO A POINT DISTANT 100 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE ON LINE DRAWN AT RIGHT ANGLES THERETO; THENCE SOUTHEASTERLY PARALLEL WITH THE SAID LINE OF ARMSTRONG AVENUE 46 FEET 10 INCHES TO A POINT DISTANT 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET ON A LINE DRAWN AT RIGHT ANGLES THERETO; THENCE NORTHEASTERLY 100 FEET TO THE POINT OF COMMENCEMENT.

BEING LOT NOS. 15 AND 16 IN BLOCK NO. 488, TIDE LANDS.
ASSESSORS PARCEL NO.: LOTS 14 AND 15, BLOCK 4852

PARCEL THREE:

COMMENCING AT THE POINT OF INTERSECTION OF THE SOUTHEASTERLY LINE OF HAWES STREET AND THE NORTHEASTERLY LINE OF BANCROFT AVENUE; RUNNING THENCE NORTHEASTERLY ALONG THE SAID SOUTHEASTERLY LINE OF HAWES STREET 168 FEET 10-½ INCHES TO THE NORTHEASTERLY LINE OF LOT 1, BLOCK 488, BAY VIEW HOMESTEAD ASSOCIATION, AS SHOWN ON MAP HEREINAFTER REFERRED TO; RUNNING THENCE SOUTH 16° 11' EAST ALONG SAID NORTHEASTERLY BOUNDARY LINE 61 FEET 4 INCHES TO THE SOUTHEASTERLY LINE OF SAID LOT; THENCE RUNNING SOUTH 23° 51' WEST ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 131 FEET 6 INCHES TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; AND RUNNING THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF BANCROFT AVENUE 73 FEET 6-½ INCHES TO THE POINT OF COMMENCEMENT.

BEING LOT 1, BLOCK 488, OF THE BAY VIEW HOMESTEAD ASSOCIATION, AS PER MAP THEREOF RECORDED JUNE 19, 1872, IN LIBER "C" AND "D" OF MAPS, PAGE 3, RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.
ASSESSORS PARCEL NO.: LOT 12, BLOCK 4852

PARCEL FOUR:

COMMENCING AT A POINT ON THE NORTHEASTERLY LINE OF BANCROFT AVENUE, DISTANT THEREON 73 FEET 6-½ INCHES SOUTHEASTERLY FROM THE INTERSECTION OF SAID LINE OF BANCROFT AVENUE WITH THE SOUTHEASTERLY LINE OF HAWES STREET (THE SAID POINT OF COMMENCEMENT BEING ALSO THE INTERSECTION OF SAID LINE OF BANCROFT AVENUE WITH THE SOUTHEASTERLY LINE OF LOT 1, IN BLOCK 488 OF THE BAY VIEW HOMESTEAD ASSOCIATION; AS SAID SOUTHEASTERLY LINE OF SAID LOT IS SHOWN ON MAP THEREOF RECORDED JUNE 19, 1872, IN BOOK "C" AND "D" OF MAPS, PAGE 3, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA); RUNNING THENCE SOUTHEASTERLY ALONG SAID LINE OF BANCROFT AVENUE 26 FEET 5-½ INCHES TO A

POINT DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE EASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 100 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 46 FEET 10 INCHES TO THE SOUTHEASTERLY LINE OF SAID LOT 1 IN BLOCK 488 OF THE BAY VIEW HOMESTEAD ASSOCIATION, ABOVE REFERRED TO; THENCE RUNNING SOUTH 23° 51' WEST ALONG SAID SOUTHEASTERLY LINE 102 FEET, MORE OR LESS, TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE AND THE POINT OF COMMENCEMENT.

BEING A PORTION OF BLOCK 488, TIDE LANDS.
ASSESSORS PARCEL NO.: LOTS 11 AND 13, BLOCK 4852

PARCELS TWO, THREE AND FOUR ALSO BEING DESCRIBED AS FOLLOWS:
BEING LOT NOS. 13, 14, 15 AND 16, IN BLOCK NO. 488, TIDE LANDS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF HAWES STREET AND THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE NORTHEASTWARDLY ALONG THE SAID SOUTHEASTERLY LINE OF HAWES STREET FOR 200 FEET TO THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE; THENCE SOUTHEASTWARDLY ALONG THE SAID SOUTHWESTERLY LINE OF ARMSTRONG AVENUE FOR 100 FEET TO THE NORTHWESTERLY CORNER OF LOT 17 IN THE SAID BLOCK 488, TIDE LANDS; THENCE SOUTHWESTWARDLY ALONG THE NORTHWESTERLY LINE OF THE SAID LOT 17 FOR 100 FEET TO THE NORTHWESTERLY CORNER OF LOT 12 IN THE SAID BLOCK 488, TIDE LANDS; THENCE SOUTHWESTWARDLY ALONG THE NORTHWESTERLY LINE OF THE SAID LOT 12 FOR 100 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE NORTHWESTWARDLY ALONG THE SAID NORTHEASTERLY LINE OF BANCROFT AVENUE FOR 100 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE:

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE AND THE WESTERLY LINE OF THE LANDS OF THE SOUTHERN PACIFIC AND WESTERN PACIFIC RAILROAD COMPANIES, AS FIXED AND DESIGNATED BY THE BOARD OF TIDE LAND COMMISSIONERS OF THE STATE OF CALIFORNIA AND AS RESERVED PURSUANT TO CHAPTER 543 STATUTES OF 1868, AND AS SHOWN ON SHEET 13 OF THE MAP ENTITLED "HISTORIC SAN FRANCISCO MAPS" RECORDED JANUARY 31, 1975 IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA IN BOOK "W" OF MAPS, PAGES 40 THROUGH 54, INCLUSIVE, DISTANT THEREON 219 FEET 9-½ INCHES NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF ARMSTRONG AVENUE, 180 FEET 2-½ INCHES TO A POINT DISTANT THEREON 200 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, ALONG SAID LINE OF BANCROFT AVENUE 339 FEET 3-½ INCHES TO A POINT DISTANT THEREON 60 FEET 8-½ INCHES NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET, SAID POINT ALSO BEING LOCATED ON THE AFORESAID WESTERLY LINE OF THE LANDS OF THE SOUTHERN PACIFIC AND WESTERN PACIFIC RAILROAD COMPANIES; THENCE NORTHERLY TO THE POINT OF COMMENCEMENT.

BEING ALL OF LOT NOS. 6, 7, 8, 9, 10, 19, 20 AND 21, AND PORTIONS OF LOT NOS. 4, 5, 22, 23 AND 24, ALL IN BLOCK 488 SALT MARSH AND TIDE LANDS.
ASSESSORS PARCEL NO.: LOTS 2 THROUGH 8, AND LOTS 18 THROUGH 22, BLOCK 4852

PARCEL SIX:

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE, DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE SOUTHEASTERLY ALONG SAID LINE OF ARMSTRONG AVENUE 100 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF

BANCROFT AVENUE; THENCE AT A RIGHT ANGLE, NORTHWESTERLY ALONG SAID LINE OF BANCROFT AVENUE 100 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 200 FEET TO THE POINT OF BEGINNING.

BEING LOT NOS. 11, 12, 17 AND 18, IN BLOCK NO. 488, TIDE LANDS.
ASSESSORS PARCEL NO.: LOTS 9, 10, 16 AND 17, BLOCK 4852

PARCEL ONE:

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF CARROLL AVENUE AND THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHEASTERLY AND ALONG SAID LINE OF GRIFFITH STREET 200 FEET TO THE SOUTHWESTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE NORTHWESTERLY AND ALONG SAID LINE OF BANCROFT AVENUE 200 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF CARROLL AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY AND ALONG SAID LINE OF CARROLL AVENUE 200 FEET TO THE POINT OF COMMENCEMENT.

BEING THE SOUTHEASTERLY 200 FEET OF BLOCK NO. 491, TIDE LANDS AND PART OF BLOCK NO. 491, BAY VIEW HOMESTEAD ASSOCIATION.

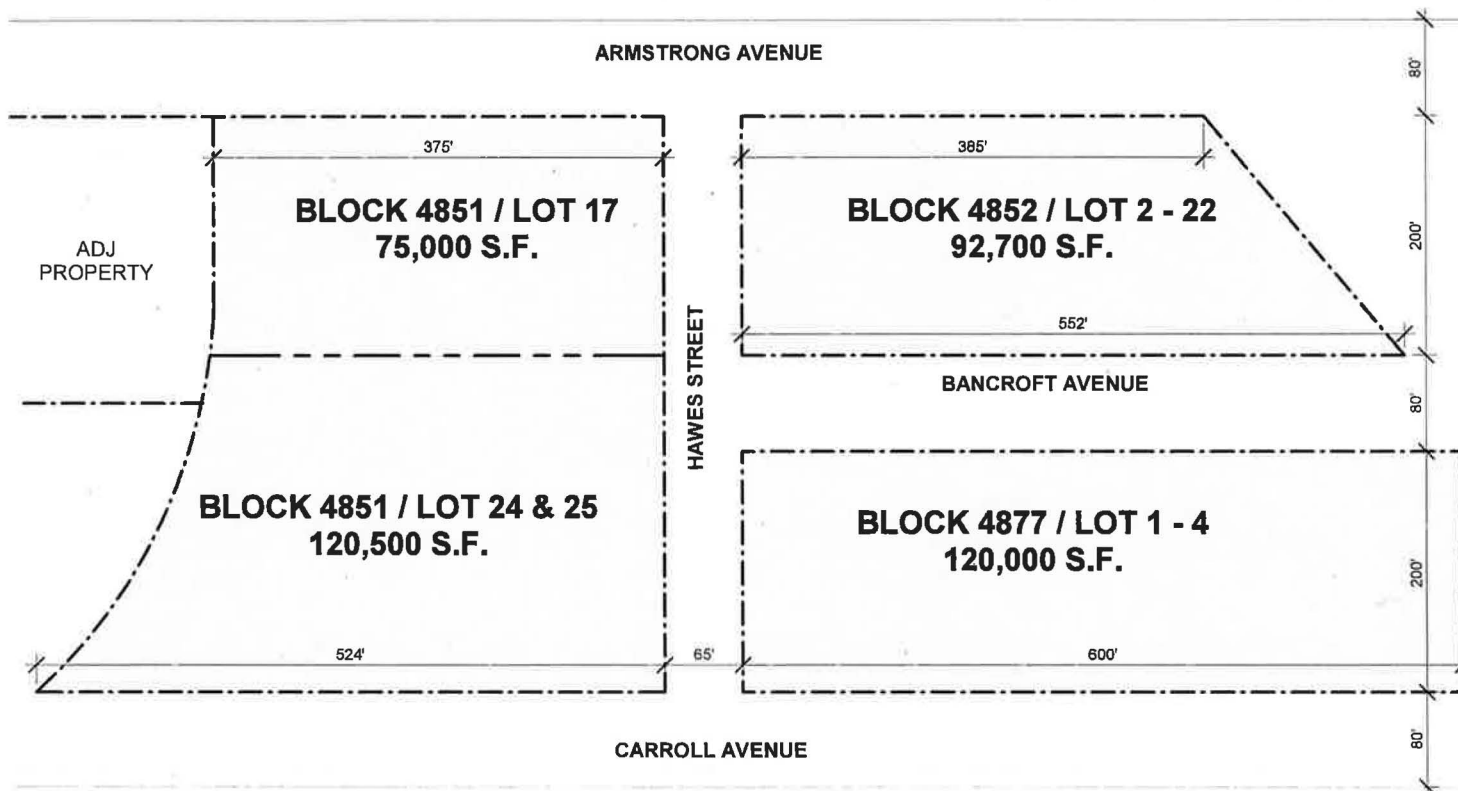
PARCEL TWO:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHWESTERLY LINE OF BANCROFT AVENUE AND THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE SOUTHEASTERLY AND ALONG SAID LINE OF BANCROFT AVENUE 400 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF CARROLL AVENUE; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE OF CARROLL AVENUE 400 FEET TO THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF HAWES STREET 200 FEET TO THE POINT OF BEGINNING.

BEING PART OF BLOCK 491, BAY VIEW HOMESTEAD.

APN: LOTS 1 AND 2, BLOCK 4877 (PARCEL ONE); LOTS 3 AND 4, BLOCK 4877 (PARCEL TWO)

EXHIBIT A-1



Aerial Map



Tabulation

SITE AREA

In s.f. 409,200 s.f.
In acres 9.37 ac

ZONING ORDINANCE FOR CITY

Zoning Designation - PDR-2 ; Production, Distribution & Repair

MAXIMUM BUILDING HEIGHT ALLOWED

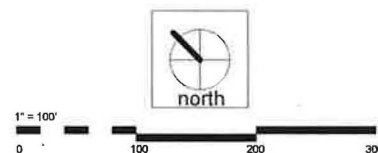
Height - 40'

MAXIMUM FLOOR AREA RATIO (FAR)

FAR - 3.0 TO 1

SETBACKS

Front / Side / Rear - not required



CONCEPTUAL SITE PLAN

Carroll Avenue

San Francisco, CA

EXHIBIT D

FORM OF TERMINATION OF MEMORANDUM OF OPTION

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
Re: Prologis – 1236 Carroll

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)

TERMINATION OF MEMORANDUM OF OPTION

THIS TERMINATION OF MEMORANDUM OF OPTION (“**Termination**”) is entered into effective as of _____, 2021, by and between PROLOGIS LP, a Delaware limited partnership (“**Owner**”) and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”).

1. Owner currently owns certain real property, consisting of approximately 4.91 acres, located in the City and County of San Francisco, commonly known as San Francisco Assessor Parcel No. Block 4877, Lots 1-4 and Block 4852, Lots 2-22, as more particularly described in the attached Exhibit A (the “**Property**”).
2. City and Owner entered into that certain Purchase Option Agreement dated for reference purposes only as of _____, 2021 (the “**Option Agreement**”), pursuant to which Owner granted to City the option to purchase the Property in accordance with the terms and conditions of the Option Agreement.
3. Owner and City executed a Memorandum of Option to provide notice of the existence of the Option Agreement, which was recorded on _____, 2021 as Document No. _____ of Official Records of the County of San Francisco, California (the “**Memorandum**”).
4. The Option Agreement has been terminated effective as of _____. Owner and City are recording this Termination to remove the Memorandum from title on the Property.

Owner:

PROLOGIS, L.P.,
a Delaware limited partnership

By: Prologis, Inc.

Its: general partner

By: _____

Its: _____

Date: _____

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: _____

Elizabeth A. Dietrich

Deputy City Attorney

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 _____)

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)

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 _____)

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)

EXHIBIT A
To Termination of Memorandum of Option

Legal Description

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

CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED, MAYOR

MEMORANDUM OF UNDERSTANDING

NO. M-_____

BY AND BETWEEN

THE CITY AND COUNTY OF SAN FRANCISCO

THROUGH THE SAN FRANCISCO PORT COMMISSION

AND

THE CITY AND COUNTY OF SAN FRANCISCO

THROUGH THE REAL ESTATE DIVISION

SAN FRANCISCO PORT COMMISSION

**Elaine Forbes
Executive Director**

**Willie Adams, President
Doreen Woo Ho, Vice President
Kimberly Brandon, Commissioner
John Burton, Commissioner
Gail Gilman, Commissioner**

MEMORANDUM OF UNDERSTANDING
(1236 Carroll Ave)

THIS MEMORANDUM OF UNDERSTANDING (herein “**Agreement**”) dated for reference purposes only as of _____, 2022, is made by and between the San Francisco Real Estate Division (“**RED**”), a division of the City Administrator’s Office, of the City and County of San Francisco (“**City**”), and the San Francisco Port Commission (“**Port**”), an agency of the City and County of San Francisco.

Port and RED enter into this Agreement on the basis of the following facts, intentions, and understandings:

RECITALS

A. The City owns property under the jurisdiction of the Port located in San Francisco at Lot 001, Block 4852, consisting of approximately 26,000 square feet (the “**Railroad Remnant Property**”), and paper streets located at Griffith Street and Bancroft Avenue totaling approximately 86,400 square feet (“**Port Paper Streets**”). The Railroad Remnant Property and the Port Paper Streets are collectively referred to in this Agreement as the “**Property**,” as more particularly described on the attached Exhibit A and shown on the attached Exhibit A-1.

B. The State of California (“**State**”) transferred the Property to the Port subject to the common law public trust and the Burton Act statutory trust (Cal. Stats. 1968, Ch. 1333, as amended), which are collectively referred to as the “**Public Trust**.”

C. RED desires to facilitate a transfer of jurisdiction of the Property free of the Public Trust from the Port to RED jurisdiction so that it can be used for earthquake safety and emergency response purposes. The City is studying use of the Property as a new fire training facility for the San Francisco Fire Department, together with approximately 4.9 acres of privately-owned adjacent property that the City may acquire. Construction of a new fire training facility for the San Francisco Fire Department is necessary to replace an existing facility on Treasure Island that will not be available beyond 2025 due to development on the island.

D. To accommodate earthquake safety and emergency response uses of the Property, Assemblymember Ting introduced legislation to authorize the removal of the Public Trust from the Property and the transfer of the Property from the Port to the City under RED jurisdiction, subject to conditions, including that the Port is paid the fair market value of the Property as approved by the California State Lands Commission (“**AB 2607**”).

E. The Port Commission approved the jurisdictional transfer from Port to RED and authorized receipt of payment from the City under the terms and conditions described in this Agreement by Resolution No. _____, adopted by the Port Commission on _____.

F. The City’s Board of Supervisors approved such jurisdictional transfer from the Port to RED and authorized RED to accept such transfer and payment to Port by Resolution No. _____.

_____, adopted by the Board of Supervisors on _____ (the “Transfer Resolution”).

NOW, THEREFORE, IN CONSIDERATION of the foregoing, Port and City hereby agree to the following:

AGREEMENT

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

2. Operative Date of Transfer.

a. The jurisdictional transfer of the Property shall be operative upon the date (the “**Transfer Date**”) that each of the following conditions has occurred, which are independent preconditions to the jurisdictional transfer. Port and RED acknowledge that the failure to achieve any precondition listed below will delay or preclude the Transfer Date.

i. This Agreement is approved by the Port Commission.

ii. This Agreement is approved by the Board of Supervisors.

iii. The amount of the Transfer Fee (as defined in Section 3) is approved by the California State Lands Commission.

iv. The City’s Director of Property has appraised the fair market value of the Property and has obtained an appraisal review of such appraisal, in accordance with Chapter 23 of the City’s Administrative Code.

v. The City has completed all actions necessary to comply with the California Environmental Quality Act (“**CEQA**”), the State CEQA guidelines, and Chapter 31 of the City’s Administrative Code.

vi. Title Company is committed upon the Transfer Date to issue to City marketable and insurable fee simple title to the Property, subject only to those exceptions shown on the attached Exhibit B.

vii. The City Surveyor has approved the form of the transfer documentation, if required.

viii. The State has lifted the Public Trust through appropriate legislation and related requirements, including but not limited to approval by the California State Lands Commission, and the State has delivered appropriate deeds to the City.

ix. The Transfer Resolution by the Board of Supervisors becomes effective.

x. The Transfer Fee is paid to the Port.

b. The City retains absolute discretion to: (i) make modifications it deems necessary to mitigate significant adverse environmental impacts, (ii) select feasible alternatives that avoid significant adverse impacts, including the “no project” alternative, (iii) balance the benefits of the purchase and the proposed project against the unavoidable significant impacts prior to taking final action, or (iv) determine not to proceed with the jurisdictional transfer of the Property. The Port and RED will use best efforts to cause the Transfer Date to occur within forty-five (45) days of the effective date of the Transfer Resolution.

3. Transfer Fee.

a. The Port shall receive fair market value of the Property, as confirmed by the California State Lands Commission (“**Transfer Fee**”).

b. The Parties agree that a January 2021 appraisal, updated in March 2022, concluded that the fair market value of the Property equaled Five Million Eight Hundred Sixty Thousand and No/100 Dollars (\$5,860,000.00). The Parties agree that this valuation is mutually acceptable and acknowledge that AB 2607 will require that the State Lands Commission confirm that the Port receive funds equal to or greater than the fair market value of the Property.

c. In addition, City will be responsible for any third-party costs required to effectuate the transfer except for survey expenses, including but not limited to title insurance, closing costs, and any other external expenses reasonably incurred that are approved by RED in advance. Notwithstanding, Port will not be reimbursed for Port staff time.

4. Site Access Prior to Transfer. Prior to the Transfer Date Port shall afford City and its agents reasonable access to the Property for the purposes of inspecting the Property and conducting site assessments. City will not perform any invasive on-site testing without the prior written approval of Port.

5. Condition of Property. City acknowledges that Port has made no representations or warranties concerning the physical condition of the Property, including without limitation, the seismological or environmental conditions thereof. By taking jurisdiction of the Property, City shall be deemed to have inspected and accepted it in an "As-Is" condition. City is relying solely on its independent investigation and not on any representations or warranties of any kind whatsoever, express or implied, from Port or its agents as to any matters concerning the Property, its suitability for City’s intended use, or any of the Property conditions and as being suitable for the conduct of City’s proposed use. City acknowledges that the As-Is condition includes the title exceptions shown on the attached Exhibit B.

6. Minor Boundary Adjustments. Because the legal descriptions of the Port Paper Streets and Railroad Remnant Parcel are subject to the review and approval of the California State Lands Commission, adjustments to such legal descriptions may be required. City and Port will work together in good faith to amend and restate the legal descriptions set

forth in Exhibit A in accordance with the requirements of the California State Lands Commission. The legal descriptions and this Agreement may be amended accordingly without further approval or action required by the Port Commission or City's Board of Supervisors, so long as (i) City's Director of Property, Port's Executive Director, and the County Surveyor approve the revised legal descriptions, and (ii) the adjustments to the legal descriptions are minor in nature and do not materially change the overall square footage of the Property.

7. Official Records. Once the Transfer Date occurs, the Director of Property shall record the jurisdictional transfer of the Property in the City's property records in the manner specified in the Transfer Resolution.

8. Notices. Any notice given under this Agreement shall be in writing and given by delivering the notice in person, by commercial courier or by sending it by regular mail, with postage prepaid, to the mailing address listed below or any other address notice of which is given. For the convenience of the parties, copies of notices must also be given by email to the addresses provided from time to time.

Address for Port: Deputy Director, Real Estate and Development
Port of San Francisco
Pier 1
San Francisco, CA 94111
FAX No: (415) 274-0578
Telephone No: (415) 274-0501
rebecca.benassini@sfport.org

Address for RED: Director of Property
Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Re: 1236 Carroll Avenue
FAX No: (415) 552-9216
Telephone No: (415) 552-9860
andrico.penick@sfgov.org

9. Miscellaneous Provisions.

a. California Law. This Agreement shall be construed and interpreted in accordance with the Laws of the State of California and the City's Charter and Municipal Codes.

b. Entire Agreement. This Agreement contains all of the representations and the entire agreement between the parties with respect to the subject matter of the Agreement. Any prior correspondence, memoranda, agreements, warranties, or written or oral representations relating to such subject matter are superseded in total by this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of the Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by any party or

other person, and no court or other body should consider those drafts as in interpreting this Agreement.

c. Amendments. No amendment of this Agreement or any part thereof shall be valid unless it is in writing and signed by all of the parties hereto.

d. Further Assurances. The parties hereto agree to execute and acknowledge such other and further documents as may be necessary or reasonably required to carry out the mutual intent of the parties as expressed in this Agreement.

e. Incorporation of Exhibits. All exhibits to this Agreement are incorporated herein by this reference and made a part hereof as set forth in full.

10. Effective Date. This Agreement shall not be effective unless approved by the San Francisco Port Commission and the San Francisco Board of Supervisors, each in its sole and absolute discretion. This Agreement shall be effective as of the last date of the last signatory as indicated below.

[Signature Page Follows]

IN WITNESS WHEREOF, PORT and RED execute this Memorandum of Understanding No.
M-_____ at San Francisco, California, as of the last date set forth below.

CITY AND COUNTY OF
SAN FRANCISCO, a municipal
corporation operating by and through
THE SAN FRANCISCO PORT
COMMISSION

By: _____
ELAINE FORBES
Executive Director

Date: _____

Port Resolution No.: _____

REVIEWED BY:
City Attorney
DAVID CHIU

By: _____
Justin Bigelow
Deputy City Attorney

CITY AND COUNTY OF
SAN FRANCISCO, a municipal
corporation

By: _____
ANDRICO Q. PENICK
Director of Real Estate

Date: _____

Board of Supervisors Resolution No.

EXHIBIT A

Legal Description

[To be inserted prior to conveyance]

EXHIBIT A-1

Map of the Property

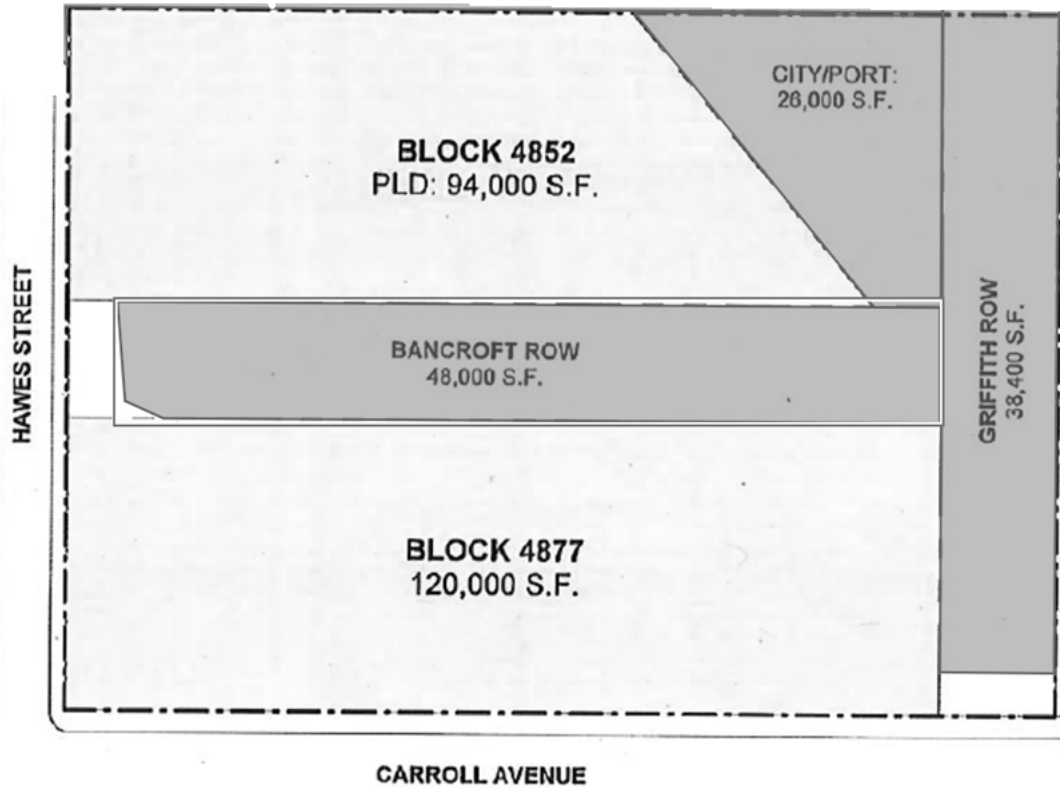


EXHIBIT B

List of Title Exceptions

[Internal Note: draft to be updated]

PURCHASE OPTION AGREEMENT

(1236 Carroll Avenue, San Francisco)

This Purchase Option Agreement ("**Agreement**"), dated for reference purposes only as of JUNE 1, 2021, is made and entered into by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**") and PROLOGIS, L.P., a Delaware limited partnership ("**Owner**").

A. Owner currently owns certain real property, consisting of approximately 4.91 acres of land in San Francisco, California, as more particularly described in the attached Exhibit A and as shown generally on the map attached as Exhibit A-1, including all improvements and fixtures located on such real property and appurtenances relating thereto (collectively, the "**Property**").

B. City desires to enter into this Agreement to obtain an option to purchase the Property from Owner, and Owner is willing to grant City such option, on the terms and conditions set forth herein.

1. **Option.** In consideration of the payment by City to Owner of the Option Consideration, as defined below, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Owner hereby grants to City an exclusive and irrevocable option to purchase the Property on the terms stated in this Agreement (the "**Option**").

(a) **Option Term.** This Agreement is effective as of the date it is fully signed and delivered by both parties and the Approval Date has occurred (the "**Effective Date**"). The Option shall commence on the Effective Date, shall continue on a month-to-month basis, and shall terminate at 5:00 P.M. California time on the date that is the earlier to occur of (i) City's delivery of the Option Notice, or (ii) June 1, 2022 ("**Option Term**"). As used in this Agreement, "**Approval Date**" means the date this Agreement is approved by the San Francisco Board of Supervisors and the Mayor of San Francisco. In the event that either the Approval Date has not occurred by June 4, 2021, or the Effective Date has not occurred by June 11, 2021, Owner may withdraw this offer by written notice to City.

(b) **Purchase Price.** If City exercises the Option, the purchase price for the Property shall be Thirty-Eight Million Five Hundred Thousand Dollars (\$38,500,000) (the "**Purchase Price**"). The Purchase Price shall be payable in accordance with the Purchase Agreement (as defined in Section 1(f)).

(c) **Option Consideration.** City shall pay to Owner the sum of Fifteen Thousand Dollars (\$15,000) per month during the Option Term as nonrefundable consideration for the Option (the "**Option Consideration**"), until such time as City delivers the Option Notice (as defined in Section 1(d)). The initial payment of Option Consideration shall be due within ten (10) days of the Effective Date, and thereafter on or before the first day of each subsequent calendar month. The Option Consideration is payable at the address specified for Owner in Section 8, or such other place as Owner may designate in writing on not less than thirty (30) days' advance notice. The Option Consideration shall not be applied to the Purchase Price, and shall be retained

by Owner. If City does not exercise the Option by end of the Option Term, the Option shall automatically expire and terminate, the Option Consideration shall be retained by Owner, and the parties shall have no further obligations under this Agreement except those expressly stated to survive.

(d) **Exercise of Option.** City may exercise the Option, if at all, by (i) giving written notice to Owner of the exercise of the Option (the “**Option Notice**”), and (ii) executing and delivering the Agreement of Purchase and Sale for Real Estate (the “**Purchase Agreement**”) attached as Exhibit B, prior to 5:00 p.m. local time in San Francisco on the last day of the Option Term. If City does not exercise the Option as provided in this Section 1(d) before the end of the Option Term, the Option shall automatically expire and terminate, the Option Consideration shall be retained by Owner, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive. Concurrently with executing this Agreement, Owner is delivering the partially executed Purchase Agreement to City to be held in escrow pursuant to the terms of this Agreement. The Purchase Agreement will be deemed to be effective only if City exercises the Option pursuant to the terms of this Agreement, and City is not in default of this Agreement beyond applicable notice and cure periods at the time it exercises the Option. In the event that this Agreement expires or is terminated and City delivers a Termination of Memorandum of Option (as defined below) to Owner, City will return the partially executed Purchase Agreement to Owner. This obligation will survive the termination of this Agreement.

(e) **Purchase Agreement.** Upon exercise of the Option, the terms and conditions of the Purchase Agreement shall apply and govern the parties’ obligations with respect to the sale and purchase of the Property, this Agreement shall terminate, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive.

(f) **Memorandum of Option.** Concurrently with its execution and delivery of this Agreement, Owner shall execute (with notarized signatures) and deliver to City an original Memorandum of Option in the form of Exhibit C, attached hereto. City may record the Memorandum of Option in the Official Records of San Francisco County, California. If City does not exercise the Option for any reason other than Owner’s Default (as defined below), City shall, if requested to do so by Owner, promptly deliver to Owner a quitclaim deed or other documentation in the form of Exhibit D so as to eliminate any cloud on Owner’s title to the Property related to the Memorandum of Option and this Agreement (the “**Termination of Memorandum of Option**”). This obligation will survive the termination of this Agreement.

(g) **Termination.** Notwithstanding anything to the contrary, City may terminate this Agreement with 2 days written notice to Owner, provided that the termination will become effective upon the later of the date that (i) City delivers an executed Termination of Memorandum of Option to Owner, (ii) City returns the partially executed Purchase Agreement to Owner, or, if the Purchase Agreement is in escrow, City instructs the Title Company to return the partially executed Purchase Agreement to Owner, and (iii) City is current with its Option Consideration Payments.

2. Condition Precedent. The following are conditions precedent to City's exercise of the Option (collectively, the "**Conditions Precedent**"):

(a) **Exercise of Option Subject to Environmental Review.** City may not exercise the Option until there has been complete compliance with the California Environmental Quality Act ("**CEQA**"), the State CEQA guidelines (California Code of Regulations, tit. 14, §§ 15000 et seq.), and the City's Environmental Quality Regulations (San Francisco Administrative Code, Chapter 31). City intends, during the Option Term, to identify the actions and activities that would be necessary to develop the site and thereby facilitate meaningful environmental review. The City retains absolute discretion to: (1) make modifications it deems necessary to mitigate significant adverse environmental impacts, (2) select feasible alternatives that avoid significant adverse impacts, including the "no project" alternative, (3) balance the benefits of the purchase and the proposed project against the unavoidable significant impacts prior to taking final action, or (4) determine not to proceed with the purchase of the Property.

(b) **Approval of Title Conditions.** City shall have reviewed and approved title to the Property, as follows:

(i) City will review the Land, Condition of Title (Guaranty No. 6364105) issued by First American Title Insurance Company ("**Title Company**") as of August 17, 2020, and the Condition of Title (Guaranty No. 6350290) issued by Title Company as of August 10, 2020, accompanied by copies of all documents referred to in them, which City will cause to be updated (collectively, the "**Preliminary Report**");

(ii) Prior to execution of this Agreement, Owner delivered to City copies of any existing or proposed easements, covenants, restrictions, agreements or other documents that affect title, use or development of the Property after the Closing (as defined below) and are not disclosed by the Preliminary Report, (collectively, the "**Unrecorded Documents**"), or, if Owner does not know of any Unrecorded Documents, a written certification of Owner to that effect; and

(iii) City may at its option arrange for an "as-built" survey of the Property 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 the Title Policy.

City shall determine, at least thirty (30) days prior to its exercise of the Option, what exceptions to title, if any, City is willing to accept (the "**Accepted Conditions of Title**"), and shall notify Owner of any title objections. Owner shall have ten (10) days after receipt of City's notice of any objections to title to give City: (A) evidence satisfactory to City and Title Company of the removal of all objectionable exceptions from title or that such exceptions will be removed or cured on or before the consummation of the purchase and sale contemplated by the Purchase Agreement (the "**Closing**"); or (B) notice that Owner elects not to cause such exceptions to be removed. If Owner fails to respond to City regarding the title objections, Owner will be deemed to have elected clause (B). If Owner gives notice or is deemed to have given notice under clause (B), City shall have the remainder of the Option Term to elect to proceed with the purchase or terminate this Agreement. If City elects to proceed with the purchase of the Property, City will accept title to the Property with such exceptions, which will be deemed Accepted Conditions of Title. If Owner 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, City shall have the rights and remedies provided in the Purchase Agreement.

If the Title Company revises the Preliminary Report to add or modify the Accepted Conditions of Title, City shall advise Owner within ten (10) days of receipt of such revised Preliminary Report whether it is willing to accept such new or modified exceptions to title, and the parties will follow the process set out in the previous paragraph to determine whether such revised title exceptions will be accepted by City; provided, however, that if City objects to any of the added or modified exceptions and they are due to the (i) act of Owner or any of its Agents, or (ii) failure of Owner to pay any taxes or other amounts when due, Owner must cause them to be removed from title or cured on or before the Closing. The Closing Date (as such term is defined in the Purchase Agreement) will be extended as needed for the time frames set forth in the previous paragraph.

(c) Approval of Property Condition. City shall have reviewed and approved, prior to its exercise of the Option, of the physical and environmental conditions of the Property. Such review may include an examination for the presence or absence of any Hazardous Material.

(d) Approval of Property Compliance. City shall have reviewed and approved, prior to its exercise of the Option, of the compliance of the Property with all applicable laws, regulations, permits and approvals.

(e) Approval of Documents and Other Information. City shall have reviewed and approved, prior to its exercise of the Option the following documents, all to the extent such documents exist and are either in the possession or control of Owner or any affiliate of Owner, or may be obtained by Owner or any affiliate of Owner, through the exercise of commercially reasonable efforts, concerning the Property: (i) environmental reports, studies, tests and assessments; surveys; soils and geotechnical reports; property tax bills (2020 -2021); site plan; zoning compliance report, utility bills (PG&E and SF Water and Sewer for 2020 and initial months of 2021), documents regarding the condition of the Property, and any other contracts regarding the operation of the Property (collectively, the "**Documents**"), and (ii) such other information relating to the Property that is specifically requested by City of Owner in writing during the Option Term (collectively, the "**Other Information**"). Owner will use commercially reasonable efforts to provide any Other Information requested by City within five (5) business days of City's request for the Other Information. Prior to execution of this Agreement, Owner delivered to City all of the Documents. Owner makes no representations or warranties as to the accuracy or completeness of the Documents or Other Information.

(f) Approval of City Agencies. The transactions contemplated in the Purchase Agreement shall have been approved by all applicable City departments and agencies, including, without limitation, the San Francisco Fire Department and the San Francisco Fire Commission, in their respective sole discretion, on or before exercise of the Option.

(g) Approval of Board of Supervisors and Mayor. A resolution or an ordinance approving, adopting and authorizing this Agreement and the transactions must be adopted by City's Mayor and the Board of Supervisors, each in its respective sole discretion, and effective on or exercise of the Option.

The Conditions Precedent are solely for the benefit of City. If any Condition Precedent is not satisfied prior to the City's exercise of the Option, 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 by delivery of written notice of termination to Owner and Title Company, provided that the Conditions Precedent described in items (a), (f) and (g) above may not be waived.

3. Due Diligence Activities During Option Term.

(a) **Right of Entry.** During the Option Term, City may investigate any matters that may directly or indirectly affect the Property and/or the present or future value, use, control, operation or ownership of the Property. During the Option Term, City, its employees, contractors, consultants and agents (collectively, "**City's Agents**") shall have the right to enter upon the Property for the purpose of inspecting the Property. In connection with any such entry, City (i) acknowledges that all entry is at City's and City's Agents' sole risk, cost and expense, (ii) shall give Owner reasonable advance notice of such entry, and (iii) acknowledges that Owner or its representatives shall have the right to accompany City and City's Agents during any testing or other inspection performed on the Property. Without expanding or limiting the foregoing, City specifically agrees that prior to any entry to perform any invasive on-site testing, City shall give Owner written notice thereof, including the identity of the company or persons who will perform and the proposed scope of such invasive testing. Owner shall approve or disapprove the scope and methodology of such proposed testing within 3 business days after receipt of such notice, such approval may be withheld in Owner's sole and absolute discretion. If City or City's Agents take any sample from the Property in connection with any such approved testing, City shall provide to Owner a portion of such sample being tested to allow Owner, if it so chooses, to perform its own testing at Owner's sole cost, if Owner timely requests a portion of that sample before City or City's Agents perform the testing for that sample and the sample can be reasonably provided to Owner at no cost to City. Seller 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.

(b) **Insurance.** City shall cause third party City's Agents to maintain commercial general liability insurance, including broad form property damage, with limits of not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate in form and substance adequate to insure against all liability of City and/or City's Agents, arising out of any entry or inspections of the Property pursuant to the provisions hereof, and City shall provide Owner with evidence of such insurance coverage before any such entry, including evidence that Owner is an additional insured on the commercial general liability policy. If any inspection or test disturbs the Property, City will promptly restore the Property to the same condition as existed before the inspection or test. City has informed Owner that it maintains a program of self-insurance that will cover City's obligations under this Agreement, and City is not required to carry any third-party insurance with respect to this Agreement. City assumes the risk of damage to any of City's personal property, except for damage caused by Owner or its agents. **CITY SHALL INDEMNIFY, DEFEND AND HOLD OWNER, OWNER'S AFFILIATES, PARTNERS, MEMBERS, SHAREHOLDERS, INVESTMENT MANAGERS, PROPERTY MANAGERS, TRUSTEES, DIRECTORS, OFFICERS,**

EMPLOYEES AND AGENTS OF EACH OF THEM AND THEIR RESPECTIVE PREDECESSORS, HEIRS, SUCCESSORS, PERSONAL REPRESENTATIVES AND ASSIGNS AND THE PROPERTY HARMLESS FROM AND AGAINST ANY AND ALL DAMAGES, LIABILITIES, LOSSES, CLAIMS, LIENS, COST OR EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEY'S FEES) ARISING OUT OF OR RELATING TO ANY ENTRY ON THE PROPERTY BY CITY OR CITY'S AGENTS IN THE COURSE OF PERFORMING THE INSPECTIONS, TESTING OR INQUIRIES ON OR ABOUT THE PROPERTY, INCLUDING WITHOUT LIMITATION DAMAGE TO THE PROPERTY OR RELEASE OF HAZARDOUS SUBSTANCES OR MATERIALS ONTO THE PROPERTY EXCEPT TO THE EXTENT SUCH DAMAGE OR INJURY IS CAUSED BY THE ACTS OR OMISSIONS OF OWNER OR ANY OF ITS AGENTS. THE FOREGOING INDEMNITY SHALL NOT INCLUDE ANY CLAIMS RESULTING FROM THE DISCOVERY (WITHOUT EXACERBATION) OR DISCLOSURE OF PRE-EXISTING ENVIRONMENTAL CONDITIONS ON, IN, UNDER OR ABOUT THE PROPERTY. THIS INDEMNITY SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT PROVIDED THAT OWNER MUST GIVE NOTICE OF ANY CLAIM IT MAY HAVE AGAINST CITY UNDER SUCH INDEMNITY (I) WITHIN THE APPLICABLE STATUTE OF LIMITATIONS PLUS SIX (6) MONTHS IF THE CLAIM IS BROUGHT BY A THIRD PARTY AGAINST OWNER, OR (II) ON THE EARLIER TO OCCUR OF CITY'S ACQUISITION OF THE PROPERTY, OR WITHIN EIGHTEEN (18) MONTHS OF TERMINATION OF THIS AGREEMENT, IF THE CLAIM INVOLVES DAMAGE TO OWNER'S PROPERTY OR ANY OTHER CLAIM NOT BROUGHT BY A THIRD PARTY AGAINST OWNER.

4. Risk of Loss. All risk of loss related to the Property shall remain with Owner until the Closing.

(a) **Change in Condition.** Owner shall immediately notify City of and provide City with all information related to: (1) any material damage or destruction to the Property or any portion thereof that occurs after the Effective Date; (2) any receipt after the Effective Date of notice of any potential eminent domain proceedings affecting all or a portion of the Property, the commencement of such proceedings after the Effective Date, or a taking after the Effective Date of all or a portion of the Property by eminent domain by anyone other than City; and (3) any other event that occurs after the Effective Date or information received or discovered by Owner after the Effective Date that could materially affect the value or use of the Property (each a "Change in Condition").

(b) **City Election.** If a Change in Condition occurs, City shall have the right, at its election to terminate this Agreement by written notice to Owner, in which case this Agreement shall expire and terminate, the Option Consideration shall be retained by Owner, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive. If City does not terminate this Agreement and agrees to accept the Property in its then condition and exercises the Option, then the Purchase Agreement will control.

5. Default.

(a) **Owner Default.** If Owner defaults in the performance of any of Owner's obligations, promises, or agreements under this Agreement or if Owner breaches any of its representations or warranties hereunder and does not cure such default within ten (10) days of written notice ("**Owner's Default**"), City shall elect one of the following: (i) waive Owner's Default, in which case this Agreement will remain in effect and City will not be entitled to any compensation or damages associated with Owner's Default; (ii) terminate this Agreement by written notice to Owner, in which case this Agreement shall terminate, Owner will reimburse City for its out of pocket due diligence costs not to exceed \$50,000, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive, or (iii) bring a suit for specific performance, provided that any suit for specific performance must be brought within ninety (90) days of the expiration of Seller's cure period. Notwithstanding the foregoing, solely in the event that either (1) City is unable to bring a suit for specific performance or because Seller has sold the Property, or (2) a court rules that City is unable to obtain a remedy of specific performance due to some other action by Seller that prevents the remedy of specific performance, then City may instead elect to bring an action for damages.

(b) **City Default.** If City defaults in the performance of any of City's obligations, promises, or agreements under this Agreement, and does not cure such default within ten (10) days of written notice, Owner may terminate this Agreement by written notice to City, in which case this Agreement shall terminate, the Option Consideration shall be retained by Owner, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive.

OWNER AND CITY AGREE THEY HAVE MADE GOOD FAITH REASONABLE EFFORTS TO DETERMINE WHAT OWNER'S DAMAGES, INCLUDING ANY ATTORNEYS' FEES, LOST PROFITS, AND OPPORTUNITY COSTS, WOULD BE IN THE EVENT OF A DEFAULT HEREUNDER BY CITY. OWNER AND CITY HAVE BEEN UNABLE TO ARRIVE AT ANY MEANINGFUL FORMULA OR MEASURE OF DAMAGES FOR CITY'S DEFAULT AND AGREE THAT SUCH DAMAGES WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO DETERMINE. IN THE EVENT THAT THIS AGREEMENT TERMINATES BECAUSE OF CITY'S DEFAULT, EXCEPT AS OTHERWISE SET FORTH IN SECTION 3(B), THE PARTIES AGREE THAT THE OPTION CONSIDERATION IS A REASONABLE ESTIMATE OF SUCH DAMAGES AND SHALL SERVE AS FULL LIQUIDATED DAMAGES. THE OPTION CONSIDERATION SHALL BE OWNER'S SOLE RIGHT TO DAMAGES AND SOLE REMEDY AT LAW OR IN EQUITY FOR CITY'S DEFAULT HEREUNDER, EXCEPT AS OTHERWISE SET FORTH IN SECTION 3(B). OWNER AND CITY FURTHER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THE FOREGOING LIQUIDATED DAMAGES PROVISION AND BY THEIR SIGNATURES IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS. THE PROVISIONS OF THIS SECTION 5(b) SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

Initials:

City:

AKD

Owner:

JB

(c) **Damages Limited.** In no event shall either party be entitled to, or liable for, any special, consequential, indirect, or incidental damages arising out of or in connection with this Agreement or the Property, regardless of whether any claim is based on contract or tort.

6. 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:

To City:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Director of Property
Reference: Prologis – 1236 Carroll Avenue
Facsimile No. (415) 554-4757
Email: andrico.penick@sfgov.org

with a copy to:

Office of the City Attorney
City and County of San Francisco
Room 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: Real Estate Team Leader
Reference: Prologis – 1236 Carroll Avenue
Facsimile: (415) 554-4747
Email: elizabeth.dietrich@sfcityatty.org

To Owner:

Prologis, L.P.
c/o Prologis, Inc.
Pier 1, Bay 1
San Francisco, CA 94111
Attn: Mark Hansen
Email: mhansen@prologis.com

with a copy to:

Prologis, Inc.
1800 Wazee Street, Suite 500
Denver, CO 80202
Attn: Jason Bost, Nick Noriega, Kirsten Pederson
Email: jbst@prologis.com, nnoriega@prologis.com, kpederson@prologis.com

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 telefacsimile or email, to the telefacsimile number or email address 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 or email. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile or emailed copy of the notice.

7. Maintenance; Consent to New Contracts

(a) **Maintenance of Property.** Between the date of Owner's execution of this Agreement and the Closing, Owner shall maintain and operate the Property in substantially the same manner and the same condition as on the Effective Date, as if Owner were retaining the Property, including maintaining its existing policy or policies of insurance.

(b) **Consent to New Contracts.** After the date the City's Director of Property submits legislation for approval by City's Board of Supervisors of this Agreement, Owner shall not enter into or extend any lease or contract, option, or other agreement pertaining to the Property that will be an obligation affecting the Property or City subsequent to the Closing, or any amendment thereof, without in each instance obtaining City's prior written consent in City's sole discretion, excluding any contracts entered into in the ordinary course of business that are terminable without cause on not more than 30 days' notice and will not affect the Property or City subsequent to the Closing.

8. No Encumbrance; Agreement Not to Market. From the date the City's Director of Property submits legislation for approval of this Agreement by City's Board of Supervisors, Owner shall not: (a) cause, permit or suffer to exist any lien, mortgage, or deed of trust, to be created or placed upon the Property; (b) grant any encumbrance, right, restriction or easement with respect to the Property; (c) cause or permit any mortgage, deed of trust, or other lien to be foreclosed upon due to Owner's actions or omissions, including failure to make a required payment or failure to obtain any required consent; or (d) sell, convey, assign, transfer, or otherwise dispose of the Property, or any part thereof or interest therein. In addition, Owner shall not commence any legal or regulatory action with respect to the Property, without first obtaining the prior written consent of City. Owner agrees that unless and until this Agreement terminates pursuant to its terms, Owner shall not negotiate with any other parties pertaining to the sale of or option to purchase the Property or any interest in the Property, and shall not market the Property to third parties.

9. Representations and Warranties.

(a) **Owner's Representations and Warranties.** As of the date of this Agreement, Owner represents and warrants to and covenants with City all of those representations and warranties set forth in Section 8.1 of the Purchase Agreement, which representations and warranties are incorporated by reference as if fully set forth in this Agreement.

(b) **City's Representations and Warranties.** As of the date of this Agreement, City represents and warrants to and covenants with Owner all of those representations and warranties set forth in Section 8.2 of the Purchase Agreement, which representations and warranties are incorporated by reference as if fully set forth in this Agreement.

10. Brokers. 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 Colliers (City's broker), whose commission, if any is due, shall be the sole responsibility of City pursuant to a separate written agreement with such broker. If 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. Miscellaneous.

(a) **Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, legal representatives, administrators, and permitted assigns. City's rights and obligations hereunder shall not be assignable without the prior written consent of Owner; provided, however, even if Owner approves any such proposed assignment, in no event shall City be released of any of its obligations hereunder.

(b) **Amendments.** This Agreement may be amended or modified only by a written instrument signed by the City and Owner.

(c) **Governing Law.** This Agreement shall be governed by, subject to, and construed in accordance with the laws of the State of California and City's Charter and Administrative Code.

(d) **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, except to the extent there is a direct conflict between any written agreements regarding confidentiality.

(e) **Parties and Their Agents.** The term "**Owner**" as used herein shall include the plural as well as the singular. If Owner consists of more than one individual or entity, then the obligations under this Agreement imposed on Owner shall be joint and several. As used herein, the term "**Agents**" when used with respect to either party shall include the agents, officers, members, directors, partners, employees, commissioners, contractors, subcontractors, 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.

(f) **Interpretation of Agreement.** The article, section, paragraph, 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. The word "include(s)" means "include(s) without limitation" and "include(s) but not limited to," and the word "including" means "including without limitation" and "including but not limited to" as the case may be. References to Articles, Sections and Exhibits refer to this Agreement unless otherwise stated. This Agreement has been executed 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.

(g) Attorneys' Fees. If either party hereto fails to perform any of its respective obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements. For purposes of this Agreement, the reasonable fees of attorneys of City's Office of 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 City Attorney's Office.

(h) Time of Essence. Time is of the essence with respect to the performance of the parties' respective obligations contained herein and with respect to all dates set forth herein, including but not limited to Option Notice.

(i) No Merger. The surviving obligations contained herein shall not merge with the transfer of title to the Property but shall remain in effect until fulfilled.

(j) No Liability of Owner 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 Owner, its successors, and assigns, in the event of any default or breach by City or for any amount which may become due to Owner, its successors, and assigns, or for any obligation of City under this Agreement.

(k) Conflicts of Interest. Through its execution of this Agreement, Owner acknowledges that it is familiar with the provisions of Section 15.103 of City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that if it becomes aware of any such fact during the term of this Agreement, Owner shall immediately notify City.

(l) **Sunshine Ordinance.** Owner understands and agrees that under City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Government Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to City hereunder are public records subject to public disclosure. Subject to Section 5, Owner authorizes City to disclose any records, information, and materials submitted to City in connection with this Agreement.

(m) **Tropical Hardwoods and Virgin Redwoods.** City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood product, virgin redwood, or virgin redwood wood product except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environmental Code.

(n) **Recording.** Following the Approval Date and provided that this Agreement remains in effect, City may record a memorandum of this Agreement (and Owner agrees to execute such memorandum) in the form of Exhibit B attached hereto.

(o) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. A signature delivered on any counterpart by facsimile or other electronic means shall for all purposes be deemed to be an original signature to this Agreement.

(p) **MacBride Principles - Northern Ireland.** City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.5, et seq. City also urges companies to do business with corporations that abide by the MacBride Principles. Owner acknowledges that it has read and understands the above statement concerning doing business in Northern Ireland.

(q) **Severability.** If any provision of this Agreement or the application thereof to any person, entity, or circumstance shall, to any extent, 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, unless enforcement of this Agreement as so modified would be unreasonable or grossly inequitable under all of the circumstances as would frustrate the fundamental purposes of this Agreement.

(r) **Waiver.** No waiver by any party of any of the provisions of this Agreement shall be effective unless in writing and signed by an officer or other authorized representative of the waiving party, and only to the extent expressly provided in such written waiver. No waiver shall be deemed a subsequent or continuing waiver of the same, or any other, provision of this Agreement.

(s) **Contribution Limits; Contractors Doing Business with City.** Through its execution of this Agreement, Owner 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. Owner 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. Owner further acknowledges that the (i) prohibition on contributions applies to each Owner; each member of Owner's board of directors, and Owner's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than ten percent (10%) in Owner; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Owner; and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department with whom Owner is contracting is obligated to submit to the Ethics Commission the parties to the contract and any subcontractor. Additionally, Owner certifies that Owner 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.

12. Confirmation of Sale by Owner's Board of Supervisors and Mayor.

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

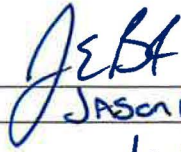
[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below.

Owner:


PROLOGIS, L.P.,
a Delaware limited partnership

By: Prologis, Inc.
Its: general partner

By: 
Its: JASON E. BOND, VP
Date: 5/10/21

City:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: 
Andrico Q. Penick
Director of Property
Date: 6/1/21

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney


By: _____
Elizabeth A. Dietrich
Deputy City Attorney

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below.

Owner:


PROLOGIS, L.P.,
a Delaware limited partnership

By: Prologis, Inc.
Its: general partner

By: 
Its: JASON E. BOND, VP
Date: 5/18/21

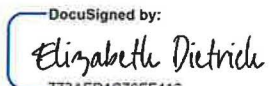
City:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: 
Andrico Q. Penick
Director of Property
Date: 6/1/21

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: 
773AED1C76FF416
Elizabeth A. Dietrich
Deputy City Attorney

EXHIBITS:

Exhibit A	—	Legal Description of Property
Exhibit A-1	—	Map of Property
Exhibit B	—	Purchase Agreement
Exhibit C	—	Form of Memorandum of Option
Exhibit D	—	Form of Termination of Memorandum of Option

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

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

PARCEL TWO:

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE, DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF ARMSTRONG AVENUE 100 FEET TO THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE SOUTHWESTERLY ALONG SAID LINE OF HAWES STREET 32 FEET 1-½ INCHES TO A POINT DISTANT THEREON 168 FEET 10-½ INCHES NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE SOUTH 16° 11' EAST 61 FEET 4 INCHES; THENCE SOUTH 23° 51' WEST 29 FEET 6 INCHES TO A POINT DISTANT 100 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE ON LINE DRAWN AT RIGHT ANGLES THERETO; THENCE SOUTHEASTERLY PARALLEL WITH THE SAID LINE OF ARMSTRONG AVENUE 46 FEET 10 INCHES TO A POINT DISTANT 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET ON A LINE DRAWN AT RIGHT ANGLES THERETO; THENCE NORTHEASTERLY 100 FEET TO THE POINT OF COMMENCEMENT.

BEING LOT NOS. 15 AND 16 IN BLOCK NO. 488, TIDE LANDS.
ASSESSORS PARCEL NO.: LOTS 14 AND 15, BLOCK 4852

PARCEL THREE:

COMMENCING AT THE POINT OF INTERSECTION OF THE SOUTHEASTERLY LINE OF HAWES STREET AND THE NORTHEASTERLY LINE OF BANCROFT AVENUE; RUNNING THENCE NORTHEASTERLY ALONG THE SAID SOUTHEASTERLY LINE OF HAWES STREET 168 FEET 10-½ INCHES TO THE NORTHEASTERLY LINE OF LOT 1, BLOCK 488, BAY VIEW HOMESTEAD ASSOCIATION, AS SHOWN ON MAP HEREINAFTER REFERRED TO; RUNNING THENCE SOUTH 16° 11' EAST ALONG SAID NORTHEASTERLY BOUNDARY LINE 61 FEET 4 INCHES TO THE SOUTHEASTERLY LINE OF SAID LOT; THENCE RUNNING SOUTH 23° 51' WEST ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 131 FEET 6 INCHES TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; AND RUNNING THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF BANCROFT AVENUE 73 FEET 6-½ INCHES TO THE POINT OF COMMENCEMENT.

BEING LOT 1, BLOCK 488, OF THE BAY VIEW HOMESTEAD ASSOCIATION, AS PER MAP THEREOF RECORDED JUNE 19, 1872, IN LIBER "C" AND "D" OF MAPS, PAGE 3, RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.
ASSESSORS PARCEL NO.: LOT 12, BLOCK 4852

PARCEL FOUR:

COMMENCING AT A POINT ON THE NORTHEASTERLY LINE OF BANCROFT AVENUE, DISTANT THEREON 73 FEET 6-½ INCHES SOUTHEASTERLY FROM THE INTERSECTION OF SAID LINE OF BANCROFT AVENUE WITH THE SOUTHEASTERLY LINE OF HAWES STREET (THE SAID POINT OF COMMENCEMENT BEING ALSO THE INTERSECTION OF SAID LINE OF BANCROFT AVENUE WITH THE SOUTHEASTERLY LINE OF LOT 1, IN BLOCK 488 OF THE BAY VIEW HOMESTEAD ASSOCIATION; AS SAID SOUTHEASTERLY LINE OF SAID LOT IS SHOWN ON MAP THEREOF RECORDED JUNE 19, 1872, IN BOOK "C" AND "D" OF MAPS, PAGE 3, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA); RUNNING THENCE SOUTHEASTERLY ALONG SAID LINE OF BANCROFT AVENUE 26 FEET 5-½ INCHES TO A POINT DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE EASTERLY LINE OF HAWES

STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 100 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 46 FEET 10 INCHES TO THE SOUTHEASTERLY LINE OF SAID LOT 1 IN BLOCK 488 OF THE BAY VIEW HOMESTEAD ASSOCIATION, ABOVE REFERRED TO; THENCE RUNNING SOUTH 23° 51' WEST ALONG SAID SOUTHEASTERLY LINE 102 FEET, MORE OR LESS, TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE AND THE POINT OF COMMENCEMENT.

BEING A PORTION OF BLOCK 488, TIDE LANDS.
ASSESSORS PARCEL NO.: LOTS 11 AND 13, BLOCK 4852

PARCELS TWO, THREE AND FOUR ALSO BEING DESCRIBED AS FOLLOWS:

BEING LOT NOS. 13, 14, 15 AND 16, IN BLOCK NO. 488, TIDE LANDS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF HAWES STREET AND THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE NORTHEASTWARDLY ALONG THE SAID SOUTHEASTERLY LINE OF HAWES STREET FOR 200 FEET TO THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE; THENCE SOUTHEASTWARDLY ALONG THE SAID SOUTHWESTERLY LINE OF ARMSTRONG AVENUE FOR 100 FEET TO THE NORTHWESTERLY CORNER OF LOT 17 IN THE SAID BLOCK 488, TIDE LANDS; THENCE SOUTHWESTWARDLY ALONG THE NORTHWESTERLY LINE OF THE SAID LOT 17 FOR 100 FEET TO THE NORTHWESTERLY CORNER OF LOT 12 IN THE SAID BLOCK 488, TIDE LANDS; THENCE SOUTHWESTWARDLY ALONG THE NORTHWESTERLY LINE OF THE SAID LOT 12 FOR 100 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE NORTHWESTWARDLY ALONG THE SAID NORTHEASTERLY LINE OF BANCROFT AVENUE FOR 100 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE:

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE AND THE WESTERLY LINE OF THE LANDS OF THE SOUTHERN PACIFIC AND WESTERN PACIFIC RAILROAD COMPANIES, AS FIXED AND DESIGNATED BY THE BOARD OF TIDE LAND COMMISSIONERS OF THE STATE OF CALIFORNIA AND AS RESERVED PURSUANT TO CHAPTER 543 STATUTES OF 1868, AND AS SHOWN ON SHEET 13 OF THE MAP ENTITLED "HISTORIC SAN FRANCISCO MAPS" RECORDED JANUARY 31, 1975 IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA IN BOOK "W" OF MAPS, PAGES 40 THROUGH 54, INCLUSIVE, DISTANT THEREON 219 FEET 9-½ INCHES NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF ARMSTRONG AVENUE, 180 FEET 2-½ INCHES TO A POINT DISTANT THEREON 200 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, ALONG SAID LINE OF BANCROFT AVENUE 339 FEET 3-½ INCHES TO A POINT DISTANT THEREON 60 FEET 8-½ INCHES NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET, SAID POINT ALSO BEING LOCATED ON THE AFORESAID WESTERLY LINE OF THE LANDS OF THE SOUTHERN PACIFIC AND WESTERN PACIFIC RAILROAD COMPANIES; THENCE NORTHERLY TO THE POINT OF COMMENCEMENT.

BEING ALL OF LOT NOS. 6, 7, 8, 9, 10, 19, 20 AND 21, AND PORTIONS OF LOT NOS. 4, 5, 22, 23 AND 24, ALL IN BLOCK 488 SALT MARSH AND TIDE LANDS.

ASSESSORS PARCEL NO.: LOTS 2 THROUGH 8, AND LOTS 18 THROUGH 22, BLOCK 4852

PARCEL SIX:

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF ARMSTRONG AVENUE, DISTANT THEREON 100 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE SOUTHEASTERLY ALONG SAID LINE OF ARMSTRONG AVENUE 100 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE, NORTHWESTERLY ALONG SAID LINE OF BANCROFT AVENUE 100 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 200 FEET TO THE

POINT OF BEGINNING.

BEING LOT NOS. 11, 12, 17 AND 18, IN BLOCK NO. 488, TIDE LANDS.
ASSESSORS PARCEL NO.: LOTS 9, 10, 16 AND 17, BLOCK 4852

PARCEL ONE:

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF CARROLL AVENUE AND THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHEASTERLY AND ALONG SAID LINE OF GRIFFITH STREET 200 FEET TO THE SOUTHWESTERLY LINE OF BANCROFT AVENUE; THENCE AT A RIGHT ANGLE NORTHWESTERLY AND ALONG SAID LINE OF BANCROFT AVENUE 200 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF CARROLL AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY AND ALONG SAID LINE OF CARROLL AVENUE 200 FEET TO THE POINT OF COMMENCEMENT.

BEING THE SOUTHEASTERLY 200 FEET OF BLOCK NO. 491, TIDE LANDS AND PART OF BLOCK NO. 491, BAY VIEW HOMESTEAD ASSOCIATION.

PARCEL TWO:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHWESTERLY LINE OF BANCROFT AVENUE AND THE SOUTHEASTERLY LINE OF HAWES STREET; RUNNING THENCE SOUTHEASTERLY AND ALONG SAID LINE OF BANCROFT AVENUE 400 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET TO THE NORTHEASTERLY LINE OF CARROLL AVENUE; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE OF CARROLL AVENUE 400 FEET TO THE SOUTHEASTERLY LINE OF HAWES STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF HAWES STREET 200 FEET TO THE POINT OF BEGINNING.

BEING PART OF BLOCK 491, BAY VIEW HOMESTEAD.

APN: LOTS 1 AND 2, BLOCK 4877 (PARCEL ONE); LOTS 3 AND 4, BLOCK 4877 (PARCEL TWO)

EXHIBIT A-1
MAP OF PROPERTY

[Attached]

ARMSTRONG AVENUE

ADJ
PROPERTY

BLOCK 4851 / LOT 17
75,000 S.F.

BLOCK 4852 / LOT 2 - 22
92,700 S.F.

BLOCK 4851 / LOT 24 & 25
120,500 S.F.

BLOCK 4877 / LOT 1 - 4
120,000 S.F.

HAWES STREET

BANCROFT AVENUE

CARROLL AVENUE

Aerial Map



Tabulation

SITE AREA

In s.f.	409,200 s.f
In acres	9.37 ac

ZONING ORDINANCE FOR CITY

Zoning Designation - PDR-2 ; Production,
Distribution & Repair

MAXIMUM BUILDING HEIGHT ALLOWED

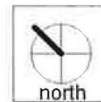
Height - 40'

MAXIMUM FLOOR AREA RATIO (FAR)

FAR - 3.0 TO 1

SETBACKS

Front / Side / Rear - not required



CONCEPTUAL SITE PLAN

Carroll Avenue

San Francisco, CA

EXHIBIT B
PURCHASE AGREEMENT

[Attached]

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

PROLOGIS, L.P.,
as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,
as Buyer

For the purchase and sale of

Assessor Parcel No. Block 4877, Lots 1-4 and Block 4852, Lots 2-22
San Francisco, California

_____, 202_

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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)

ASSEMBLY BILL

No. 2607

Introduced by Assembly Member Ting

February 18, 2022

An act relating to tidelands and submerged lands, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2607, as introduced, Ting. Tidelands and submerged lands: City and County of San Francisco: Port of San Francisco.

Existing law, the Burton Act, grants to the City and County of San Francisco the right, title, and interest of the State of California in and to certain tidelands and submerged lands in trust for certain purposes. Under existing law, the Burton Act and the Burton Act transfer agreement, the interest of the state in and to the Harbor of San Francisco was transferred in trust to the City and County of San Francisco. The State Lands Commission has jurisdiction over tidelands and submerged lands of the state.

This bill would, subject to specified findings made by the commission at a public meeting, require the commission to accept any and all title and interest of the Port of San Francisco, as trustee pursuant to the Burton Act, in specified property, and thereafter would require the commission to convey the property by patent to the city, free of the public trust and the Burton Act Trust and any trust requirement or condition that the property be used for street or railway purposes, all of the right, title, and interest held by the State of California by virtue of its sovereignty in the property, except as provided. The bill would also make various legislative findings and declarations relating to the transfer of the property.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City and County of San Francisco.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. As used in this act:

2 (a) “Burton Act” means Chapter 1333 of the Statutes of 1968,
3 as amended.

4 (b) “Burton Act Trust” means the statutory trust imposed by
5 the Burton Act, by which the state conveyed to the City and County
6 of San Francisco, in trust and subject to certain terms, conditions,
7 and reservations, the state’s interest in certain tidelands, including
8 filled lands, and lands dedicated or acquired by the city as assets
9 of the trust.

10 (c) “City” means the City and County of San Francisco.

11 (d) “Harbor Fund” means the separate fund in the treasury of
12 the city established and maintained in accordance with Section
13 B6.406 of the charter of the city and Section 4 of the Burton Act.

14 (e) “Property” means the real property described in Section 3
15 of this act.

16 (f) “Public trust” or “trust” means the common law public trust
17 for commerce, navigation, and fisheries.

18 SEC. 2. (a) The Legislature finds and declares all of the
19 following:

20 (1) Upon its admission to the United States of America on
21 September 9, 1850, the state, by virtue of its sovereignty, received
22 in trust for the purposes of commerce, navigation, and fisheries,
23 all right, title, and interest in ungranted tidelands and beds of
24 navigable waterways within its borders, including the property.

25 (2) Pursuant to Chapter 543 of the Statutes of 1868, the state’s
26 Board of Tide Land Commissioners platted tide and submerged
27 lands in San Francisco Bay into lots and blocks for sale. Chapter
28 543 required the state to reserve streets bordering the lots for public
29 purposes and subject to the public trust. Some of these streets are
30 today city streets used by the public; others were never developed
31 into streets but remain “paper streets” on maps. The property

1 includes portions of Bancroft Avenue and Griffith Street that are
2 paper streets.

3 (3) Chapter 543 also donated a 200-foot-wide right-of-way to
4 the Southern Pacific Railroad Company and the Western Pacific
5 Railroad Company. The right-of-way was not used for railroad
6 purposes and reverted to state ownership, subject to the public
7 trust, pursuant to Chapter 543. The property includes a portion of
8 the right-of-way.

9 (4) In 1969, pursuant to the Burton Act and the Burton Act
10 transfer agreement, the state conveyed certain state tidelands to
11 the city in trust for public trust and Burton Act Trust purposes.
12 The Burton Act Trust requires that the moneys derived from the
13 use of the transferred properties be used solely for the furtherance
14 of the purposes set forth in the Burton Act. The lands transferred
15 by the Burton Act transfer agreement include the property.

16 (5) The city desires to pay fair market value to acquire the
17 property free from the Burton Act Trust and public trust restrictions
18 and obligations and to acquire additional privately-owned lands
19 located adjacent to the property to assemble an approximately
20 seven-acre site on which to construct and operate a fire training
21 facility that will provide necessary training facilities for effective
22 firefighting, including live-fire, rescue, classroom, and equipment
23 training for firefighters, emergency responders, partner fire
24 agencies, and citizen groups.

25 (6) The primary fire training facility of the San Francisco Fire
26 Department (“SFFD”) is located on Treasure Island, with an
27 ancillary training tower located at 19th and Folsom Streets. A new
28 fire training facility is necessary to replace the existing facility on
29 Treasure Island, which will be demolished in 2025 due to
30 development of the island. SFFD needs approximately 7.5 acres
31 of land upon which to build the new training facility.

32 (7) SFFD educates and trains new fire fighters, emergency
33 medical technicians, and paramedics, and provides refresher
34 training and recertification to veteran fire fighters, emergency
35 medical technicians, and paramedics. Approximately 1,700
36 firefighters use the fire training facilities each year, depending on
37 their qualifications and the requirements for their position. At a
38 minimum, each SFFD firefighter has about 200 hours of training
39 per year.

(8) In addition to training SFFD personnel, the new fire training facility will function as a regional training center for Northern California's Fire, Emergency Medical Services, Incident Command & Rescue training needs. The current facility is one of only four sites in northern California approved to host Firefighter 1 Academy, Emergency Vehicle Operations, Confined Space Rescue Technician, Rescue Systems 1, Rescue Systems 2, and Rope Rescue Technician courses. The new facility is anticipated to have the same and better training and certification functions. The new fire training facility will provide regional and statewide benefits by improving the readiness and capabilities of the SFFD as well as other local and regional fire organizations to provide mutual aid in an environment of lengthening fire seasons with increased numbers and severity of fires that regularly require mutual aid.

(9) The property consists of approximately 2.6 acres of underutilized land that is cut off from access to the San Francisco Bay, and is composed of two streets, known as paper streets, and a trapezoidal, railroad remainder parcel under Port of San Francisco jurisdiction pursuant to the Burton Act. The city negotiated the purchase and sale of 4.9 acres of land adjacent to the property with a private landowner, which the city plans to acquire in order to assemble a site suitable for the new training facility.

(10) The voters of the city have approved general obligation bonding authority in 2010, 2014, and 2020 to construct capital improvements for earthquake safety and emergency response within the city, and the city intends to use a portion of those funds to construct the new training facility.

(11) The property has ceased to be useful for the promotion of the public trust and the Burton Act Trust. The property was filled and reclaimed as part of a highly beneficial plan of harbor development, has ceased to be tidelands, is cut off from the water, constitutes a relatively small portion of the tidelands granted to the city, is not currently being used, and is not anticipated in the foreseeable future to be used, for public trust or Burton Act Trust purposes. It is the intent of the Legislature that, conditioned on the approval by the State Lands Commission and the additional provisions of this Act, the property be freed of the use requirements of the public trust, the Burton Act Trust, and the Burton Act transfer agreement.

(b) The Legislature hereby finds in accordance with Section 3 of Article X of the California Constitution that the interest of the state in the paper street portion of the property was reserved to the state solely for street purposes, and that the paper street portion of the property, described in subdivisions (b) and (c) of Section 3 of this act, is no longer used or necessary for navigation purposes.

SEC. 3. Subject to the findings and terms described in Section 4 of this act, the State Lands Commission shall accept any and all title and interest of the Port of San Francisco, as trustee pursuant to the Burton Act, in the property, and thereafter shall convey the property by patent to the city, free of the public trust and the Burton Act Trust and any trust requirement or condition that the property be used for street or railway purposes, all of the right, title, and interest held by the State of California by virtue of its sovereignty in the property, but reserving all minerals and all mineral rights in the lands of every kind and character now known to exist or hereafter discovered, including, but not limited to, oil and gas and rights thereto, together with the sole, exclusive, and perpetual right to explore for, remove, and dispose of those minerals by any means or methods suitable to the state or to its successors and assignees, except that, notwithstanding the grant or Section 6401 of the Public Resources Code, any reservation shall not include the right of the state or its successors or assignees in connection with any mineral exploration, removal, or disposal activity, to enter upon, use, or damage the surface of the lands or interfere with the use of the surface by the city or by the city's successors or assigns or conduct mining activities of any nature whatsoever above a plane located 500 feet below the surface of the lands without the prior written permission of the city or the city's successors or assigns, situated in the City of San Francisco, County of San Francisco, State of California, described as follows:

(a) The Railway Remnant Parcel: All that portion of Block No. 488 of the Salt Marsh and Tide Lands that lie within the bounds of the right of way for the Southern Pacific and Western Pacific Railroad Companies, as fixed and designated by the Board of Tide Land Commissioners of the State of California and as reserved pursuant to Chapter 543 of the Statutes of 1868, and as shown on Sheet 13 of the map titled "Historic San Francisco Maps" recorded January 31, 1975, in the Office of the Recorder of San Francisco,

1 State of California in Book W of Maps, Pages 40 to 54, inclusive.
2 Assessors Parcel Number: Lot 1, Block 4852.

3 (b) Bancroft Avenue Paper Street: All that portion of Bancroft
4 Avenue, lying between the southeasterly line of Hawes Street and
5 the northwesterly line of Griffith Street and lying easterly of the
6 ordinary high tide line as shown on “Map of Lands Transferred in
7 Trust to the City and County of San Francisco,” recorded on May
8 14, 1976, in Book W of Record of Surveys, pages 66 to 72,
9 inclusive, San Francisco County Records.

10 (c) Griffith Avenue Paper Street: All that portion of Griffith
11 Avenue, lying southwesterly of the southwesterly line of Armstrong
12 Avenue and northeasterly of the northeasterly line of Carroll
13 Avenue and lying northerly of the ordinary high tide line as shown
14 on “Map of Land Transferred in Trust to the City and County of
15 San Francisco,” recorded on May 14, 1976, in Book W of Record
16 of Surveys, at pages 66 to 72, inclusive, San Francisco County
17 Records.

18 SEC. 4. (a) Before completing the conveyances described in
19 Section 3 of this act, the State Lands Commission shall find at a
20 public meeting all of the following:

21 (1) The property has been filled and reclaimed as part of a highly
22 beneficial plan of harbor development.

23 (2) The property is cut off from access to the waters of San
24 Francisco Bay.

25 (3) The property is a relatively small portion of the tidelands
26 granted pursuant to the Burton Act.

27 (4) The property is not used, suitable, or required for navigation
28 or any other public trust or Burton Act purpose.

29 (5) The city’s deposit pursuant to paragraph (1) of subdivision
30 (b) is equal to or greater than the fair market value of the property.

31 (6) Transfer of the property and its removal from the public
32 trust is in the best interests of the state.

33 (b) In exchange for the transfer of the property and its removal
34 from the public trust, the city shall do both of the following:

35 (1) Make a deposit into the Harbor Fund, which shall be held
36 in trust and used for Burton Act purposes.

37 (2) Use the property, together with adjacent lands, to construct
38 and operate a fire training facility, public facility addressing
39 earthquake safety or emergency response, or other public purpose
40 for a minimum of 30 years.

1 SEC. 5. The Legislature finds and declares that unique
2 circumstances exist at the San Francisco waterfront and that
3 therefore this act sets no precedent for any other location or project
4 in the state.

5 SEC. 6. The Legislature finds and declares that a special statute
6 is necessary and that a general statute cannot be made applicable
7 within the meaning of Section 16 of Article IV of the California
8 Constitution because of the unique circumstances applicable only
9 to the lands described in this act.

10 SEC. 7. This act is an urgency statute necessary for the
11 immediate preservation of the public peace, health, or safety within
12 the meaning of Article IV of the California Constitution and shall
13 go into immediate effect. The facts constituting the necessity are:

14 The City and County of San Francisco requires a site to construct
15 and operate a fire training facility to replace an existing facility
16 that will no longer be available in 2025. Planning and site
17 acquisition must proceed before that time to meet development
18 timelines. In order to immediately authorize the terms and
19 conditions under which a railroad remnant parcel and two adjacent
20 paper streets may be made available to the city and conveyed under
21 Section 3 of Article X of the California Constitution, so that the
22 city may proceed with its plans for the fire training facility, it is
23 necessary that this act take effect immediately.



GENERAL PLAN REFERRAL

March 22, 2022

Case No.: 2021-004847GPR
Block/Lot No.: 4852/001-022 and 877/001-004– 1236 Carroll Street, San Francisco, CA
Project Sponsor: City and County of San Francisco – Real Estate Division
Applicant: Andrico Q. Penick – (415) 554-9850
andrico.penick@sfgov.org
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Staff Contact: Ilaria Salvadori – (628) 652-7441
ilaria.salvadori@sfgov.org

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

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

Project Description

The City proposes to acquire the property at 1236 Carroll Avenue and construct a new fire-training facility that would be on two city blocks bounded by Carroll Avenue, Hawes Street, Armstrong Avenue, and Griffith Street. Bancroft Avenue, which bisects the project site between and parallel to Hawes and Griffith streets, would be vacated, and the parcels would be merged to form a contiguous site of 317,300 square feet (7.28 acres). Following acquisition of the property, the project sponsor would develop detailed plans for the project site and would seek project approvals for the proposed fire-training facility.

The proposed fire-training facility would provide necessary training facilities for effective firefighting, including live-fire training, classroom training, equipment training, and emergency medical services training; and consolidate and replace the fire department training facilities that are currently at 19th and Folsom streets and on Treasure Island.

The proposed fire-training facility would include the following **structures**:

- a three-story (50-foot-tall), approximately 70,000-square-foot fire-training and administration building for

classroom instruction and administrative functions;

- a one-story (50-foot-tall), approximately 27,000-square-foot apparatus building for apparatus training and storage and;
- a one-story (40-foot-tall), approximately 19,200-square-foot shop/maintenance building that would house metal and wood shops for building and maintaining training props.

The fire-training facility would also include the following **prop buildings**:

- A seven-story (110-foot-tall) training tower;
- A four-story (60-foot-tall) condo-apartment-style building; and
- Several structures and equipment up to 40 feet tall, including a Victorian house, a commercial prop burn room, a container burn room, a mock BART station, a vehicle fire prop, an apparatus training “hill” and other simulation props.

These General Plan findings address the site acquisition and street vacation aspects of this project. It is understood that later actions, such as rezoning to enable some of the proposed heights, will be required and subject to their own General Plan analysis.

Environmental Review

This project was recently subject to environmental review resulting in a Final Mitigated Negative Declaration - Case No. 2021-004847ENV.

General Plan Compliance and Basis for Recommendation

As described below, the proposed 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.

COMMUNITY SAFETY ELEMENT

OBJECTIVE 2

BE PREPARED FOR THE ONSET OF DISASTER BY PROVIDING PUBLIC EDUCATION AND TRAINING ABOUT EARTHQUAKES AND OTHER NATURAL AND MAN-MADE DISASTERS, BY READYING THE CITY'S INFRASTRUCTURE, AND BY ENSURING THE NECESSARY COORDINATION IS IN PLACE FOR A READY RESPONSE.

Policy 2.7

Continue to expand the City's fire department prevention and firefighting capability with sufficient personnel and training.

The Project involves upgrading existing and building new structures for staff training to address emergencies and environmental crisis and hazards. The project will increase the Fire Department capability to respond more quickly and effectively to a fire, earthquake, or other disaster.

OBJECTIVE 3

ESTABLISH STRATEGIES TO ADDRESS THE IMMEDIATE EFFECTS OF A DISASTER.

Policy 3.1

After an emergency, follow the mandates of the Emergency Response Plan and Citywide Earthquake Response Plan.

The proposed project promotes the update and maintenance of emergency procedures through staff training programs.

Policy 3.11

Ensure historic resources are protected in the aftermath of a disaster.

The proposed project promotes the protection of historic resources through public safety procedures.

COMMUNITY FACILITIES ELEMENT

OBJECTIVE 5

DEVELOPMENT OF A SYSTEM OF FIREHOUSES WHICH WILL MEET THE OPERATING REQUIREMENTS OF THE FIRE DEPARTMENT IN PROVIDING FIRE PROTECTION SERVICES AND WHICH WILL BE IN HARMONY WITH RELATED PUBLIC SERVICE FACILITIES AND WITH ALL OTHER FEATURES AND FACILITIES OF LAND DEVELOPMENT AND TRANSPORTATION PROVIDED FOR OTHER SECTIONS OF THE GENERAL PLAN.

The proposed project will update and modernize current Fire Department operations by providing necessary and upgraded training facilities for effective firefighting, including live-fire training, classroom training, equipment training, and emergency medical services training.

URBAN DESIGN ELEMENT

Policy 2.8

Maintain a strong presumption against the giving up of street areas for private ownership or use, or for construction of public buildings.

Policy 2.9

Review proposals for the giving up of street areas in terms of all the public values that streets afford.

While the proposal does include vacating a section of Bancroft Avenue that would result in the construction of a public facility, this segment of Bancroft is not improved, and is not a coherent part of a larger street or public realm network. The Urban Design Element states that street area should not be vacated if any of the public purposes described therein would be significantly violated. The criteria generally describe situations where public values of access, public use (i.e., streets as open space), or public functions (i.e. utility and fire access) would be compromised; or where value would be conveyed to private development without commensurate public benefit.

Here, the subject segment of Bancroft is unimproved and not well connected to the surrounding street network and does not provide through access to either vehicles or pedestrians. The only adjacent parcels that might rely on this segment of Bancroft in the future if it were to be fully improved would be those that are a part of the proposed fire training facility.

The Urban Design Element also provides criteria where such street vacation could be supported. These criteria address situations where the vacation is part of a larger assembly of lots that would improve the overall block pattern of the site; where such vacation is necessary for a significant public use that is a better use of the land than typical street uses; and would meet other objectives and policies of the General Plan. Here, the proposed fire-training facility is a high-priority for the City of San Francisco in its ongoing effort to improve public safety in the event of fires, earthquakes, and other disasters. The loss of this unimproved portion of Bancroft will enable the City to build a modern fire-training facility in a built context that is appropriate for such a facility. The loss of this segment of Bancroft will not adversely affect the street network and public access to it.

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 have no adverse effect on neighborhood-serving retail uses or opportunities for resident employment in or ownership of such 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 have no adverse effect on the City's housing stock or on neighborhood character.

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

The Project would have no adverse effect on the City's supply of affordable housing.

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

The Project would not result in commuter traffic impeding MUNI's transit service, overburdening the streets or altering current neighborhood parking.

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 negatively affect industrial and service sectors.

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

The Project would increase the City's ability to protect against injury and loss of life in an earthquake. The Project will construct a new fire-training facility to train fire fighters who are emergency responders in the event of emergencies. The Project would not only make the subject fire-training facility a better-equipped place in the event of an earthquake; it would also enhance those facilities' emergency responses, reducing the potential injuries that would likely be caused by earthquakes or fires in the Bay region.

7. That the landmarks and historic buildings be preserved;

This project will be constructed on vacant, underutilized land and no landmark or historic buildings will be affected.

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

This project will be constructed on vacant, underutilized land. Due to the topography, the project sits approximately 20 feet below the adjacent neighborhood development, thus vertical development of the project will not affect sunlight or vistas for any City-owned park or neighborhood.

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

AGREEMENT TO IMPLEMENT MITIGATION MONITORING AND REPORTING PROGRAM

<i>Record No.:</i>	2021-004847ENV	<i>Block/Lot:</i>	4852/001-022 and 4877/001-004
<i>Project Title:</i>	San Francisco Fire Department Fire Training Facility	<i>Lot Size:</i>	317,300 square feet
<i>Zoning:</i>	P (Public) Use District; PDR-2 (Core Production, Distribution, and Repair) Use District 40-X Height and Bulk District	<i>Project Sponsor:</i>	Magdalena Ryor, San Francisco Public Works, on behalf of the San Francisco Fire Department
		<i>Lead Agency:</i>	San Francisco Planning Department
		<i>Staff Contact:</i>	Jeanie Poling – 628.652.7559

The table below indicates when compliance with each mitigation measure must occur. Some mitigation measures span multiple phases. Substantive descriptions of each mitigation measure's requirements are provided on the following pages in the Mitigation Monitoring and Reporting Program.

Adopted Mitigation Measure	Period of Compliance			Compliance with Mitigation Measure Completed?
	Prior to the Start of Construction*	During Construction**	Post-construction or Operational	
Mitigation Measure M-CR-2: Archeological Testing Program	X	X	X	
Mitigation Measure M-TCR-1: Tribal Cultural Resources Archeological Resource Program		X	X	
Mitigation Measure M-NO-1: Construction Noise Control	X	X		
Mitigation Measure M-NO-2: Protection of Utility Structures & Vibration Monitoring During Construction	X	X		
Mitigation Measure M-AQ-4: Exhaust Capture Control Systems for Live-Fire Training Operations	X	X	X	
Mitigation Measure M-BI-2a: Nesting Bird Protection	X	X		
Mitigation Measure M-BI-2b: Wildlife Exclusion	X	X		

NOTES:

* Prior to any ground disturbing activities at the project site.

** Construction is broadly defined to include any physical activities associated with construction of a development project including, but not limited to: site preparation, clearing, demolition, excavation, shoring, foundation installation, and building construction.

Adopted Improvement Measure	Period of Compliance			Compliance with Improvement Measure Completed
	Prior to the Start of Construction*	During Construction**	Post-construction or Operational	
Improvement Measure I-TCR-1: Local Native American Land Acknowledgment Program	X	X	X	

MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measure	Monitoring and Reporting Program ^a			
	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Actions/ Completion Criteria
MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR				
CULTURAL RESOURCES				
<p>Mitigation Measure M-CR-2: Archeological Testing Program</p> <p>Based on a reasonable potential that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effects from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of an archeological consultant from the rotational qualified archeological consultants list (QACL) maintained by the planning department. After the first project approval action or as directed by the Environmental Review Officer (ERO), the project sponsor shall contact the department archeologist to obtain the names and contact information for the next three archeological consultants on the QACL.</p> <p>The archeological consultant shall undertake an archeological testing program as specified herein. In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant's work shall be conducted in accordance with this measure at the direction of the Environmental Review Officer (ERO). All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).</p>	Project sponsor's qualified archeological consultant and construction contractor	Prior to issuance of construction permits and throughout the construction period	Environmental Review Officer (ERO)	Considered complete after Archeological Resources Report is approved.

Adopted Mitigation Measure	Monitoring and Reporting Program ^a			
	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Actions/Completion Criteria
<p>Archeological Testing Program. The purpose of the archeological testing program will be to determine to the extent possible the presence or absence of archeological resources and to identify and to evaluate whether any archeological resource encountered on the site constitutes an historical resource under CEQA.</p> <p>The archeological testing program shall be conducted in accordance with the approved Archeological Testing Plan (ATP). The archeological consultant and the ERO shall consult on the scope of the ATP, which shall be approved by the ERO prior to any project-related soil-disturbing activities commencing. The ATP shall be submitted first and directly to the ERO for review and comment and shall be considered a draft subject to revision until final approval by the ERO. The archeologist shall implement the testing as specified in the approved ATP prior to and/or during construction.</p> <p>The ATP shall identify the property types of the expected archeological resource(s) that potentially could be adversely affected by the proposed project, lay out what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. The ATP shall also identify the testing method to be used, the depth or horizontal extent of testing, and the locations recommended for testing and shall identify archeological monitoring requirements for construction soil disturbance as warranted.</p> <p>A local Native American representative shall be present throughout the portion of the archeological investigation program that focuses on testing for prehistoric resources, which includes inspection of geoarcheological cores. The local Native American representative at their discretion shall provide a training on Native American cultural sensitivity to all project contractors.</p> <p>Paleoenvironmental analysis of paleosols. When a submerged paleosol is identified during the testing program, irrespective of whether cultural material is present, samples shall be extracted and processed for dating, flotation for paleobotanical analysis, and other applicable special analyses pertinent to identification of possible cultural soils and for environmental reconstruction.</p>	<p>Project sponsor's qualified archeological consultant and construction contractor</p>	<p>Prior to issuance of construction permits and throughout the construction period</p>	<p>Planning Department</p>	<p>Considered complete after approval of Archeological Testing Plan.</p>
	<p>The archeological consultant, project sponsor, and project contractor at the direction of the ERO.</p>	<p>Monitoring of soil-disturbing activities</p>	<p>The archeological consultant to conduct the analysis</p>	<p>Considered complete upon incorporation of analysis data into results report</p>

Adopted Mitigation Measure	Monitoring and Reporting Program ^a			
	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Actions/ Completion Criteria
<p>Discovery Treatment Determination. At the completion of the archeological testing program, the archeological consultant shall submit a written summary of the findings to the ERO. The findings memo shall describe and identify each resource and provide an initial assessment of the integrity and significance of encountered archeological deposits.</p> <p>If the ERO in consultation with the archeological consultant determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, the ERO, in consultation with the project sponsor, shall determine whether preservation of the resource in place is feasible. If so, the proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource and the archeological consultant shall prepare an archeological resource preservation plan (ARPP), which shall be implemented by the project sponsor during construction. The consultant shall submit a draft ARPP to the planning department for review and approval.</p> <p>If preservation in place is not feasible, a data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible. The ERO in consultation with the archeological consultant shall also determine if additional treatment is warranted, which may include additional testing and/or construction monitoring.</p>	The archeological consultant, project sponsor and project contractor at the direction of the ERO	At the completion of archeological testing and/ or discovery of a potentially significant archeological resource	Planning Department / project sponsor	<p>If preservation in place is feasible, complete when approved ARPP is implemented.</p> <p>If preservation in place is not feasible, complete when treatment is determined and implemented.</p>
<p>Consultation with Descendant Communities. On discovery of an archeological site associated with descendant Native Americans, the Overseas Chinese, or other potentially interested descendant group an appropriate representative of the descendant group shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archeological field investigations of the site and to offer recommendations to the ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. The representative shall be appropriately compensated by the project sponsor. A copy of the Archeological Resources Report (ARR) shall be provided to the representative of the descendant group.</p>	The Archeological consultant, project sponsor, and project contractor at the direction of the ERO	During testing and, if applicable, during monitoring of soil-disturbing activities	Consultation with ERO on identified descendant group	Descendant group provides recommendations and is given a copy of the ARR.

Adopted Mitigation Measure	Monitoring and Reporting Program ^a			
	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Actions/Completion Criteria
<p>Archeological Data Recovery Program. An archeological data recovery program shall be conducted in accordance with an Archeological Data Recovery Plan (ADRP) if all three of the following apply: 1) a resource has potential to be significant, 2) preservation in place is not feasible, and 3) the ERO determines that an archeological data recovery program is warranted. The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.</p> <p>The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> • <i>Field Methods and Procedures.</i> Descriptions of proposed field strategies, procedures, and operations. • <i>Cataloguing and Laboratory Analysis.</i> Description of selected cataloguing system and artifact analysis procedures. • <i>Discard and Deaccession Policy.</i> Description of and rationale for field and post-field discard and deaccession policies. • <i>Security Measures.</i> Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities. • <i>Final Report.</i> Description of proposed report format and distribution of results. <p><i>Curation.</i> Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.</p>	Project sponsor's qualified archeological consultant and construction contractor	In the event that an archeological site is uncovered during the construction period	Planning Department / project sponsor	Considered complete approval of Archeological Results Report
	Project sponsor's qualified archeological consultant and construction contractor	In the event that an archeological site is uncovered during the construction period	Planning Department / project sponsor	Considered complete approval of Archeological Results Report

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<p><i>Human Remains and Funerary Objects.</i> The treatment of human remains and funerary objects discovered during any soil-disturbing activity shall comply with applicable State and federal laws. This shall include immediate notification of the Medical Examiner of the City and County of San Francisco. The ERO also shall be notified immediately upon the discovery of human remains. In the event of the Medical Examiner's determination that the human remains are Native American remains, the Medical Examiner shall notify the California State Native American Heritage Commission, which will appoint a Most Likely Descendant (MLD). The MLD will complete his or her inspection of the remains and make recommendations or preferences for treatment within 48 hours of being granted access to the site (Public Resources Code section 5097.98(a)).</p> <p>The project sponsor and ERO shall make all reasonable efforts to develop a Burial Agreement ("Agreement") with the MLD, as expeditiously as possible, for the treatment and disposition, with appropriate dignity, of human remains and associated or unassociated funerary objects (as detailed in CEQA Guidelines section 15064.5(d)). The Agreement shall take into consideration the appropriate excavation, removal, recordation, scientific analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. If the MLD agrees to scientific analyses of the remains and/or associated or unassociated funerary objects, the archeological consultant shall retain possession of the remains and associated or unassociated funerary objects until completion of any such analyses, after which the remains and associated or unassociated funerary objects shall be reinterred or curated as specified in the Agreement.</p> <p>If human remains cannot be permanently preserved in place, the landowner shall consult with the project archeologist, project sponsor, ERO, and the MLD on feasible recovery and treatment alternatives. The landowner shall then make all reasonable efforts to develop a Burial Agreement ("Agreement") with the MLD, as expeditiously as possible, for the treatment and disposition, with appropriate dignity, of human remains and associated or unassociated funerary objects (as detailed in CEQA Guidelines section 15064.5(d)). Per PRC 5097.98 (c)(1), the Agreement shall address, as applicable and to the degree consistent with the wishes of the MLD, the appropriate excavation, removal, recordation, scientific analysis, custodianship prior to reinternment or curation, and final disposition of the human remains and associated or unassociated funerary objects.</p>	Project sponsor/ archeological consultant in consultation with the City, San Francisco Medical Examiner, California State Native American Heritage Commission, and most likely descendant	Discovery of human remains	Notification of County/City Coroner and, as warranted, notification of NAHC.	Considered complete on finding by ERO that all State laws regarding human remains/burial objects have been adhered to, consultation with MLD is completed as warranted, that sufficient opportunity has been provided to the archeological consultant for any scientific/historical analysis of remains/funerary objects specified in the Agreement, and the agreed-upon disposition of the remains has occurred

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<p>Both parties are expected to make a concerted and good faith effort to arrive at an Agreement, consistent with the provisions of PRC 5097.98. However, if the landowner and the MLD are unable to reach an Agreement, the landowner, ERO, and project sponsor shall ensure that the remains and/or mortuary materials are stored securely and respectfully until they can be reinterred on the property, with appropriate dignity, in a location not subject to further or future subsurface disturbance, consistent with state law.</p> <p>Treatment of historic-period human remains and of associated or unassociated funerary objects discovered during any soil-disturbing activity, additionally, shall follow protocols laid out in the project's Archeological treatment documents, and in any related agreement established between the project sponsor, Medical Examiner and the ERO.</p> <p>Archeological Public Interpretation Plan. The project archeological consultant shall submit an Archeological Public Interpretation Plan (APIP) if a significant archeological resource is discovered during a project. If the resource to be interpreted is a tribal cultural resource, the APIP shall be prepared in consultation with and developed with the participation of local Native American representatives. The APIP shall describe the interpretive product(s), locations or distribution of interpretive materials or displays, the proposed content and materials, the producers or artists of the displays or installation, and a long-term maintenance program. The APIP shall be sent to the ERO for review and approval. The APIP shall be implemented prior to occupancy of the project.</p>	Archeological consultant at the direction of the ERO will prepare APIP. Measure laid out in APIP are implemented by sponsor and consultant.	Following completion of cataloguing, analysis, and interpretation of recovered archeological data.	Archeological consultant submits draft APIP to ERO for review and approval.	APIP is complete on review and approval of ERO. Interpretive program is complete on certification to ERO that program has been implemented.
<p>Archeological Resources Report. Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the testing program to the ERO. The archeological consultant shall submit a draft Archeological Resources Report (ARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological, historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken, and if applicable, discusses curation arrangements. Formal site recordation forms (CA DPR 523 series) shall be attached to the ARR as an appendix.</p>	Archeological consultant at the direction of the ERO	Following completion and approval of ARR by ERO	Planning Department / project sponsor	Complete on certification to ERO that copies of the approved ARR have been distributed

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<p>Once approved by the ERO, copies of the ARR shall be distributed as follows: California Archeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the ARR to the NWIC. The environmental planning division of the planning department shall receive one (1) bound hardcopy of the ARR. Digital files that shall be submitted to the environmental division include an unlocked, searchable PDF version of the ARR, GIS shapefiles of the site and feature locations, any formal site recordation forms (CA DPR 523 series), and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. The PDF ARR, GIS files, recordation forms, and/or nomination documentation should be submitted via USB or other stable storage device. If a descendant group was consulted during archeological treatment, a PDF of the ARR shall be provided to the representative of the descendant group.</p> <p><i>Curation.</i> Significant archeological collections and paleoenvironmental samples of future research value shall be permanently curated at an established curatorial facility. The facility shall be selected in consultation with the ERO. Upon submittal of the collection for curation the sponsor or archeologist shall provide a copy of the signed curatorial agreement to the ERO.</p>	Project archeologist prepares collection for curation and project sponsor pays for curation costs	In the event a significant archeological resource is discovered and upon acceptance by the ERO of the ARR	Planning Department / project sponsor	Considered complete upon acceptance of the collection by the curatorial facility

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TRIBAL CULTURAL RESOURCES				
Mitigation Measure M-TCR-1: Tribal Cultural Resources Archeological Resource Program Preservation in Place. In the event of the discovery of an archeological resource of Native American origin, the Environmental Review Officer (ERO), the project sponsor, and the local Native American representative, shall consult to determine whether preservation in place would be feasible and effective. If it is determined that preservation-in-place of the tribal cultural resource would be both feasible and effective, then the archeological consultant shall prepare an archeological resource preservation plan (ARPP) in consultation with the local Native American representative, which shall be implemented by the project sponsor during construction. The consultant shall submit a draft ARPP to Planning for review and approval. Interpretive Program. If the ERO, in consultation with the local Native American representatives and the project sponsor, determines that preservation-in-place of the tribal cultural resources is not a sufficient or feasible option, then archeological data recovery shall be implemented as required by the ERO and in consultation with affiliated Native American tribal representatives. If a tribal cultural resource is discovered, the project sponsor, in consultation and with the participation of local Native American representatives, shall prepare a Tribal Cultural Resources Interpretation Plan (TCRIP) to guide the interpretive program. The TCRIP may be prepared in tandem with the APIP as outlined M-CR-1 above. The TCRIP shall be submitted to ERO for review and approval prior to implementation of the program. The plan shall identify, as appropriate, proposed locations for installations or displays, the proposed content and materials of those displays or installation, the producers or artists of the displays or installation, and a long-term maintenance program. The interpretive program may include artist installations, preferably by local Native American artists, oral histories with local Native Americans, cultural displays, educational panels, or other interpretive elements agreed upon by participants displays. Upon approval of the TCRIP and prior to project occupancy, the interpretive program shall be implemented by the project sponsor. Local Native American representatives who are substantially involved in preparation or implementation of the interpretive program shall be appropriately compensated by the project sponsor.	Project sponsor archeological consultant, and ERO, in consultation with the local Native American representatives	If significant archeological resource is present, during implementation of the project	Planning Department / project sponsor	Considered complete upon completion and approval of ARPP and project redesign.
	Project sponsor in consultation with the local Native American representative	After determination that preservation in place is not feasible, and subsequent to archeological data recovery	Planning Department / project sponsor	Sponsor or archeological consultant shall submit the TCRIP to the ERO for review and approval. Complete upon sponsor verification to ERO that interpretive program was implemented.

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NOISE AND VIBRATION				
<p>Mitigation Measure M-NO-1: Construction Noise Control</p> <p>Prior to issuance of any demolition or building permit, the project sponsor shall submit a project-specific construction noise control plan to the ERO or the ERO's designee for approval. The construction noise control plan shall be prepared by a qualified acoustical engineer, with input from the construction contractor, and include all feasible measures to reduce construction noise. The construction noise control plan shall identify noise control measures to meet a performance target of construction activities not resulting in a noise level greater than 90 dBA at noise-sensitive receptors and 10 dBA above the ambient noise level at noise-sensitive receptors (residences, hospitals, convalescent homes, schools, churches, hotels and motels, and sensitive wildlife habitat). The project sponsor shall ensure that requirements of the construction noise control plan are included in contract specifications. The plan shall also include measures for notifying the public of construction activities, complaint procedures, and a plan for monitoring construction noise levels before and during the beginning of each major phase of construction. The construction noise control plan shall include the following measures to the degree feasible, or other effective measures, to reduce construction noise levels:</p> <ul style="list-style-type: none"> • Use construction equipment that is in good working order, and inspect mufflers for proper functionality; • Select "quiet" construction methods and equipment (e.g., improved mufflers, use of intake silencers, engine enclosures); • Use construction equipment with lower noise emission ratings whenever possible, particularly for air compressors.; • Prohibit the idling of inactive construction equipment for more than 5 minutes; • Locate stationary noise sources (such as compressors) as far from nearby noise-sensitive receptors as possible, muffle such noise sources, and construct barriers around such sources and/or the construction site; • Avoid placing stationary noise-generating equipment (e.g., generators, compressors) within noise-sensitive buffer areas (as determined by the acoustical engineer) immediately adjacent to neighbors; 	Project sponsor, Project sponsor's qualified acoustical consultant and construction contractor	Prior to the issuance of building and construction permits	Planning Department	Considered complete after receipt of noise monitoring reports and completion of construction activities

Adopted Mitigation Measure	Monitoring and Reporting Program ^a			
	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Actions/Completion Criteria
<ul style="list-style-type: none"> Enclose or shield stationary noise sources from neighboring noise-sensitive properties with noise barriers to the extent feasible. To further reduce noise, locate stationary equipment in pit areas or excavated areas, if feasible; and Install temporary barriers, barrier-backed sound curtains, and/or acoustical panels around working powered impact equipment and, if necessary, around the project site perimeter. When temporary barrier units are joined together, the mating surfaces shall be flush with each other. Gaps between barrier units, and between the bottom edge of the barrier panels and the ground, shall be closed with material that completely closes the gaps, and dense enough to attenuate noise. <p>The construction noise control plan shall include the following measures for notifying the public of construction activities, complaint procedures, and monitoring of construction noise levels:</p> <ul style="list-style-type: none"> Designation of an on-site construction noise manager for the project; Notification of neighboring noise sensitive receptors within 300 feet of the project construction area at least 30 days in advance of high-intensity noise-generating activities (e.g., pier drilling, pile driving, and other activities that may generate noise levels greater than 90 dBA at noise sensitive receptors) about the estimated duration of the activity; A sign posted on site describing noise complaint procedures and a complaint hotline number that shall always be answered during construction; A procedure for notifying the planning department of any noise complaints within one week of receiving a complaint; A list of measures for responding to and tracking complaints pertaining to construction noise. Such measures may include the evaluation and implementation of additional noise controls at sensitive receptors; and Conduct noise monitoring (measurements) at the beginning of major construction phases (e.g., demolition, grading, excavation) and during high-intensity construction activities to determine the effectiveness of noise attenuation measures and, if necessary, implement additional noise control measures. 				

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<p>The construction noise control plan shall include the following additional measures during pile-driving activities:</p> <ul style="list-style-type: none"> • When pile driving is to occur within 600 feet of a noise-sensitive receptor, implement “quiet” pile-driving technology (such as pre-drilling of piles, sonic pile drivers, auger cast-in-place, or drilled-displacement, or the use of more than one pile driver to shorten the total pile-driving duration) where feasible, in consideration of geotechnical and structural requirements and conditions; • Where the use of driven impact piles cannot be avoided, properly fit impact pile driving equipment with an intake and exhaust muffler and a sound-attenuating shroud, as specified by the manufacturer; and • Conduct noise monitoring (measurements) before, during, and after the pile driving activity. 				
<p>Mitigation Measure M-NO-2: Protection of Utility Structures and Vibration Monitoring During Construction</p> <p>Prior to issuance of any demolition or building permit, the project sponsor shall submit a project-specific pre-construction survey and vibration management and monitoring plan to the ERO or the ERO’s designee for approval. The plan shall identify all feasible means to avoid damage to the stormwater transport/storage box beneath Bancroft Street. The project sponsor shall ensure that the following requirements of the pre-construction survey and vibration management and monitoring plan are included in contract specifications, as necessary.</p> <p>Pre-construction Survey. Prior to the start of any ground-disturbing activity, the project sponsor shall engage a consultant to undertake a pre-construction survey of potentially affected utility structures. The project sponsor shall submit the survey to the ERO or the officer’s designee for review and approval prior to the start of vibration-generating construction activity.</p>	Project sponsor, construction contractor, civil engineer, collectively referred to as project sponsor team	<p>Prior to the issuance of construction permits, project sponsor team to submit for review and approval a pre-construction survey and vibration management and monitoring plan.</p> <p>Project sponsor team monitor for utility damage during construction and submit damage reports as necessary.</p>	Planning Department	Considered complete upon Planning Department approval of vibration monitoring results report

Adopted Mitigation Measure	Monitoring and Reporting Program ^a			
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<p>Vibration Management and Monitoring Plan. The project sponsor shall undertake a monitoring plan to avoid or reduce proposed project-related construction vibration damage to utility structures and to ensure that any such damage is documented and repaired. Prior to issuance of any demolition or building permit, the project sponsor shall submit the plan to the ERO for review and approval.</p> <p>The vibration management and monitoring plan shall include, at a minimum, the following components, as applicable:</p> <ul style="list-style-type: none"> • <i>Maximum Vibration Level.</i> Based on the anticipated construction and condition of the affected utility structures, a qualified acoustical/vibration consultant in coordination with a civil engineer (or professional with similar qualifications) shall establish a maximum vibration level that shall not be exceeded at the utility structures, based on existing conditions, character-defining features, soil conditions, and anticipated construction practices. • <i>Vibration-generating Equipment.</i> The plan shall identify all vibration-generating equipment to be used during construction (including but not limited to site preparation, clearing, demolition, excavation, shoring, foundation installation, and building construction). • <i>Alternative Construction Equipment and Techniques.</i> The plan shall identify potential alternative equipment and techniques that could be implemented if construction vibration levels are observed in excess of the established standard (e.g., drilled shafts [caissons] could be substituted for driven piles, if feasible, based on soil conditions, or smaller, lighter equipment could be used in some cases). • <i>Pile-Driving Requirements.</i>, The project sponsor shall incorporate into project construction specifications a requirement that the construction contractor(s) use all feasible means to avoid or reduce damage to potentially affected utility structures. Such methods may include one or more of the following: <ul style="list-style-type: none"> – Incorporate “quiet” pile-driving technologies into project construction (such as drilled shafts, using sonic pile drivers, auger cast-in-place, or drilled-displacement), as feasible; and/or – Ensure appropriate excavation shoring methods to prevent the movement of utility structures. 				

Adopted Mitigation Measure	Monitoring and Reporting Program ^a			
	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Actions/Completion Criteria
<ul style="list-style-type: none"> • <i>Buffer Distances.</i> The plan shall identify buffer distances to be maintained based on vibration levels and site constraints between the operation of vibration-generating construction equipment and the potentially affected utility structures to avoid damage to the extent possible. • <i>Vibration Monitoring.</i> The plan shall identify the method and equipment for vibration monitoring to ensure that construction vibration levels do not exceed the established standards identified in the plan. <ul style="list-style-type: none"> – Should construction vibration levels be observed in excess of the standards established in the plan, the contractor(s) shall halt construction and put alternative construction techniques identified in the plan into practice, to the extent feasible. – The qualified civil engineer shall inspect each affected utility structure (as allowed by property owners) in the event the construction activities exceed the vibration levels identified in the plan. – The civil structural engineer shall submit monthly reports to the ERO during vibration-inducing activity periods that identify and summarize any vibration level exceedances and describe the actions taken to reduce vibration. – If vibration has damaged utility structures, the civil engineer shall immediately notify the ERO and prepare a damage report documenting the features of the utility structure that has been damaged. – Following incorporation of the alternative construction techniques and/or planning department review of the damage report, vibration monitoring shall recommence to ensure that vibration levels at each utility structure are not exceeded. 				

Adopted Mitigation Measure	Monitoring and Reporting Program ^a			
	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Actions/Completion Criteria
<ul style="list-style-type: none"> • <i>Periodic Inspections.</i> The plan shall identify the intervals and parties responsible for periodic inspections. The qualified civil engineer shall conduct regular periodic inspections of each affected utility structure (as allowed by property owners) during vibration-generating construction activity on the project site. The plan will specify how often inspections would occur. – <i>Repair Damage.</i> The plan shall also identify provisions to be followed should damage to any utility structure occur due to construction-related vibration. The utility structures shall be remediated to their pre-construction condition (as allowed by property owners) at the conclusion of vibration-generating activity on the site. <p>Vibration Monitoring Results Report. After construction is complete, the project sponsor shall submit to the ERO a final report from the qualified civil engineer. The report shall include, at a minimum, collected monitoring records, structure condition summaries, descriptions of all instances of vibration level exceedance, identification of damage incurred due to vibration, and corrective actions taken to restore damaged utility structures. The ERO shall review and approve the vibration monitoring results report.</p>				
AIR QUALITY				
<p>Mitigation Measure M-AQ-4: Design and Maintenance Standards for Exhaust Capture Control Systems for Live-Fire Training Operations</p> <p>Prior to approval of a building permit permitting construction to occur, the project sponsor shall submit a plan to the Environmental Review Officer (ERO) or the officer's designee demonstrating with reasonable certainty that the proposed live-fire prop structures include properly designed exhaust capture control systems (i.e., scrubber systems and exhaust stack attached in an outer structure) to reduce criteria air pollutants and toxic air contaminants emissions during project operations. The plan shall detail how the following requirements are met:</p> <ul style="list-style-type: none"> • The following live-fire structures shall be equipped with an exhaust capture control system that consists of an outer structure to capture and direct smoke through the prop, remove air pollutants through a scrubber system, then exit to an exhaust stack: <ul style="list-style-type: none"> – Training tower 	Project sponsor, structural engineer, collectively referred to as project sponsor team	Design and maintenance plan demonstrating the effectiveness of the exhaust capture control system to be submitted and approved prior to the issuance of building permits	Planning Department	<p>Considered complete upon Planning Department approval of design and maintenance plan demonstrating the effectiveness of the exhaust capture control system.</p> <p>Operational and maintenance procedures to be ongoing at the facility.</p>

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<ul style="list-style-type: none"> – Condominium/apartment – Commercial structure – Victorian house – Container structure <ul style="list-style-type: none"> • Scrubber systems shall be used in the live-fire training area and shall be designed to meet a minimum performance standard of removal efficiency of 90 percent of particulate matter. Sizing will be developed by design engineers with knowledge of exhaust capture control systems during the design phase of the proposed project. • Scrubber systems shall be ready for use during the preparation phase of the live-fire training evolution prior to smoke production to ensure these systems are at their normal operating condition when live-fire training starts. The preparation phase may entail establishing minimum air flow to have proper velocity in the scrubber and making sure the scrubber liquid system is operational for efficient particle removal. • Scrubber systems, including scrubbing solution and accessories, shall be properly maintained at the correct maintenance intervals (which will be listed in the plan), and following manufacturer's recommendations to ensure consistent contaminant removal efficiency throughout project perpetuity. • The project sponsor shall prepare and submit to the ERO the operational procedures for operation of each live-fire prop. • The project sponsor shall keep and maintain documentation on the installation and maintenance of the exhaust control systems, the amount of wood pallets and Excelsior wood fiber burned (in pounds) and the number of live fire training exercises conducted per year, and submit such documentation to the Planning Department within 60 days of request. Should documentation indicate that live fire exercises are not being conducted in accordance with the air quality analysis assumptions, additional air quality analysis may be required. If necessary, additional control measures shall be placed on the project to reduce air quality effects from live fires. 				

Adopted Mitigation Measure	Monitoring and Reporting Program ^a			
	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Actions/Completion Criteria
BIOLOGICAL RESOURCES				
<p>Mitigation Measure M-BI-2a: Nesting Bird Protection</p> <p>Nesting birds and their nests in the adjacent sensitive habitat of Candlestick Point State Recreation Area shall be protected during construction by implementation of the following:</p> <ul style="list-style-type: none"> To the extent feasible, within 250 feet of the Candlestick Point State Recreation Area, the project sponsor shall conduct activities including, but not limited to, ground disturbance, site grading, and other construction activities that may compromise breeding birds or the success of their nests outside of the nesting season (January 15 through August 15). If construction activities during the bird-nesting season cannot be fully avoided within 250 feet of the Candlestick Point State Recreation Area, a qualified wildlife biologist shall conduct pre-construction nesting surveys within 72 hours prior to the start of construction or demolition. Surveys shall be repeated in construction areas that have been inactive for more than two weeks during nesting season, if the qualified wildlife biologist determines that new nesting starts may have begun in previously surveyed areas. Typical experience requirements for a “qualified biologist” include a minimum of four years of academic training and professional experience in biological sciences and related resource management activities and a minimum of two years of experience in biological monitoring or surveying for nesting birds. Surveys of suitable habitat shall be performed in the Candlestick Point State Recreation Area within 100 feet of the project site in order to locate any active nests of passerine bird species and within 250 feet of the project site to locate any active raptor (birds of prey) nests. If active nests are located during the pre-construction nesting bird surveys, a qualified biologist shall evaluate if the schedule of construction activities within 250 feet of the Candlestick Point State Recreation Area could affect the active nests; if so, the following measures shall apply, as determined by the biologist: 	Project sponsor, qualified biologist, California Department of Fish and Wildlife (as necessary)	Avoid vegetation removal and construction activities during the nesting season or conduct pre-construction surveys during the bird nesting season within 72 hours prior to the start of construction. Implementation ongoing during construction if active nests are observed.	Qualified biologist and project sponsor in coordination with planning department staff if active nests are observed.	Ongoing during construction if active nests are observed. Qualified biologist to submit weekly reports if active nests are observed.

<ul style="list-style-type: none"> – If construction within 250 feet of the Candlestick Point State Recreation Area is not likely to affect the active nest, construction may proceed without restriction; however, a qualified biologist shall regularly monitor the nest at a frequency determined appropriate for the construction activity to confirm there is no adverse effect. Spot-check monitoring frequency would be determined on a nest-by-nest basis considering the particular construction activity, duration, proximity to the nest, and physical barriers that may screen activity from the nest. The qualified biologist may revise their determination at any time during the nesting season in coordination with the planning department. – If it is determined that construction within 250 feet of the Candlestick Point State Recreation Area may affect the active nest, the qualified biologist shall establish a no-disturbance buffer around the nest(s) and all project work shall halt within the buffer until a qualified biologist determines the nest is no longer in use. These buffer distances shall be equivalent to the survey distances (100 feet for passerines and 250 feet for raptors); however, the buffers may be adjusted if an obstruction, such as a building, is within line of sight between the nest and construction. – Modifying nest buffer distances, allowing certain construction activities within the buffer, and/or modifying construction methods in proximity to active nests shall be done at the discretion of the qualified biologist and in coordination with the planning department and the California Department of Fish and Wildlife, if necessary. Necessary actions to remove or relocate an active nest(s) shall be coordinated with the planning department and approved by California Department of Fish and Wildlife, if necessary. – Any work that must occur within established no-disturbance buffers around active nests shall be monitored by a qualified biologist. If adverse effects in response to project work within the buffer are observed and could compromise the nest, work within the no-disturbance buffer(s) shall halt until the nest occupants have fledged. – Any birds that begin nesting within the survey area amid construction activities are assumed to be habituated to construction-related or similar noise and disturbance levels, so no-disturbance buffer zones around nests may be reduced or eliminated in these cases as determined by the qualified biologist 				
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Adopted Mitigation Measure	Monitoring and Reporting Program ^a			
	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Actions/Completion Criteria
<p>in coordination with the planning department and California Department of Fish and Wildlife, if necessary. Work may proceed within 250 feet of those active nests as long as the nests and their occupants are not directly affected.</p> <ul style="list-style-type: none"> In the event inactive nests are observed within 250 feet of the project site at any time throughout the year, any removal or relocation of the inactive nests shall be at the discretion of the qualified biologist in coordination with the planning department and California Department of Fish and Wildlife, as appropriate. Work may proceed within 250 feet of these inactive nests. 				
<p>Mitigation Measure M-BI-2b: Wildlife Exclusion</p> <p>Wildlife exclusion fencing shall be installed around the proposed project footprint to isolate the active construction area from neighboring habitat and to prevent wildlife from entering the work area. The exclusion fencing shall be a minimum above-ground height of 34 inches to discourage wildlife from climbing over the fence. The fencing shall be keyed into a shallow trench 4 to 6 inches deep and backfilled with soil or gravel. If installed on pavement or hard surface, the lower edge can be weighted by a continuous row of sandbags or geotextile tubes. Installation shall be supervised by a qualified biologist. The biologist shall have the authority to direct the installation of the exclusion fencing to ensure the fence is installed in a manner that maximizes its intent and purpose to minimize impacts on wildlife. The exclusion fence shall be regularly inspected and fully maintained throughout the duration of the active construction phase. Repairs shall be made within 24 hours of discovery of breaches in the fence.</p>	Project sponsor, qualified biologist	Installation prior to construction activities. Implementation ongoing during construction.	Qualified biologist and project sponsor	Ongoing during construction. Qualified biologist to submit weekly reports if fence is not repaired within 24 hours of observed breach.

NOTES:

^a Definitions of MMRP Column Headings:

Adopted Mitigation and Improvements Measures: Full text of the mitigation measure(s) copied verbatim from the final CEQA document.

Implementation Responsibility: Entity who is responsible for implementing the mitigation measure. In most cases this is the project sponsor and/or project's sponsor's contractor/consultant and at times under the direction of the planning department.

Mitigation Schedule: Identifies milestones for when the actions in the mitigation measure need to be implemented.

Monitoring/Reporting Responsibility: Identifies who is responsible for monitoring compliance with the mitigation measure and any reporting responsibilities. In most cases it is the Planning Department who is responsible for monitoring compliance with the mitigation measure. If a department or agency other than the planning department is identified as responsible for monitoring, there should be an expressed agreement between the planning department and that other department/agency. In most cases the project sponsor, their contractor, or consultant are responsible for any reporting requirements.

Monitoring Actions/Completion Criteria: Identifies the milestone at which the mitigation measure is considered complete. This may also identify requirements for verifying compliance.

Adopted Improvement Measure	Monitoring and Reporting Program ^b			
	Implementation Responsibility	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Actions/Completion Criteria
IMPROVEMENT MEASURES AGREED TO BY PROJECT SPONSOR				
TRIBAL CULTURAL RESOURCES				
Improvement Measure I-TCR-1: Local Native American Land Acknowledgment Program Land Acknowledgment Installation. The project sponsor should, in consultation with local Native American representatives, design and install a plaque or other land acknowledgement on the project site that acknowledges that the project is built on traditional Ohlone land. The display should be installed in a visible and, as feasible, publicly accessible area of the project site. Coordination for land acknowledgement should take place with local Native American representatives, including the Association of Ramaytush Ohlone and other interested Ohlone parties. The land acknowledgement may include artist installations, preferably by local Native American artists, planting of native plants, plaque with land acknowledgment text, or other physical or digital displays agreed upon by participants. The sponsor should submit a plan to the ERO for approval that provides information on the proposed land acknowledgement content, materials, location, and a long-term maintenance program. Upon approval by the ERO and prior to project occupancy, the land acknowledgment shall be implemented by the project sponsor. Local Native American representatives who are substantially involved in preparation or implementation of the land acknowledgment should be appropriately compensated by the project sponsor.	Project sponsor in collaboration with location Native American representatives	Installation prior to occupancy	Planning Department / Project sponsor	Considered completed upon installation of the land acknowledgment
	Project sponsor	Post completion	Project sponsor	Rooms are made publicly accessible.

NOTES:

^b Definitions of Column Headings:

Adopted Improvement Measures: Full text of the improvement measure(s) copied verbatim from the final CEQA document.

Implementation Responsibility: Entity who is responsible for implementing the improvement measure. In most cases this is the project sponsor and/or project's sponsor's contractor/consultant and at times under the direction of the planning department.

Improvement Measure Schedule: Identifies milestones for when the actions in the improvement measure need to be implemented.

Monitoring/Reporting Responsibility: Identifies who is responsible for monitoring compliance with the improvement measure and any reporting responsibilities. In most cases it is the Planning Department who is responsible for monitoring compliance with the improvement measure. If a department or agency other than the planning department is identified as responsible for monitoring, there should be an expressed agreement between the planning department and that other department/agency. In most cases the project sponsor, their contractor, or consultant are responsible for any reporting requirements.

Monitoring Actions/Completion Criteria: Identifies the milestone at which the improvement measure is considered complete. This may also identify requirements for verifying compliance.



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 #: 220296

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
Angela Calvillo	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
Real Estate Admin	415.554.9850
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
ADM Real Estate	andrico.penick@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Prologis, L.P.	TELEPHONE NUMBER 415.733.9480
STREET ADDRESS (including City, State and Zip Code) Pier 1, Bay 1. San Francisco, CA 94111	EMAIL mhansen@prologis.com

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 220296
DESCRIPTION OF AMOUNT OF CONTRACT Not to Exceed \$40,000,000		
NATURE OF THE CONTRACT (Please describe) Execute a Purchase and Sale agreement with Prologis L.P at 1236 Carroll Avenue.		

7. COMMENTS

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	Moghadam	Hamid	CEO
2	Moghadam	Hamid	Board of Directors
3	Bitá	Christina	Board of Directors
4	Fotiades	George	Board of Directors
5	Kennard	Lydia	Board of Directors
6	Lyons, III	Irving	Board of Directors
7	Modjtabai	Avid	Board of Directors
8	O'Connor	David	Board of Directors
9	Piani	Olivier	Board of Directors
10	Skelton	Jeffrey	Board of Directors
11	Webb	Carl	Board of Directors
12	Zollars	William	Board of Directors
13	Anderson	Gary	COO
14	Curless	Michael	Other Principal Officer
15	McKeown	Colleen	Other Principal Officer
16	Arndt	Tim	CFO
17	Reilly	Eugene	Other Principal Officer
18	Synder	Kim, US West Regional	Other Principal Officer
19	Nekritz	Edward	Other Principal Officer

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	Hansen	Mark	Other Principal Officer
21	No person has 10		Other Principal Officer
22			
23			
24			
25			
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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			
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☐ 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.

SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK

DATE SIGNED

BOS Clerk of the Board



March 22, 2022

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

RE: Purchase and Sale Agreement between the City and County of San Francisco and Prologis, L.P. for the fee title purchase of approximately 214,000 square feet for an amount not to exceed \$40,000,000 at 1236 Carroll Avenue; and

Memorandum of Understanding between the City and County of San Francisco and the Port of San Francisco for the fee title purchase of approximately 114,448 square feet for an amount not to exceed \$6,000,000 at 1236 Carroll Avenue

The purchase of these properties is to facilitate a new Fire Training Facility in the Bayview. The existing primary Fire Training Facility is located on Treasure Island and must relocate on or before December 31, 2026 in order to make way for future redevelopment. An ancillary training facility located at 19th and Folsom Streets will also be relocated to this site. After a nearly two year long exhaustive search by the City's Real Estate Division, both in county and out of county, the Prologis Property, in combination with the Port Property, is the only available site suitable for this purpose. The material details of the transactions are as follows:

Prologis Property

Prologis Property: approximately 4.91 acres located on APN: Block 4852, all Lots except Lot 1 and Block 4877 all Lots, commonly known as 1236 Carroll Avenue, San Francisco, CA.

Purchase Price for Property: \$38.5 million dollars plus closing costs not to exceed \$40 million dollars.

Condition of Property: Raw land with no improvements sold "AS-IS".

Estimated Closing Date: Sometime between May 1, 2022 and May 31, 2022.

Other key terms: The price and terms of the transaction were locked last year pursuant to a Purchase Option approved by the Board of Supervisors in order to give time to advance the Port Property purchase.

Port Property

Port Property: Lot 001 within Block 4852 consisting of approximately 28,048 square feet; Griffith Street, a paper street that forms the eastern boundary of Blocks 4852 and 4877, consisting of approximately 38,400 square feet; and Bancroft Avenue, a paper street that separates Block 4852 and Block 4877, consisting of approximately 48,000 square feet; for a total of approximately 114,448 square feet (collectively, the “Port Property”) and commonly known as 1236 Carroll Avenue, San Francisco, CA

Purchase Price for Property: Fair market value as determined by the California State Lands Commission. The property has an appraised value of \$5,860,000. The purchase price plus closing costs is not to exceed \$6 million dollars under the pending resolution.

Condition of Property: Raw land with no improvements sold “AS-IS”

Estimated Closing Date: Sometime between December 2022 and February 2023.

Preconditions to Transfer:

- Passage of State legislation lifting the Public Trust restrictions from the Port Property – Legislation was introduced by Assemblymember Ting as AB 2607 on February 18, 2022.
- Confirmation of the fair market value of the Port Property by the California State Lands Commission.
- Port Commission approval of the Memorandum of Understanding (MOU) between the City and the Port.
- Board of Supervisors approval of the MOU.
- Additional technical conditions as contained in the MOU.

Risks

When I came to the Board last year seeking authority for the Purchase Option for one year, it was anticipated that we would complete the State Legislative process by December 2021. Unfortunately, due to how matters are calendared at the State Legislature, we were unsuccessful in getting on the 2021 legislative calendar. As a result, I am asking the Board to approve these two purchases prior to getting AB 2607 passed. As a result the Board must evaluate the following risks:

- The City acquires the Prologis Property and then AB 2607 does not pass.

- The State Lands Commission determines a different fair market value which when added to the closing costs is in excess of \$6 million dollars.
- The Board doesn't approve the transaction and we lose the Prologis site or have to pay a higher price.

I am prepared to discuss the details of these transactions and the risk alternatives. If you have any questions, please contact me at (415) 554-9860.

Respectfully,

A handwritten signature in blue ink, appearing to read "Andrico Q. Penick", with a stylized flourish at the end.

Andrico Q. Penick
Director of Real Estate