

1 [Real Property Lease - Recology San Francisco - Pier 96 - Approximately \$369,500 Per
2 Month]

3 **Resolution approving Port Commission Lease L-17035 with Recology San Francisco, a**
4 **California corporation, located at Pier 96 for approximately 196,369 square feet of shed,**
5 **outbuilding and loading dock space, and approximately 252,319 square feet of paved**
6 **land and yard space which will initially generate revenue to the Port of approximately**
7 **\$369,500 per month, for a term of approximately 74 months, effective upon approval of**
8 **this Resolution; adopting findings under the California Environmental Quality Act; and**
9 **to authorize the Executive Director of the Port to enter into amendments or**
10 **modifications to the lease that do not materially increase the obligations or liabilities to**
11 **the City and are necessary to effectuate the purposes of the contract or this**
12 **Resolution.**

13
14 WHEREAS, California Statutes of 1968, Chapter 1333 (as amended, the "Burton Act")
15 and Charter, Sections 4.114 and B3.581 empower the City and County of San Francisco,
16 acting through the Port Commission ("Port"), with the power and duty to use, conduct,
17 operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

18 WHEREAS, Recology San Francisco ("Recology"), is a tenant in good standing under
19 its current lease L-12540 located at Pier 96 in the Southern Waterfront off Cargo Way and
20 Jennings Street in the City and County of San Francisco; and

21 WHEREAS, Port Staff has negotiated the terms of a new lease for approximately 74
22 months for approximately 196,369 square feet of shed, outbuilding and loading dock space,
23 and approximately 252,319 square feet of paved land and yard space (the "Property") for
24 continued use as a single-stream, mixed-materials recycling center and public buy-back
25 facility (the proposed "Lease"); and

1 WHEREAS, The Port obtained an appraisal of the Property in May 2023 to determine
2 the fair market rental value of the Property and which concluded the highest and best use of
3 the Property is for its continued use as a recycling center; and

4 WHEREAS, The recycling center is a stable use of the property which will initially
5 generate revenues to the Port of approximately \$369,500 per month, which is equal to the fair
6 market rental value identified in the May 2023 appraisal, and will increase annually over the
7 term of the Lease; and

8 WHEREAS, On June 25, 2002, by Resolution No. 02-21, the Port Commission
9 approved the Fourth Amendment To And Restatement of Lease No. L-12540 with Recology's
10 predecessor-in-interest that authorized an increase in the intensity of recycling center uses at
11 the site, adopted a Negative Declaration (Planning Department Case No. 2000.1236E) that
12 was tiered from the Southern Waterfront Final Supplemental Environmental Impact Report
13 ("SEIR"), which itself supplemented the January 9, 1997 Waterfront Land Use Plan Final
14 Environmental Impact Report ("FEIR"), and adopted certain mitigation measures contained in
15 the SEIR and FEIR applicable to the Commission's approval under the California
16 Environmental Quality Act (California Public Resources Code, Sections 21000 et seq.); and

17 WHEREAS, The Lease allows a continuation of the existing use of the site, with the
18 same maximum intensity of use, and is therefore within the scope of the project evaluated in
19 the Negative Declaration; and

20 WHEREAS, Since adoption of the Negative Declaration, there have been no
21 substantial changes in the project or changes in project circumstances that would result in
22 new significant environmental effects or an increase in the severity of previously identified
23 significant impacts, and there is no new information of substantial importance that would
24 change the conclusions set forth in the Negative Declaration; and

25

1 WHEREAS, San Francisco Charter, Section 9.118, requires Board of Supervisors'
2 approval of non-maritime leases under the jurisdiction of the Port Commission which either
3 have a term in excess of ten years or have anticipated revenue to the City of \$1,000,000 or
4 more; and

5 WHEREAS, The Port anticipates revenues from the Lease to exceed \$1,000,000; now,
6 therefore, be it

7 RESOLVED, That the Board of Supervisors approves the Lease and authorizes the
8 Executive Director of the Port or the Executive Director's designee to execute the Lease in
9 substantially the form on file with the Clerk of the Board of Supervisors in File No. 231111;
10 and, be it

11 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
12 Director of the Port to enter into any additions, amendments or other modifications to the
13 Lease that the Executive Director, in consultation with the City Attorney, determines, when
14 taken as a whole, to be in the best interest of the Port, do not materially increase the
15 obligations or liabilities of the City or the Port, and are necessary or advisable to complete the
16 transactions which this Resolution contemplates and effectuate the purpose and intent of this
17 Resolution, such determination to be conclusively evidenced by the execution and delivery by
18 the Executive Director of such documents; and, be it

19 FURTHER RESOLVED, That within thirty (30) days of the Lease being fully executed
20 by all parties, the Port shall provide a copy of the lease to the Clerk of the Board for inclusion
21 into the official file.

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