

1 [Property Exchange Agreement Amendment - Retroactive - EQX Jackson SQ Holdco LLC -
2 Potential Exchange of 530 Sansome Street for a Portion of 425-439 Washington Street]

3 **Resolution retroactively approving a second amendment to the Conditional Property**
4 **Exchange Agreement with EQX Jackson SQ Holdco LLC to extend the anticipated**
5 **initial closing date to December 15, 2026, a three-year extension, for a transfer of City**
6 **real property at 530 Sansome Street (Assessor's Parcel Block No. 0206, Lot No. 017),**
7 **under the jurisdiction of the Fire Department, in exchange for a portion of the real**
8 **property at 425-439 Washington Street (Assessor's Parcel Block No. 0206, Lot Nos. 013**
9 **and 014); authorizing the Director of Property and City staff to proceed with the**
10 **proposed Fire Station development project; and authorizing the Director of Property to**
11 **enter into any additions, amendments, or other modifications to the agreement that do**
12 **not materially increase the obligations or liabilities, or materially decrease the benefits**
13 **to the City.**

14
15 WHEREAS, The City and County of San Francisco, under the jurisdiction of the Fire
16 Department, owns certain real property known as 530 Sansome Street (Assessor's Parcel
17 Block No. 0206, Lot No. 017; the "City Property"), an approximately 8,700 square foot parcel
18 improved with Fire Station 13; and

19 WHEREAS, EQX Jackson SQ Holdco LLC, a Delaware limited liability company
20 ("Developer"), owns certain adjacent real property known as 425-439 Washington Street,
21 Assessor's Parcel Block No. 0206, Lot Nos. 013 and 014 ("Developer's Property"); and

22 WHEREAS, The City wishes to replace the existing fire station located on the City
23 Property; and

24 WHEREAS, On April 30, 2019, the Board of Supervisors adopted Resolution No. 220-
25 19 approving a conditional property exchange agreement (the "Conditional Property

1 Exchange Agreement” or “CPEA”) for the planning and potential exchange of the City
2 Property for a new fire station to be completed by Developer; and

3 WHEREAS, Under the Conditional Property Exchange Agreement, Developer intends
4 to build a new four-story, 19,266 gross square foot fire station building (the “New Fire Station”)
5 on a future legal parcel of approximately 5,643 square feet at Washington Street mid-block
6 between Sansome Street and Battery Street (the “Exchange Parcel”), and a new vertically-
7 integrated mixed-use high-rise at the southeast corner of Sansome Street and Washington
8 Street to contain either lower level lobby space, ground floor and rooftop restaurant spaces, a
9 health club of approximately 35,000 square feet, a 200 room hotel and approximately 40,000
10 square feet of offices, or a proposed residential variant of similar building design, height and
11 bulk, but with approximately 256 residential units instead of the hotel, office, fitness center,
12 and retail/restaurant uses (the “Tower Project”; together with the New Fire Station
13 development project, the “Combined Project”); and

14 WHEREAS, On June 2, 2020, the Board of Supervisors adopted Resolution No. 242-
15 20 approving certain updates to the Conditional Property Exchange Agreement; and

16 WHEREAS, On November 30, 2021, the Board of Supervisors adopted Resolution No.
17 543-21 which ratified the Architect Contract, Ground Lease, Construction Contract,
18 Construction Management Agreement, Completion Guaranty, Reciprocal Easement
19 Agreement, as well as an amendment of the Conditional Exchange Agreement to extend the
20 time periods for the approval of the above documents; and

21 WHEREAS, The Developer proposes a second amendment to the CPEA which would
22 amend Section 9.2(a) to extend the Anticipated Initial Closing Date to December 15, 2026, a
23 copy of which is on file with the Clerk of the Board of Supervisors in File No. 211087 and are
24 incorporated herein by reference; and

1 WHEREAS, The three year extension is needed due to the Developer's inability to
2 secure favorable construction financing as a result of current market conditions; and

3 WHEREAS, The City has no objections to the requested extension; now, therefore, be
4 it

5 RESOLVED, That the Board of Supervisors hereby approves and adopts the second
6 amendment to the Conditional Exchange Agreement and authorizes the Director of Property
7 and City staff to proceed with the proposed transaction in accordance with the terms of the
8 Conditional Exchange Agreement; as amended; and, be it

9 FURTHER RESOLVED, The Director of Property, at his or her discretion and in
10 consultation with the City Attorney, is authorized to enter into any additions, amendments or
11 other modifications to the Conditional Exchange Agreement and Related Transaction
12 Documents that the Director of Property determines are in the best interests of the City and
13 that do not materially increase the obligations or liabilities of the City or materially decrease
14 the benefits to the City; and, be it

15 FURTHER RESOLVED, That within thirty (30) days of the Conditional Property
16 Exchange agreement being fully executed by all parties, the Director of Property shall provide
17 a copy of the agreement to the Clerk of the Board to include into the official file.

18
19 RECOMMENDED:

20
21
22 /s/ _____
23 Andrico Q. Penick
24 Director of Property
25 Real Estate Division