



January 18, 2024

Honorable Board of Supervisor
City and County of San Francisco City Hall, Room 224
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

RE: Second Amendment to Conditional Property Exchange Agreement
– 530 Sansome – Fire Station 13

Dear Board of Supervisors:

On behalf of the San Francisco Fire Department, the Real Estate Division is enclosing for your consideration a resolution approving a second amendment to the Conditional Property Exchange Agreement (“CPEA”) with EQX JACKSON SQ HOLDCO LLC (“Developer”) for a transfer of City real property at 530 Sansome Street (“City Property”) in exchange for a portion of the real property at 425-439 Washington Street and authorizing the Director of Property and City staff to proceed with the proposed new Fire Station 13 development project.

On April 30, 2019, the Board of Supervisors adopted Resolution No. 220-19 which approved the CPEA for the planning and potential exchange of the City Property for a new fire station to be completed by Developer. Under the CPEA, Developer intends to build a new four-story, 19,266 gross square foot fire station building (the “New Fire Station”) on a future legal parcel of approximately 5,643 square feet at Washington Street mid-block between Sansome and Battery (the “Exchange Parcel”), and a new vertically-integrated mixed-use high-rise at the southeast corner of Sansome and Washington to contain either lower level lobby space, ground floor and rooftop restaurant spaces, a health club of approximately 35,000 square feet, a 200 room hotel and approximately 40,000 square feet of offices, or a proposed residential variant of similar building design, height and bulk, but with approximately 256 residential units instead of the hotel, office, fitness center, and retail/restaurant uses (the “Tower Project”).

On June 2, 2020, the Board of Supervisors adopted Resolution No. 242-20 which approved an updated CPEA which among other things increased the agreed upon project costs, at no additional costs to the City from \$25,000,000 to \$32,128,429 and incorporated certain design changes requested by the Fire Department. Upon completion of the proposed New Fire Station and the satisfaction of closing conditions, the City will convey the City Property to Developer and Developer will convey the Exchange Parcel to the City, with the New Fire Station, as described in the CPEA.

On November 30, 2021, the Board of Supervisors adopted Resolution No. 543-21 which ratified the Architect Contract, Ground Lease, Construction Contract, Construction Management

Agreement, Completion Guaranty, Reciprocal Easement Agreement, as well as an amendment of the Conditional Exchange Agreement to extend the time periods for the approval of the above documents.

The proposed second amendment would amend Section 9.2(a) of the CPEA to extend the Anticipated Initial Closing Date to December 15, 2026, a three (3) year extension. The reason for the requested extension is the inability to secure favorable construction financing due to market conditions.

Should you have any questions or need additional information, do not hesitate to contact me at Andrico.penick@sfgov.org or at 415.554.9860.

Sincerely



Andrico Q. Penick
Director of Property