

1 [Moscone Center Expansion Project]

2 AMENDING ARTICLE V, CHAPTER 23, PART I OF THE SAN FRANCISCO MUNICIPAL
3 CODE (ADMINISTRATIVE CODE) BY ADDING SECTION 23.26A TO AUTHORIZE THE
4 DIRECTOR OF PROPERTY TO TERMINATE LEASES OR EXTEND LEASES FOR
5 LESSEES IN BUILDINGS TO BE ACQUIRED BY THE CITY AND COUNTY OF SAN
6 FRANCISCO BY EMINENT DOMAIN FOR THE MOSCONE CENTER EXPANSION
7 PROJECT AS THE DIRECTOR DEEMS NECESSARY FOR THE PROJECT AND
8 APPROPRIATE FOR THE LESSEES.

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10 NOTE: The language of this ordinance is entirely new.

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

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14 Section 1. FINDINGS. The Board of Supervisors of the City and County of San
15 Francisco hereby finds and declares as follows:

16 A. Under Section 2A.110 of the Administrative Code, the Director of Property is
17 authorized to sell and lease real property and improvements thereon owned by the City,
18 except as otherwise provided by the Charter.

19 B. Under Section 23.1 of the Administrative Code, the Director of Property is
20 authorized to negotiate leases to all real property acquired by the City, including real property
21 acquired by eminent domain.

22 C. Under Section 23.26 of the Administrative Code, where the City acquires real
23 property for a public project which at the time of acquisition is leased to a lessee of the
24 previous owner, the Director of Property may, subject to the approval by ordinance of the
25 Board of Supervisors, upon expiration of such lease, negotiate a new lease for the property at

SUPERVISOR KAUFMAN
BOARD OF SUPERVISORS

1 a fair market rental with the same lessee on a month-to-month or shorter basis, until such
2 time as required for the purposes of the department in charge of the property.

3 D. On August 24, 1998, by Resolution Number 697-98, on file with the Clerk of the
4 Board of Supervisors in File No. 98-1278, the Board of Supervisors authorized the acquisition
5 of Lots 18, 35, 36, 37, 38, 68, 69, and 70 in Assessor's Block 3724 (the "properties") by
6 eminent domain for the Moscone Center Expansion Project (the "Project").

7 E. On September 10, 1998, the City began eminent domain proceedings against the
8 properties, which comprise: a 450-car surface parking lot with one lessee, located at Lots 18,
9 35, 36, 37, 38 and 69 and commonly known as 860 Howard Street; a two-story office building
10 with three lessees, located at Lot 68 and commonly known as 1 Holland Court or 325 Minna
11 Street; and a six-story office building of approximately 275,000 square feet of office and retail
12 space with 25 lessees, located at Lot 70 and commonly known as 150 Fourth Street.

13 F. By Order of Immediate Possession of San Francisco Superior Court Judge Lucy K.
14 McCabe filed September 17, 1998, the City will take the landlords' interests in the properties
15 in January 1999. Under Sections 2A.110, 23.22 and 23.26 of the Administrative Code, the
16 Director of Property will have authority over leasing and managing the properties at the time
17 the City succeeds to the interests of the landlords. Judge McCabe's Order further entitles the
18 City to take possession of the leaseholds in the properties on March 31, 1999.

19 G. To reduce disruption to the businesses of the lessees in the properties, and to
20 minimize (1) the City's liability for damages to the lessees, and (2) the City's obligations to
21 provide relocation assistance, the Director of Property must be authorized to terminate the
22 leaseholds before March 31, 1999, or to extend the leaseholds for short terms beyond March
23 31, 1999. Because the Director of Property will be required to accommodate the diverse
24 interest of as many as 29 lessees in the properties, the Director of Property must have the
25 flexibility to enter into separate arrangements with each individual lessee without the

1 necessity of securing the approval of the Board of Supervisors for each separate
2 arrangement.

3
4 Section 2. Chapter 23, Article V of the San Francisco Administrative Code is hereby
5 amended by adding Section 23.26A, to read as follows:

6
7 **SEC. 23.26A. AUTHORITY OF THE DIRECTOR TO MANAGE REAL PROPERTY**
8 **ACQUIRED BY EMINENT DOMAIN FOR THE MOSCONE CENTER EXPANSION**
9 **PROJECT.** Notwithstanding Section 23.26, for all leaseholds in the properties to be acquired
10 by the City by eminent domain for the Moscone Center Expansion Project, known as
11 Assessor's Block 3724, Lots 18, 35, 36, 37, 38, 68, 69, and 70, after the City acquires the
12 landlords' interests in the properties, and where the lessee delivers possession of the leased
13 premises to the City prior to March 31, 1998, the Director of Property is authorized to
14 terminate any lease and waive that lessee's obligations under the leasehold without approval
15 by ordinance of the Board of Supervisors. Notwithstanding Section 23.26, the Director of
16 Property is further authorized to act in his or her discretion, and without approval by ordinance
17 of the Board of Supervisors, to extend lease terms and obligations of all leaseholds in the
18 properties after March 31, 1998, provided that such extension shall not interfere with the
19 scheduled demolition of the improvements on the properties.

20
21 Section 3. If any part or provision of this Ordinance, or the application thereof to any
22 person or circumstance, is held invalid, the remainder of this Ordinance, including the
23 application of such part or provision to other persons or circumstances, shall not be affected
24 thereby and shall continue in full force and effect. To this end, provisions of this Ordinance
25 are severable.

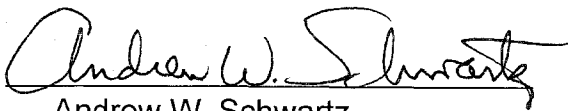
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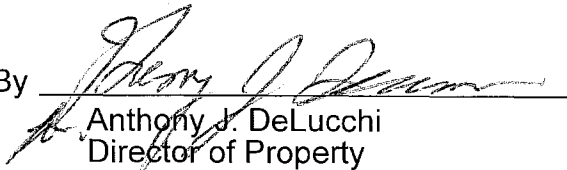
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2 Section 4. SUNSET CLAUSE. The provisions of this ordinance shall expire on
3 December 31, 1999.
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5 APPROVED AS TO FORM:

RECOMMENDED:

6 LOUISE H. RENNE, City Attorney
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9 By 
10 Andrew W. Schwartz
11 Deputy City Attorney
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By 
Anthony J. DeLucchi
Director of Property

SUPERVISOR KAUFMAN
BOARD OF SUPERVISORS



City and County of San Francisco

Veterans Building
401 Van Ness Avenue, Room 308
San Francisco, CA 94102-4532

Tails

Ordinance

File Number: 981653

Date Passed:

Ordinance amending Article V, Chapter 23, Part I of the San Francisco Municipal Code (Administrative Code) by adding Section 23.26A to authorize the Director of Property to terminate leases or extend leases for lessees in buildings to be acquired by the City and County of San Francisco by eminent domain for the Moscone Center Expansion Project as the director deems necessary for the project and appropriate for the lessees.

November 23, 1998 Board of Supervisors — PASSED ON FIRST READING

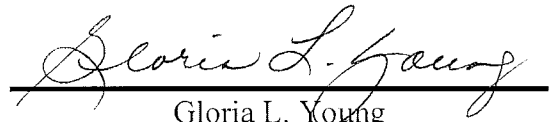
Ayes: 11 - Ammiano, Bierman, Brown, Katz, Kaufman, Leno, Medina, Newsom, Teng, Yaki, Yee

December 7, 1998 Board of Supervisors — FINALLY PASSED

Ayes: 9 - Ammiano, Bierman, Brown, Katz, Kaufman, Leno, Teng, Yaki, Yee
Absent: 2 - Medina, Newsom

File No. 981653

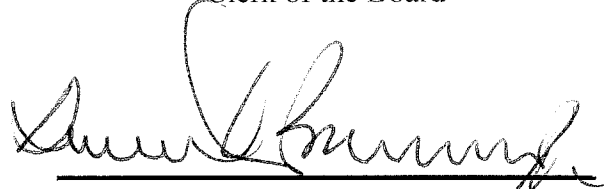
I hereby certify that the foregoing Ordinance
was FINALLY PASSED on December 7, 1998
by the Board of Supervisors of the City and
County of San Francisco.



Gloria L. Young
Clerk of the Board

DEC 11 1998

Date Approved



Mayor Willie L. Brown Jr.

File No. 981653 continued...