

File No. 161211

Committee Item No. _____

Board Item No. 42

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: November 29, 2016

Cmte Board

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<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
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OTHER

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<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Real Estate Letter - October 13, 2016</u>
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<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Lease Agreement - September 25, 2012</u>
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<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Summary Statement</u>
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Prepared by: John Carroll
Prepared by:

Date: November 21, 2016
Date:



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

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Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

October 13 2016

**Request for Approval of a Resolution of Necessity
Authorizing Acquisition of a Lease by Eminent Domain
1975 Galvez**

Through Harlan Kelly,
Director Public Utilities Commission

Honorable Board of Supervisors
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place
City Hall, Room 224
San Francisco, CA 94102

Dear Board Members:

The Real Estate Division requests your approval of a Resolution of Necessity making required findings and authorizing acquisition, through eminent domain if necessary, of the leasehold rights ("Leasehold" or "Lease") from Blueline Rental, LLC ("Tenant") at Assessor's Parcel No. 5250-016, commonly referred to as 1975 Galvez for the public purposes of relocating the City's Central Fleet Maintenance Shop ("Central Shops") and facilitating repair and expansion of the Southeast Water Pollution Plant ("SEP") facilities; affirming the Planning Department's Categorical Exemption determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1.

The 1975 Galvez property, along with the contiguous site commonly referred to as 555 Selby and the leased site at 450 Toland, will be used for the proposed relocation of the Central Shops, and will facilitate maintenance, repair, and expansion of the San Francisco Public Utilities Commission ("SFPUC") SEP facilities at the existing Central Shops site.

Background material and other documentation supporting this Resolution of Necessity are included in the Board of Supervisors packets for the November 29, 2016 meeting.

Background

The San Francisco General Services Agency ("GSA") desires to relocate the City's Central Shops to an updated and modernized facility. The Central Shops provide fleet services to over 70 City departments with a total combined municipal fleet of approximately 6,000 units and processes over 34,000 work orders annually. The existing facility and infrastructure, which began operations in the 1960s, are functionally obsolete and no longer meet the current needs of the City's Central Shops operations.

The City acquired 1975 Galvez and 555 Selby in the first quarter of 2016. 1975 Galvez is a 48,338 square foot parcel with 7,050 square-foot 30-foot-tall corrugated metal warehouse building. 555 Selby is a 72,788 square foot parcel with 9,600 square foot, 30-foot-tall corrugated metal building. Both properties are currently used to maintain, repair, and store vehicles and equipment for their respective tenants: Blueline Rental at 1975 Galvez and Desoto taxi cabs at 555 Selby. Desoto has a month-to-month leasehold interest, whereas Blueline Rental has an interest that, if the tenant were to exercise its options, would terminate on September 25th 2027.

The proposed project would demolish the existing building on the 555 Selby and 1975 Galvez properties, remove two above-ground fuel storage tanks, and construct a 53,690 square-foot building encompassing the two lots. The lots would be merged and the new building would be a triangle-shaped 35-foot-tall single-story structure with a mezzanine that would be 240 feet wide on average and 286 feet long.

The new building would be used for maintenance and repair of medium- and heavy-duty vehicles, such as fire trucks, heavy equipment, dump trucks, and sweepers. Approximately 50 employees will staff the new facility, which in addition to vehicle and equipment maintenance, will provide fleet management support, administrative functions, and employee amenities. In short, the relocated and updated facilities will modernize and facilitate the City's delivery critical maintenance and repair services to over 70 City departments and the public in general.

The relocation of the Central Shops, will also allow SFPUC to use the 1800 Jerrold Avenue site for its on-going repair and maintenance work in connection with future capital improvement projects at its SEP facilities. SFPUC anticipates, for example, using the Jerrold Avenue site for a new Biosolids Digester Facility Project at some point in the future.

The proposed Project is the culmination of an extensive search by both GSA and SFPUC for additional properties that suit their respective needs to modernize and expand their aging facilities. The Project is a unique opportunity in San Francisco's competitive and rapidly growing real estate market to construct a modern Central Shops facility close to the existing site, while providing the necessary expansion potential for the SEP. Because the Project will relocate the Central Shops to contiguous parcels that the City already owns or largely controls, and allow the SFPUC to use City-owned property adjacent to its existing SEP facilities, the Project is able to provide these public benefits with minimum displacement and inconvenience to private businesses.

Blueline Rental LLC Leasehold

The current lease at 1975 Galvez, held by Blueline Rental LLC, was assigned to the City of San Francisco as a part of the purchase of the property in March of 2016. The Lease was executed on September 25th 2012, for an initial 5-year term, set to expire on September 26th 2017. The Tenant has two options to extend at the Tenant's sole discretion, each for an additional 5-year term. If the Tenant were to exercise each option, the Lease could be extended through September 24th 2027. Current monthly rent paid by the Tenant is \$14,220, with annual increases of 2% per annum throughout the base term and all extended terms. All expenses are paid for by the Tenant. Under the terms of the Lease, at termination of the Lease any and all site improvements on the site revert to the ownership of the property owner, which is now the City and County of San Francisco.

Environmental Review & General Plan Consistency

On October 28th 2015, the Planning Department made required findings and determined that the Project is categorically exempt from the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq) as a Class-32 in-fill development project. (Planning Dept., Case No. 2015-004781ENV.) The Planning Department subsequently reviewed the proposed acquisition of the Lease and confirmed that no further environmental review is required.

On November 5, 2015, the Planning Department verified that the Project, including the City's acquisition of 1975 Galvez, on balance conforms with the General Plan, including the Bayview Hunters Point Area Plan and the Eight Priority Policies under the Planning Code Section 101.1. (Planning Dept., Case No. 2015-013598GPR.) The Planning Department subsequently confirmed that acquisition of the Lease is consistent with its prior determination, and therefore no further General Plan Referral is required.

Acquisition of the Leasehold Interest

Acquisition and termination of the Lease will vacate the 1975 Galvez property, allowing the City to proceed with relocating the Central Shops to its new site. Because the Project requires demolishing the existing structure and removing other improvements on the site, terminating the Lease and relocating the Tenant is an important initial step towards commencing construction of the Project.

The Real Estate Division initiated informal discussions and negotiations with the Tenant beginning in June of 2016 and engaged Associated Right of Way Services, Inc. ("ARWS") for assistance with negotiation and relocation of the Tenant. The City Attorney's Office, on behalf of the Real Estate Division, obtained an appraisal of the Leasehold interest. On September 14th 2016, in compliance with California Government Code Section 7267 et seq., the Real Estate Division offered to purchase the Leasehold interest for \$1,388,000, based upon the appraised fair market value of the Lease.

The Real Estate Division has and will continue to negotiate in good faith with the Tenant in the hopes of reaching an agreement to acquire and terminate the Leasehold interest. However, to the extent the Real Estate Division and the Tenant are unable to reach a negotiated agreement, the Real Estate Division requests that the Board adopt this Resolution of Necessity to authorize commencement of eminent domain proceedings so as to avoid any further delays in construction of the Project.

Resolution of Necessity

The Resolution of Necessity sets forth the findings required by State law concerning, among others, the public interest and necessity of the proposed project and the need to acquire the Lease. The Resolution further authorizes and directs the City Attorney to take all necessary steps to commence and prosecute proceedings in eminent domain and take any and all actions to obtain an order for immediate possession of the Lease.

The Tenant will be notified prior to the Board's hearing on the Resolution and advised of its right to appear to be heard on the following issues:

- (a) Whether the public interest and necessity require the Project;
- (b) Whether the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- (c) Whether the property sought to be acquired is necessary for the Project; and

(d) Whether the offer required by California Government Code Section 7267.2 has been made.

Adoption of the Resolution of Necessity would not determine the value of the Lease or the compensation owed to the Tenant. Should the Board adopt the Resolution, the Real Estate Division will continue to negotiate in good faith towards an amicable acquisition and termination of the Lease. Only if no voluntary purchase and sale can be reached would eminent domain proceedings be necessary. In such proceedings, a court or jury would determine the fair market value of the Lease. Any final negotiated settlement would be subject to Board approval, and at that time, appropriate source of funds for such settlement would be provided to the Board, from the project's approved budget.

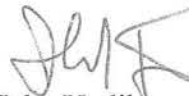
Recommendation

The Real Estate Division recommends that the Board of Supervisors adopt the Resolution of Necessity:

- (a) making required findings, including that (i) the public interest and necessity require the proposed Project; (ii) the proposed Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury; (iii) the Lease is necessary for the Project; and (iv) the offer required by California Government Code Section 7267.2 has been made; and
- (b) authorizing and directing the City Attorney to take all necessary steps to commence and prosecute proceedings in eminent domain and take any and all actions to obtain an order for immediate possession of the Lease.

If you have questions regarding this, please do not hesitate to contact me.

Respectfully submitted,



John Updike
Director of Property

c: Naomi Kelly, City Administrator

DESCRIPTION OF THE GSA-FLEET CENTRAL SHOPS PROPOSED RELOCATION

The City and County of San Francisco General Services Agency (GSA) operates the “Central Shops” facility, located at 1800 Jerrold Avenue in the Bayview neighborhood. The facility is an approximately 5.5-acre site used to maintain the City’s service vehicle fleet (including police, fire, and ambulance). The site is immediately adjacent to the San Francisco Public Utility Commission’s Southeast Water Pollution Control Plant (SEP). SFPUC is also facing a space shortage for staging necessary to maintain and repair its aging SEP facilities, as well as related capital improvement projects. The City now proposes to relocate the Central Shops from 1800 Jerrold Avenue to two new sites, which will facilitated needed upgrades and modernization of the Central Shops facility and allow SFPUC to use the 1800 Jerrold Avenue site for its on-going repair and maintenance. The proposed project will include the demolition of two existing buildings, the construction of a new single story building with a mezzanine and tenant improvements to the existing building on one of the parcels.

Proposed Activities at New Central Shops Sites

Selby/Galvez Street Site

555 Selby Street is a 72,788 square-foot lot with a 9,600 square-foot, 30 foot tall corrugated metal building used by two taxi companies for dispatch, maintenance repairs, and storage of approximately 150 taxi cabs. 1975 Galvez Avenue is a 48,338 square-foot parcel with a 7,050 square-foot 30 foot tall corrugated metal warehouse building.

The proposed project would demolish the two existing buildings on 555 Selby Street and 1975 Galvez Avenue properties, remove two above ground fuel storage tanks, and construct a 53,690 sq. ft. building that would be within the two lots. The lots would be merged prior to approval and issuance of the building permit. The proposed new building would be a triangular-shape 35 foot tall single story structure with a mezzanine that would be 240 feet wide on average and 286 feet long (See Sheet A1 Central Shops Relocation Project Plans). Maximum depth of excavation for the proposed building would be down to seven feet and pilings as needed for the foundation would be drilled as deep as 90 feet below grade. The new building would be used for maintenance and repair of medium and heavy duty vehicles, such as fire trucks, heavy equipment transporters, dump trucks, and street sweepers, as well as for administrative offices, support functions, and employee amenities.

Specifically, the facility under a common roof is proposed to consist of three functional programs (Medium Duty Shop, Heavy Duty Shop, and Administrative Services) with support services for approximately 50 employees:

1. The Medium Duty Shop is proposed as a 28,114 sq. ft. space that will provide 14 service bays for medium and large vehicle service (sweepers, dump trucks, pumper trucks, backhoes, etc.). Infrastructure such as vehicle lifts, pneumatic, hydraulic, and ventilation systems will be installed to support vehicle repair activities.
2. The Heavy Duty Shop is proposed as a 16,262 sq. ft. space that will provide 10 service bays for SF fire equipment and other large vehicle repairs. Infrastructure such as vehicle lifts, pneumatic, hydraulic, and ventilation systems will be installed to support vehicle repair activities.
3. Customer service and employee amenities are proposed as a 9,314 sq. ft. space. In addition to customer service center and employee amenities, this space will provide a parts storeroom and building support infrastructure systems.
4. Mezzanine (depicted on Sheet A2) is proposed as a 7,859 sq. ft. space. This area will provide space for administrative offices, staff training/development, and storeroom parts storage.
5. Vehicle staging and circulation not under roof is proposed to total 19, 098 sq. ft., which will be graded and paved to support the designed function, and secured with security systems, lighting, and perimeter fencing.

450 Toland Street

450 Toland Street has an approximately 45,000 square-foot industrial building onsite. The building is approximately 170 feet wide, 250 feet long, and 28 feet tall (depicted on Sheet A3).

The proposed project would make improvements to the existing building without any changes to the footprint or height. The majority of the work would be interior modifications including installation of new partitions, new plumbing and construction of ramps and an elevator, which would bring the building into compliance with Americans with Disabilities Act (ADA) requirements and current building code standards. Exterior work would consist of regrading loading dock area, replacing three existing 8-foot wide by 10-foot tall roll up doors on the southern face of the building with three larger roll up doors each 14 feet wide and 14 feet high, replacing existing 6-foot tall chain link perimeter fence with new 10-foot high chain link perimeter fencing, and restriping - the parking spaces. Excavations would be limited to required seismic and code compliance as required, and for the installation of the elevator shaft.

Specifically, 450 Toland under a common roof is proposed to consist of three functional programs (Light Duty Vehicle Shop, Body/Paint Shop, and Ladder Shop) building systems and related employee amenities for approximately 40 employees. The programed space is depicted on Sheets A3 and A4:

1. Light Duty Shop is proposed as a 24,400 sq. ft. area for light duty (sedans, vans,

and pickups) repairs with 22 service bays. Infrastructure such as vehicle lifts, pneumatic, hydraulic, and ventilation systems will be installed to support vehicle repair activities.

2. Paint and body shop is proposed as a 10,370 sq. ft. area with an enclosed paint booth, 8 service bays for both heavy duty and light duty body repairs, metal fabrication/welding area, and frame straightening equipment. Infrastructure such as vehicle lifts, pneumatic, hydraulic, and ventilation systems will be installed to support vehicle body/paint repair activities.
3. Ladder shop is proposed as a 3,760 sq. ft. area with an enclosed paint booth and equipment associated with the fabrication of wooden ladders used by the San Francisco Fire Department. Infrastructure such as wood working saws, drills, lathes, sanders, and planers and associated ventilation systems will be installed. An enclosed paint booth will also be installed in this area.
4. The mezzanine (depicted on Sheet A4) is proposed as a 3,480 sq. ft. area for employee amenities, and employee training area.
5. Vehicle staging not under roof is proposed for an 11,000 sq. ft. area located between the public right-of-way and the building. The area will be graded to allow access into the building from the street grade, and painted to direct vehicle staging.

REAL PROPERTY DESCRIPTION

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

The land referred to herein is situated in the State of California, County of San Francisco and described as follows

Beginning at the point of intersection of the centerlines of Galvez Avenue and Selby Street; running thence Southerly along the centerline of Selby Street 140 feet; thence at a right angle Easterly 418 feet, more or less, to the centerline of the easement as set forth in the Deed from United States of America to Southern Pacific Company, dated August 1, 1962, recorded October 3, 1962 in [Book A-484](#) of Official Records, at Page 821 in the Office of the Recorder of the City and County of San Francisco, State of California; thence Northerly along said centerline 8 feet, more or less, to the Westerly of Parcel B, Block 135, as said Parcel B and Block are shown on the entitled, Recorded of Survey Map of Marine Corps supply forwarding annex (Isalis Creek), San Francisco, California, N-Calif 689" filed on April 25, 1961, in [Book T of Maps at Pages 6 and 7](#), in the Office of the Recorder of the City and County of San Francisco, State of California, thence Northerly along said Westerly line of said Parcel B and its Northerly production 152 feet, more or less, to the said centerline of Galvez Avenue; thence Westerly along said centerline of Galvez Avenue 338 feet, more or less, to the point of beginning.

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") made and entered into this the 25th day of September, 2012, by and between W.Y.L. Five Star Service Industries, Inc., a California corporation (the "Lessor"), and Volvo Construction Equipment Rents, Inc., a Delaware corporation (the "Lessee").

RECITALS

- A. Lessor is the fee owner of the Premises (defined in Section 1 below).
- B. Lessee has entered into a Asset Purchase Agreement, dated September 26, 2012 (the "APA") with Lessor ("Existing Lessee") in which Lessee is purchasing the Lessor's construction equipment rental business that Lessor was conducting from the Premises.
- C. The APA is subject to the execution of a new lease agreement with Lessor to lease the Premises. Lessor and Lessee have opened escrow with Wall, Esteeck, and Babcock LLP and have agreed to close escrow on approximately September 26, 2012 (such date shall be referred to as "Close of Escrow").
- D. Provided that the transaction referenced in Paragraph B & C above is consummated, Lessor desires to lease the Premises to Lessee, and Lessee desires to lease the Premises from Lessor pursuant to the terms, covenants and conditions set forth below.

W I T N E S S E T H:

1. **PREMISES.** Lessor, for the consideration of the rents, covenants, agreements and stipulations herein contained to be kept and performed by Lessee, hereby agrees to lease to Lessee and Lessee hereby agrees to hire from Lessor, at the rent and upon the conditions herein set forth, the certain real property, including all improvements therein and commonly known as 1975 Galvez Avenue, San Francisco, California, Assessor's Parcel Number 5250-016 in the San Francisco County Records (the "Premises"). The Premises are delivered subject to any and all easements in place as of the date of this Lease.
2. **USE.** The Premises shall be used and occupied by Lessee in connection with its business of Construction Equipment Rental or any other legal use which is reasonable comparable thereto, and for no other purposes without first obtaining Landlord's prior written consent, which shall not be unreasonably withheld. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste, or a nuisance, or that disturbs the occupants or or causes damage to neighboring premises or properties.
3. **CONDITION PRECEDENT.** This Lease shall be subject to the completion and closing of the transaction set forth in the APA between Lessor and Lessee. Should completion and closing of the transaction set forth in the APA not take place, then this Lease shall be null and void. Lessor shall have no liability to Lessee under this Lease whatsoever

if the closing of the APA does not take place.

4. **TERM.** The term of this Lease shall be for 5 years to commence on Close of Escrow ("Term Commencement Date"), and to terminate five (5) years after the Term Commencement Date, or should the Term Commencement Date Fall on a date other than the first day of the month, the Lease shall expire five (5) years after the first day of the month next following the Term Commencement Date. Lessee shall surrender the Premises to Lessor immediately upon the termination of the Lease term in broom clean and free of debris, and in good working order, repair and condition, except for reasonable wear and tear. In no event shall HVAC equipment, plumbing or sprinkler system components, air lines, power panels, electrical distribution systems, lighting fixtures, fencing or any other component from any major building system be removed from the Premises. Any furniture or personal property left on the Premises after Lessee has surrendered possession shall be deemed abandoned and shall become property of Lessor. Provided that Lessee is not in default in the performance of this Lease, Lessee shall have two (2) successive options to extend the Lease for a period of five (5) years each (each an "Option Term") effective upon the expiration of the initial term. In order to exercise the Option Term, Lessee must deliver to Lessor written notice of its election to exercise the Option Term not less than 90 days prior to the expiration of preceding term of the Lease. All of the terms and conditions of the Lease shall apply during the renewal term, except that the Base Rent payable hereunder shall be increased on the commencement of each Option Term by two percent (2%), and again on each anniversary of the commencement of the Option Term by two percent (2%). The period of time during which the Option Term must be exercised may not be extended or expanded by reason of Lessee's failure to exercise its Option Term, or its inability to exercise its Option Term due to the provisions of this section. Failure to exercise the first Option Term on time shall render both Option Terms void and null.

5. **BASE RENT.** Lessee agrees to pay Lessor as monthly rental for the use of the above described Premises the sum of thirteen thousand four hundred dollars (\$13,400.00) ("Base Rent"). The amount of Base Rent payable hereunder shall be adjusted annually by a two percent (2%) increase over the Base Rent previously in effect, such adjustments to occur on the first anniversary of the Term Commencement Date (or if the Term Commencement Date does not fall on the first of the month, then the first adjustment date shall be on the first day of the month next following the Term Commencement Date) and each anniversary of the first adjustment date thereafter.

6. **ADDITIONAL RENT.** Lessee agrees to pay as rent, in addition to the Base Rent reserved in Paragraph 5 hereinabove, the following:

6.1 All ad valorem property taxes and all other assessments, bonds, levies, or fees (other than inheritance, personal income, or estate taxes) levied against the Premises for any year during the term of this Lease, or any renewal thereof. Payment, to Lessor, for the taxes shall be due 30 days after receipt of the original tax notice by Lessee. In the event that such taxes are assessed for a tax year extending beyond the term of the Lease, the obligation of Lessee shall be proportionate to the portion of the Lease Term included in such year. Lessor shall provide Lessee proof of payment of taxes due 30 days after receipt of tax payment from Lessee; and

6.2 If any installment of Rent (as defined in Paragraph 6 below) is not paid within ten (10) days after the

date such Rent is due, Lessee shall pay to Lessor, in addition to the installment of Rent then owing, a late payment charge equal to five percent (5%) of the amount of the delinquent installment, regardless of whether a notice of default or notice of termination has been given by Lessor. The parties agree that this late charge represents a reasonable estimate of the costs and expenses incurred by Lessor from the late payment, and is fair compensation to Lessor for its loss suffered by such nonpayment by Lessee. ; and

6.3 If Lessee pays any amount to Lessor by means of a check on an account with insufficient funds, in addition to any other rights and remedies available to Lessor with respect to such default, Lessor shall have the right to charge Lessee the amount of twenty-five dollars (\$25.00) for the first check passed on insufficient funds and an amount of thirty-five dollars (\$35.00) for each subsequent check to that payee passed on insufficient funds. Nothing in this paragraph shall relieve Lessee of its obligation to pay any Rent at the time and in the manner provided by this Lease or constitute a waiver of any default of Lease with regard to any nonpayment of Rent.

7. DEFINITION OF RENT. As used in this Lease, the term "Rent" shall include: (i) the Base Rent; (ii) Additional Rent; and (iii) all other amounts which Lessee is obligated to pay under the terms of this Lease, including, without limitation, any and all sums which may become due by reason of the failure of Lessee to comply with all covenants of this Lease, Lessee agreeing to pay any and all damages, costs or expenses which Lessor may suffer or incur by reason of any default of Lessee or failure on its part to comply with the covenants of this Lease. Lessee shall pay to Lessor the Rent at an address designated by Landlord in advance on or before the first day of each month. Rent for any portion of a month shall be prorated on the basis of a thirty (30) day month. All Rent payable hereunder shall be paid in lawful money of the United States and without prior notice or demand, deduction or offset for any causes whatsoever.

8. LESSEE'S RIGHT TO ALTER AND IMPROVE. Provided that Lessee obtains Lessor's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, Lessee shall have the right at its own expense from time to time during the lease term to improve or alter the building which forms a part of the Premises in such a manner as shall be reasonably necessary or appropriate in Lessee's judgment for Lessee's conduct thereon of its business. Upon termination of this Lease, such improvements shall be the property of Lessor. Lessee agrees that all additions or improvements of whatsoever kind or nature made to the Premises other than furniture and movable fixtures, shall belong to and become the property of Lessor upon the expiration of the Term of this Lease or sooner termination thereof, unless Lessor requests their removal, in which event Lessee shall remove the same and restore the Premises to their condition as of the date of Lessor's delivery of possession of the Premises to Lessee, at Lessee's expense. Lessee shall promptly pay and discharge all claims for work or labor done, supplies furnished or services rendered and shall keep the Premises and Property free and clear of all mechanic's and materialmen's liens in connection therewith. If any such lien is filed, Lessee will pay the amount necessary to discharge the lien or bond around the lien, otherwise Lessor may, but shall not be required to, take such action or pay such amount as may be necessary to remove such lien; and, Lessee shall pay to Lessor, upon demand, any such amounts expended by Lessor in discharging such lien, together with interest at the maximum allowable interest rate permitted by law from the date of the expenditure by Lessor to the date of repayment by Lessee.

9. INSURANCE.

9.1 During the term of the Lease and for any further time that Lessee shall hold the Premises, Lessee shall obtain and maintain at its sole expense the following types and amounts of insurance:

- (A) Lessee shall keep all buildings, improvements and equipment on the demised Premises, including all alterations, additions, and improvements, insured against loss or damage by fire, with all standard extended coverage that may be required by any mortgagee of Lessor. The insurance shall be equal to the greater of the full insurable replacement cost of the Premises or the requirement required by any mortgage of Lessor. If at any time there is a dispute as to the amount of such insurance, the same shall be settled by arbitration;
- (B) Lessee shall provide insurance against liability for bodily injury and property damage and machinery insurance, all to be in amounts and in forms of insurance policies as may from time to time be required by Lessor. This requirement shall specifically include plate glass insurance, covering the glass in the Premises. Absent any other determination by Lessor, the minimum amount of such insurance shall be \$1,000,000.00 for any one occurrence with an annual aggregate of not less than \$ 2,000,000; and
- (C) Lessee shall provide and keep in force the following insurance in the operation of its business:
 - (i) Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, trade fixtures, and Lessee owned alterations and utility installations. Such insurance shall be at full replacement cost and with a deductible of no less than \$5,000 per occurrence. The proceeds of any such insurance shall be used by Lessee in accordance with this paragraph.
 - (ii) Lessee shall obtain and maintain worker's compensation insurance in such amount as may be required by law.

9.2 All insurance policies shall name Lessor as an additional named insured. Any policy or policies of insurance, which either party obtains in connection with the Premises, shall, to the extent the same can be obtained without undue expense, include a clause or endorsement denying the insurer any rights of subrogation against the other party to the extent rights have been waived by the insured prior to the occurrence of injury or loss. If requested by Lessor, any insurance against fire or other casualty shall provide that loss shall be payable to the holder of Lessor's Mortgage or other security interest under a standard mortgage clause. All insurance shall be written with responsible companies, and Lessee shall provide appropriate certificates of insurance to Lessor and the holder of any mortgage or

other security interest in the Premises promptly upon request. All policies shall require ten (10) days notice by registered mail to Lessor and to any mortgagee of Lessor of any cancellation change affecting any interest of Lessor or any mortgagee of Lessor.

10. AFFIRMATIVE COVENANTS AND RESPONSIBILITIES OF LESSEE. Lessee covenants and agrees that Lessee will, without demand:

10.1 Pay prior to delinquency any and all taxes and assessments against and levied upon trade fixtures, furnishings, equipment, and personal property contained in the Premises. Whenever possible, Lessee shall cause such items to be assessed and billed separately from the real property portion of the Premises. Lessee shall be responsible for any taxes and assessments attributable to any such items assessed against the real property portion of the Premises.

10.2 Procure and maintain, at Lessee's sole cost and expense, all HVAC, utilities and services required or desired by Lessee for its use and occupancy of the Premises, including, without limitation, water, sewer, gas, electricity, telephone, internet, janitorial, waste disposal services, and recycling services. Lessee shall make payment for any such services directly to the person or entity supplying such services. Lessor shall not be liable for any claims, costs or damages, including without limitation, loss or injury to person or property, and Lessee shall not be entitled to any reduction or abatement of rent or other charges hereunder, on account of any unavailability of, or interruption in, the utilities and services described in this paragraph.

10.3 Keep the Premises reasonably clean and free from all rubbish, ashes, debris, dirt and other matter;

10.4 At Lessee's own expense maintain the Premises in good repair, and in at least as good condition as that in which they were delivered, allowing for ordinary wear and tear, which shall include, without limitation, the maintenance and repair of the following: ~~ex~~repair or replacement of (a) any structural components including, without limitation, load bearing walls and floor slabs and masonry walls and foundations (but excluding roof and roof membranes which shall be maintained by Lessor), (b) the plumbing system, (c) the electrical system, (d) the utility lines and connections to the Premises, (e) the sprinkler mains, if any, (f) the heating, ventilation, and air conditioning system (but only to the extent that if the HVAC System cannot be repaired other than at a cost which is in excess of fifty percent (50%) of the cost of replacing the HVAC system, then the HVAC system shall be replaced by Lessor), (g) fixtures, (h) interior walls, (i) windows and skylights, (j) doors, (k) plate glass, (m) landscaping, (n) driveways and parking lots, (o) fences, (p) signs, (p) sidewalks and parkways located in, on, or adjacent to the Premises, and (q) all other areas of the Premises that would normally be repaired by a tenant in a single-tenant industrial lease agreement. If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after ten (10) days prior written notice to Lessee (except in the case of emergency in which case no notice shall be required) to perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall pay to Lessor a sum equal to 110% of the cost thereof.

10.5 Comply with any requirements of any government authority, and with the terms of any state or federal statutes or local ordinances or regulations applicable to Lessee to or for Lessee's use of the Premises and save Lessor

harmless from penalties, fines, costs or damages resulting from the failure to do so;

10.6 Give to Lessor prompt written notice of any accident involving persons other than agents or employees of Lessee, fire or damage occurring on or to the Premises;

10.7 At the termination of this Lease, remove any signs, improvements of a non-permanent nature, projections or devices placed upon the Premises at or prior to the expiration of this Lease. In case of breach of this covenant, in addition to all other remedies given to Lessor in case of breach of any condition or covenant of this Lease, Lessor shall have the privilege of removing said improvements, signs, projections, or devices and Lessee, at Lessor's option, shall be liable to Lessor for any and all expenses so incurred by Lessor;

10.8 Comply with all laws, and all applicable Environmental Laws which is defined as all federal, state, and local laws, rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder and other governmental requirements relating to pollution, control of chemicals, storage and handling of petroleum products, management of waste, discharges of materials into the environment, health, safety, natural resources, and the environment, including laws relating to emissions, discharges, releases, or threatened release of pollutants, contaminants or chemical, industrial, hazardous, or toxic materials or wastes into ambient air, surface water, ground water, on lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or waste. Lessee may have a Phase I Environmental Site Assessment performed prior to commencing operations. Lessee shall also notify Lessor if Lessee knows or has reason to know (or has reasonable cause to believe) that a hazardous substance has come to be located in, on, under or about the Premises, and shall provide lessor with any notices, reports, claim or other related documentation regarding the presence of such hazardous substance.

10.9 Indemnify Lessor against all expenses, liabilities, damages, loss of rents, penalties, and claims of any kind, including reasonable attorney's fees, by or on behalf of any person or entity arising out of or involving either:

- (A) A failure by Lessee to perform any of the terms or conditions of this Lease;
- (B) Any injury or damage happening on or about the demised Premises;
- (C) Any hazardous substance brought onto the Premises by or for Lessee, or any third party, in which case Lessee's obligations shall include, without limitation, the effects of any contamination or injury to person, property, or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this lease (no termination, cancellation, or release agreement entered into by Lessee and Lessor shall release Lessee from its obligations under this Lease with regards to hazardous substances, unless specifically so agreed to by Lessor in writing at the time of such agreement);

(D) Failure to comply with any law of any governmental authority; or

(E) Any mechanic's lien or security interest filed against the Premises as a result of any actions or conduct of Lessee at or with respect to the Premises; and

10.10 Secure any and all governmental and quasi-governmental permits for such use as Lessee intends to make of the Premises, and upon obtaining such permit, Lessee shall not use the demised Premises in any manner not inconsistent with or in violation of such permit.

11. **NEGATIVE COVENANTS OF LESSEE.** Lessee covenants and agrees that it will do none of the following things without the consent in writing of Lessor first had and obtained:

11.1 Occupy the Premises in any other manner or for any other purpose other than as set forth herein; and

11.2 Assign, mortgage or pledge, or sublease this Lease; nor shall any assignee assign, mortgage, pledge or sublease this Lease without the written consent by the Lessor, and without such consent no such assignment, mortgage, pledge or sublease shall be valid. Lessor will not unreasonably withhold such consent.

12. **ADDITIONAL COVENANTS:**

12.1 If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, this Lease, and all rights and obligations arising hereunder, shall terminate as of the date of such destruction, and rental shall be accounted for as between Lessor and Lessee as of that date. If the Premises are damaged but not totally destroyed by any of such casualty, rent shall abate in such proportion as use of the Premises has been destroyed, and Lessor shall restore the Premises to substantially the same condition as before such damage, whereupon full rental shall resume. For purposes of this section, damage to the Premises to the extent that full repairs cannot be made within 120 days after the date of the damage or destruction, shall be deemed to be a total destruction of the Premises.

12.2 Lessor shall not be liable for any damage, compensation or claim by reason of inconvenience or annoyance arising from the necessity of repairing any portion of the building, the interruption of the use of the Premises, or the termination of this Lease by reason of the destruction of the Premises.

12.3 Lessee acknowledges that Lessee has conducted or has had the opportunity to conduct a comprehensive investigation ("Due Diligence Investigation") of the Premises and all other matters which in Lessee's judgment may affect the value or suitability of the Premises for Lessee's purposes or which may influence Lessee's willingness to enter into this Lease. Lessee agrees that Lessee (i) accepts the Premises "as is" and with all faults; (ii) neither Lessor nor any of its officers, agents, employees or representatives has made any representations or warranties of any kind or nature, whether express or implied, with respect to the Premises or any of the matters relating thereto, except for those representations or warranties (if any) as may be expressly set forth in this Lease or the APA; (iii)

Lessee is relying on Lessee's own familiarity with the Premises, together with such further investigations as Lessee has deemed appropriate; (v) expressly waives the implied warranty of habitability and suitability for a particular purpose as may be provided by law; and (vi) Lessor shall not be required to perform any work of construction, alteration, repair or maintenance of or to the Premises. If Lessor obtains or has obtained or provides to Lessee any services, opinions, or work product of surveyors, architects, soil engineers, environmental auditors, engineers, title insurance companies, governmental authorities or any other person or entity with respect to the Premises, Lessee and Lessor agree that Lessor does so only for the convenience of the parties, Lessor does not vouch for the accuracy or completeness of any such items, and the reliance of Lessee upon any such items shall not create or give rise to any liability of or against Lessor.

12.4 It is hereby covenanted and agreed by and between the parties that any law, usage or custom to the contrary notwithstanding, Lessor shall have the right at all times to enforce the covenants and provisions of this Lease in strict accordance with the terms hereof, notwithstanding any conduct or custom on the part of Lessor in refraining from so doing at any time or times, and further, that the failure of Lessor at any time or times to enforce Lessor's right under said covenants and provisions strictly in accordance with the same shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions or covenants of this Lease, or as having in any way or manner modified the same. No failure by Lessor to insist upon the strict performance of any term hereof or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial payment of rent during the continuance of any such breach shall constitute a waiver of any such breach or of any such term. Efforts by Lessor to mitigate the damages caused by Lessee's breach of this Lease shall not be construed to be a waiver of Lessor's right to recover damages under this Lease.

12.5 Since compliance with the Americans with Disabilities Act of 1990, 42 USC sections 12101 et seq. ("ADA") is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. Lessee shall be solely responsible for compliance with and shall make or cause to be made all such improvements and alterations to the Premises (including, without limitation, removing such barriers and providing such alternative services) as shall be required by the ADA, as the same may be amended from time to time, or by any similar or successor law and the rules promulgated thereunder.

12.6 Lessor warrants and guarantees, for a period of ninety (90) days FROM THE TERM COMMENCEMENT DATE, that the HVAC, plumbing, wash rack and other electrical and mechanical systems on the Premises will be free from defect and are in good working order, normal wear and tear excepted.

12.7 In the event of any subsurface excavation (including trenching), Lessor and Lessee agree to utilize a site soil management plan.

13. **EVENTS OF DEFAULT.** The occurrence of any of the following shall constitute Events of Default:

13.1 Any part, portion or component of the Rent, or any other sums payable under this Lease are not received within three (3) days of the due date;

13.2 The Premises are deserted, vacated, or not used as regularly or consistently as would normally be expected for similar premises (which shall be defined as the failure to be open for business at the Premises for a period of ten (10) continuous days), even though Lessee may continue to pay Rent;

13.3 Any petition is filed by or against Lessee under any section or chapter of the Federal Bankruptcy Code, and, in the case of a petition filed against Lessee, such petition is not dismissed within thirty (30) days after the date of such filing;

13.4 Lessee becomes insolvent or transfers property in fraud of creditors;

13.5 Lessee makes an assignment for the benefit of creditors;

13.6 A receiver is appointed for any of the Lessee's assets; or

13.7 Lessee breaches or fails to comply with any term, provision, condition or covenant of this Lease, other than the payment of Rent.

14. LESSOR'S REMEDIES.

14.1 If Lessee vacates or abandons the Premises, this Lease shall continue in effect unless and until terminated by Lessor in writing, and Lessor shall have all of the rights and remedies provided by Section 1951.4 of the California Civil Code (i.e. Lessor may continue this Lease in effect after Lessee's breach and abandonment and recover Rent as it becomes due, if Lessee has the right to sublet or assign subject only to reasonable limitations).

14.2 Following the occurrence of any Event of Default, Lessor shall have the right, so long as the default continues, to terminate this Lease by written notice to Lessee setting forth: (i) the default; (ii) the requirements to cure it; and (iii) a demand for possession, which shall be effective three (3) days after it is given. Lessor shall not be deemed to have terminated this Lease other than by delivering written notice of termination to Lessee.

14.3 Following termination of the Lease, without prejudice to any other remedies Lessor may have by reason of Lessee's default or of such termination, Lessor may then or at any time thereafter (i) peaceably reenter the Premises, or any part thereof, upon voluntary surrender by Lessee, or, expel or remove Lessee and any other persons occupying the Premises, using such legal proceedings as may be available; (ii) repossess and enjoy the Premises, or relet the Premises or any part thereof for such term or terms (which may be for a term extending beyond the Term), at such rental or rentals and upon such other terms and conditions as Lessor in Lessor's sole discretion shall determine, with the right to make reasonable alterations and repairs to the Premises; and (iii) remove all personal property from the Premises.

14.4 Following termination of the Lease, Lessor shall have all the rights and remedies of a Lessor provided by Section 1951.2 of the California Civil Code which provides that Lessor may recover from Lessee the following: (i) the worth at the time of the award of the unpaid rent which had been earned at the time of termination; (ii) the worth at the time of the award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; (iii) the worth at the time of the award of the amount by which the unpaid rent for the balance of the Term (or extension thereof, if applicable) after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all detriment proximately caused by Lessee's failure to perform Lessee's obligations under the Lease or which in the ordinary course of things would be likely to result therefrom. The "worth at the time of award" of the amounts referred to in (i) and (ii) of this subsection, shall be computed by allowing interest at the Interest Rate. The "worth at the time of the award" of the amount referred to in (iii) above shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

14.5 If Lessee causes or threatens to cause a breach of any of the covenants, terms or conditions contained in this Lease, Lessor shall be entitled to retain all sums held by Lessor, any trustee or in any account provided for herein, to enjoin such breach or threatened breach, and to invoke any remedy allowed at law, in equity, by statute or otherwise as though re-entry, summary proceedings and other remedies were not provided for in this Lease.

14.6 Each right and remedy of Lessor provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for now or hereafter existing at law, in equity, by statute or otherwise. The exercise or beginning of the exercise by Lessor of any one or more of the rights or remedies provided for in this Lease, or now or hereafter existing at law, in equity, by statute,

or otherwise, shall not preclude the simultaneous or later exercise by Lessor of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law, in equity, by statute, or otherwise.

14.7 No failure by Lessor to insist upon the strict performance of any term hereof or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial payment of rent during the continuance of any such breach shall constitute a waiver of any such breach or of any such term. Efforts by Lessor to mitigate the damages caused by Lessee's breach of this Lease shall not be construed to be a waiver of Lessor's right to recover damages under this Section.

14.8 Upon Lessee's failure to perform any obligation of Lessee hereunder shall have the right, but not the obligation, to perform such obligations of Lessee on behalf of Lessee and/or to make payment on behalf of Lessee to such parties. Upon demand, Lessee shall reimburse Lessor for the cost of Lessor's performing such obligations on Lessee's behalf, including, without limitation, reimbursement of any amounts that may be expended by Lessor and Lessor's reasonable attorneys' fees, plus the maximum interest rate allowable by law, from the date of any such expenditure until the same is repaid.

14.9 For purposes of any unlawful detainer action by Lessor against Lessee pursuant to California Code of Civil Procedure Sections 1161 through 1179, or any similar or successor statutes, Lessor shall be entitled to recover as Rent not only such sums specified as the Monthly Base Rent which may then be overdue, but also any and all additional sums of money as may then be overdue.

14.10 Lessor's exercise of any one or more of the remedies set forth in this Section shall not affect the rights of Lessor or the obligations of Lessee under the indemnification set forth in Section 16.1 hereof.

14.11 Lessor shall be under no obligation to observe or perform any covenant of this Lease on its part to be observed or performed which accrues after the date of any Event of Default, and for so long as the Event of Default continues.

15. LESSOR'S DEFAULT.

In the event of a default by Lessor in the performance of any of its obligations under this Lease, Lessee shall deliver written notice to Lessor specifying, in detail sufficient for Lessor to correct such default, the default by Lessor. Lessor shall have thirty (30) days from receipt of Lessee's notice, which thirty (30) days shall be extended for a reasonable period of time if such matter is not reasonably susceptible to cure within such 30 day period provided Lessor is diligently pursuing to cure any such default. If any such default set forth in Lessee's notice remains uncured after the aforesaid time period, Lessee shall have all rights and remedies available to it at law and equity, except that in no event shall Lessee be entitled to offset Rent due hereunder in order to recoup expenses or losses claimed by Lessee in connection with such default by Lessor.

16. LEASE CONTAINS ALL AGREEMENTS.

It is expressly understood and agreed by and between any parties hereto that this Lease and the Exhibits attached hereto and forming a part hereof, set forth all of the promises, agreements, conditions and understandings between Lessor, or Lessor's agents, and Lessee relative to the demised Premises, and that there are no promises, agreements, conditions or understandings, either oral or written, between them other than as set forth herein. It is further understood and agreed that, except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by them.

17. PARTIES BOUND.

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several and respective heirs, executors, administrators, successors and assigns of said parties, and if there shall be more than one Lessee, they shall all be bound jointly and severally by the terms, covenants and agreements herein, and the word "Lessee" shall be deemed to and taken to mean each and every person or party mentioned as a Lessee herein, be the same one or more; and if there shall be more than one Lessee, any notice required or permitted by the terms of this Lease shall be given by or to anyone thereof, and shall ever have the same force and effect as if given by or all thereof. The word "his" and "him" and "her", wherever stated herein shall be deemed to refer to the "Lessor" and "Lessee" whether such Lessor and Lessee be singular or plural and irrespective of gender. No rights, however, shall inure to the benefit of any assignee of Lessee unless the assignment to such assignee has been approved by Lessor in writing as herein provided.

18. SUBORDINATION. This Lease and all rights of Lessee hereunder shall be subject and subordinate to the lien of any mortgagee of Lessor. While this paragraph is self-operative, and no further instrument of subordination shall be necessary, Lessee shall, in confirmation of such subordination, upon demand at any time or times, execute, acknowledge and deliver to Lessor or any mortgagee of Lessor any and all instruments requested by either of them to evidence such subordination. Lessee shall, upon demand, at any time or times, execute, acknowledge, and deliver to Lessor or any mortgagee of Lessor, without expense, any and all instruments that may be necessary to make this Lease subordinate to the lien of any mortgagee of Lessor. If a holder of any mortgage of Lessor shall hereafter succeed to the rights of Lessor under this Lease, Lessee shall, at the option of such holder, attorn to and recognize such successor as Lessee's landlord under this Lease and shall promptly execute and deliver any instrument that may be necessary to evidence such attornment. Upon such attornment, this Lease shall continue in full force and effect as a direct lease between each successor Lessor and Lessee, subject to all of the terms, covenants and conditions of this Lease. If Lessee fails at any time to execute, acknowledge and deliver any of the instruments provided for by this paragraph within ten (10) days after Lessor's notice so to do, Lessor, in addition to the remedies allowed by this Lease may execute, acknowledge and deliver any and all of such instruments as the attorney-in-fact of Lessee and in its name, place and stead, and Lessee hereby irrevocably appoints Lessor, its successors and assigns as such attorney-in-fact.

19. NOTICES.

19.1 Except for legal process which may also be served as by law provided, all notices required or desired to be given with respect to this Lease shall be in writing and shall be deemed to have been given when hand delivered or three (3) days after deposited, postage prepaid, with the United States Postal Service (or its official successor), certified, return receipt requested, properly addressed as follows:

To Lessee:

Volvo Construction Equipment Rents, Inc
127 Walnut Bottom Road
Shippensburg, PA 17257
Attn: Evan Brumm
Vice President and CF

With a copy going to:

Volvo Construction Equipment Rents, Inc.
127 Walnut Bottom Road
Shippensburg, PA 17257
Attn: Jeff Dunlop
General Counsel

To Lessor:

W.Y.L. Five Star Service Industries, Inc., a California corporation
c/o James Lew
26 Dorantes Avenue
San Francisco, CA 94116

Such addresses may be changed from time to time by either party by notice to the other.

19.2 Lessee hereby designates and appoints as its agent to receive notice of all dispossessory or distraint proceedings the person in charge of or occupying the Premises at the time such notice is given, or, if there is no such person, then such service of notice may be made by attaching it on the main entrance of the Premises.

20. **HOLDING OVER.** If Lessee shall, with Lessor's written consent, remain in possession of the Premises or any part thereof after the expiration of the Term hereof, such occupancy shall constitute a tenancy from month to month, terminable upon thirty (30) days notice by either party, upon all of the terms, covenants and conditions of this Lease, except that the Base Rent shall be increased to one hundred twenty five percent (125%) of the Monthly Base Rent in effect immediately prior to such expiration. Otherwise, any such occupancy shall constitute a tenancy at sufferance, and Lessee shall be liable to Lessor for any and all claims, damages, liabilities, costs and expenses (including attorneys' fees and expenses) incurred by Lessor and arising out of Lessee's failure to timely surrender the Premises in accordance with the requirements of this Lease.

21. **INDEMNIFICATION**

(A) Lessor and Lessee each represents and warrants to the other that no broker, agent, commission salesman or other person has represented the warranting party in the negotiations for and procurement of this Lease and of the Premises, and that no commissions, fees or compensation of any kind are due and payable in connection herewith to any such person or entity. Each party further warrants that any compensation arrangement with the parties excepted from the foregoing warranty has been reduced to writing in its entirety in a separate agreement signed simultaneously with or before this Lease by the party against whom the commission or compensation is charged.

(B) Lessee hereby releases and shall indemnify, defend with counsel acceptable to Lessor, and hold Lessor, and its officers, directors, employees and agents, harmless from and against any and all liabilities, penalties, losses, damages, costs and expenses, demands, causes of action, claims or judgments (including, without limitation, attorneys' fees and expenses) (collectively, "Claims") arising, claimed or incurred against or by Lessor, or its officers, directors, employees or agents, from any matter or thing arising from (i) the use or occupancy of the Premises by Lessee or any sublessee or assignee of Lessee, or any of their respective officers, directors, employees, agents, licensees and invitees, the conduct of Lessee's business, or from any activity, work or other thing done, permitted or suffered by Lessee in or about the Premises; (ii) any accident, injury to or death of Lessee and/or its officers, directors, employees, agents, invitees or

licensees or any other person or loss of or damage to property of Lessee or any such persons occurring on or about the Premises or any part thereof during the term hereof; (iii) any breach or default in the performance of any obligation on Lessee's part or to be performed under the terms of this Lease; or (iv) the performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof at the request of Lessee, or its officers, directors, agents and employees; provided that Lessee shall have no obligation to indemnify, defend and hold Lessor harmless from and against any Claims resulting solely from the gross negligence or willful misconduct of Lessor. Notwithstanding any provision hereof to the contrary, the indemnification provided in this Section shall survive any termination of this Lease or expiration of the Term hereof. Lessee shall give prompt notice to Lessor in case of casualty or accidents known to Lessee on or about the Premises.

(C) Lessor shall indemnify, defend and hold Lessee, its officers, directors, employees and agents harmless from and against any and all liabilities, penalties, losses, damages, costs and expenses, demands, causes of action, claims or judgments due solely to the gross negligence or willful misconduct of Lessor.

22. **ATTORNEYS' FEES/WAIVER OF JURY TRIAL.** If any party commences an action against the other party arising out of or in connection with this Lease, (a) the prevailing party shall be entitled to recover from the losing party the cost and expenses of such action, including reasonable collection fees, attorneys' fees (including without limitation the allocated cost of in-house counsel) and court costs; and (b) the parties agree that the matter shall be tried by the court without a jury, and each party specifically waives the right to a jury trial in any such action.

23. **LIMITATION OF LESSOR'S LIABILITY.** The obligations of Lessor under this Lease shall not constitute personal obligations of the individual partners, directors, officers, or shareholders of Lessor, and Lessee shall look solely to the real estate that is the subject of this Lease and to no other assets of Lessor for satisfaction of any liability in respect of this Lease and shall not seek recourse against the individual partners, directors, officers or shareholders of Lessor or any of their personal assets for such satisfaction.

24. **RECORDING.** This Lease shall not be recorded by Lessee without Lessor's consent endorsed hereon, however, a Memorandum of this Lease may be recorded by Lessee or Lessor only upon agreement in writing by both parties.

25. **ESTOPPEL CERTIFICATE.** At any time and from time to time, and, on or before the date specified in a request therefore made by Lessor, which date shall not be earlier than ten (10) days from the making of such request, Lessee shall execute, acknowledge and deliver to Lessor a certificate evidencing:

25.1 Whether or not this Lease is in full force and effect;

25.2 Whether or not this Lease has been amended in any way;

25.3 Whether or not there are any existing defaults on the part of Lessor hereunder to the knowledge of Lessee and specifying the nature of such defaults, if any; and

25.4 The Base Rent amount at that time, and date to which Rent has been paid; and

25.5 Any other information that may be reasonably pertinent to a lender or a buyer of Lessor's interest in the Premises.

Each certificate delivered pursuant to this Paragraph may be relied on by any prospective purchaser or transferee of Lessor's

interest hereunder or of any part of Lessor's property or by any holder or prospective holder of any mortgage of Lessor, or a mortgagee or prospective mortgagee of any part of Lessor's other property.

26. **SEVERABILITY.** If any clause or provision of this Lease is or becomes illegal, invalid, or unenforceable because of present or future laws or any rule or regulation of any governmental body or entity, effective during its term, the intention of the parties hereto is that the remaining parts of this Lease shall not be affected thereby, unless the amount of Rent payable hereunder is thereby decreased, in which event Lessor may terminate this Lease.

27. **CAPTIONS.** The captions used in this Lease are for convenience only and do not in any way limit or amplify the terms and provisions hereof.

28. **SUCCESSORS AND ASSIGNS.** The provisions of this Lease shall inure to the benefit of and be binding upon Lessor and Lessee, and their respective successors, heirs, legal representatives and assigns.

29. **STATE LAW.** The laws of the State of California shall govern the interpretation, validity, performance and enforcement of this Lease.

30. **TIME IS OF THE ESSENCE.** Except as otherwise specifically provided herein, time is of the essence of this Lease. If any date set forth for the performance of any obligation or for the delivery of any instrument or notice should be on a Saturday, Sunday or legal holiday, compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or legal holiday. As used herein, the term "legal holiday" means any state or federal holiday for which financial institutions and post offices are generally closed in the State of California for observance thereof. Except as expressly provided to the contrary in this Lease, all references to days shall mean calendar days.

31. **ENTRY BY LESSOR.** Lessor and its authorized representatives shall have the right to enter the Premises at all reasonable times and upon reasonable notice (provided that in the event of an emergency, notice need not be given) for the purpose of inspecting the same or taking any action or doing any work permitted hereunder (but nothing herein contained in this Lease shall create or imply any duty on the part of Lessor to make any such inspection or to take any such action or do any such work). No such entry shall constitute an eviction of Lessee. In connection with any such entry, Lessor will use reasonable efforts not to disrupt or interfere with the normal operation of Lessee's business. Reasonable notice for entry by Lessor during non-business hours shall be twenty-four (24) hours.

32. **EXECUTION.** This Lease may be executed in any number of counterparts, each of which shall be deemed an original and any of which shall be deemed to be complete in itself and be admissible into evidence or used for any purpose without the production of the other counterparts.

33. **DEFINITION OF LESSOR.** As used in this Lease, the term "Lessor" means only the current fee owner of the Premises at the time in question. Each Lessor is obligated to perform the obligations of the Lessor hereunder only during the time such Lessor owns such leasehold interest. Any Lessor who transfers title to its leasehold interest in the Premises is relieved of all liabilities of Lessor under this Lease to be performed on or after the date of such transfer. The former or successor Lessor shall promptly send written notice to Lessee of any change in ownership described in this paragraph.

34. **FORCE MAJEURE.** Lessor shall be excused from the performance of any of its obligations for the period of any delay resulting from any cause beyond its control, including, without limitation, all labor disputes, governmental regulations or controls, fires or other

casualties, inability to obtain any material or services, or acts of God.

35. EMINENT DOMAIN. If the Premises, or any part thereof or any estate therein, or any other part of the building materially affecting Lessee's use of the premises, shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by Lessee, and for moving expenses.

36. SECURITY DEPOSIT.

36.1 Simultaneously with the execution of the Lease, Lessee shall deposit with Lessor a security deposit of thirteen thousand four hundred dollars (\$ 13,400.00) ("Security Deposit") to be held by Lessor as security for the faithful performance by Lessee of all terms, covenants and conditions of this lease. Alternatively, Lessee may deposit the Security Deposit with escrow officer named in the APA, in which case Lessee shall direct escrow officer to release the Security Deposit to Lessor at Close of Escrow. The Security Deposit shall not be mortgaged, assigned, transferred or encumbered by Lessee and any such act on the part of Lessee shall be without force and effect and shall not be binding upon Lessor. The Security Deposit shall not bear interest nor shall Lessor be required to keep such sum separate from its general funds.

36.2 If (i) any rent, additional rent or other sums due hereunder shall be overdue and unpaid, (ii) Lessor makes any payment on behalf of Lessee, (iii) Lessee fails to perform any of the terms of this Lease, or (iv) this Lease terminates due to Lessee's default or abandonment of the Premises; then, in any of the foregoing events, Lessor shall have the right (but not the obligation), without prejudice in addition to any other remedy available to Lessor, to use, apply or retain all or any portion of the Security Deposit (a) for the payment of any Rent, Additional Rent or other sum in default, (b) for the payment of any other sum to which Lessor may become obligated by reason of Lessee's default or breach, and/or (c) to compensate Lessor for any loss or damage which Lessor may suffer thereby, as reasonably estimated by Lessor, whether such damages accrue prior to or after termination of the Lease. Such damages may include, without limitation, prospective damages, damages recoverable pursuant to California Civil Code Section 1951.2, lost rents, costs to repair damage caused by Lessee, costs to clean the Premises upon termination of the tenancy, costs to relet the Premises, and/or any other costs, expenses, or damages available at law or in equity due to Lessee's default or abandonment. Lessee shall, within ten (10) days of demand therefor, restore the Security Deposit to the higher of (y) the original amount of the Security Deposit, or (z) the amount of the Security Deposit prior to Lessor's application thereof to amounts due by Lessee.

36.3 If Lessor uses or applies only a portion of the Security Deposit, as provided above, Lessor agrees to pay Lessee, without payment of interest or other increment for its use, the remaining un-used or un-applied balance of the Security Deposit within thirty (30) days after the later of the date Lessor receives possession of the Premises from Lessee, or the termination date of this Lease. However, it is expressly understood and agreed that the Security Deposit is not an advance rental deposit or a measure of the Lessor's damages as a result of Lessee's default and/or abandonment, and Lessor shall retain all rights and remedies available, at law or in equity, as a result of such a default or abandonment by Lessee. Further, Lessor's return of the Security Deposit, or any part thereof, shall not be construed as an admission that Lessee has performed all of its obligations under the Lease. In the event of bankruptcy or other debtor-creditor proceedings against Lessee, the Security Deposit shall be deemed to be applied first to the payment of Rent, Additional Rent and other sums due Lessor for all periods prior to the filing of such proceedings.

37.4 Lessee hereby expressly waives the provisions of California Civil Code section 1950.7(c) and any other laws and rules of law in effect from time to time during the Term that limit Lessor's right to use or apply the Security Deposit to offset Lessor's damages after a lease termination due to Lessee's default or abandonment.

38. **SUBLETTING and ASSIGNMENT.** Lessee shall have the right to sell, assign, hypothecate, or otherwise transfer this Lease or any interest hereunder, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Lessee, provided that Lessee first obtains Lessor's written consent, which shall not be unreasonably withheld. Lessor hereby reserves the right to condition any such approval upon the following, any failure of which Lessee agrees shall be a reasonable basis upon which to withhold consent: (i) Lessor's determination that the proposed assignee or sublessee is financially responsible and has sufficient business repute and experience to operate a successful business of the type permitted hereunder; (ii) obtaining the written agreement by the proposed assignee or sublessee to be bound by each and every obligation of Lessee under this Lease; (iii) the use to be made of the Premises by the proposed assignee or sublessee is permitted hereunder and is a first-class and quality business; (iv) the proposed use would not materially increase the operating costs of the Property, or increase the security concerns on the Property; (v) the proposed use would create a substantial probability that the comfort or safety of the agents or employees of Lessor (vi) such other factors or conditions as shall not be unreasonable. If Lessor consents to a proposed assignment, Lessee shall pay to Lessor a transfer fee of Two Thousand Dollars (\$2,000.00) to cover Lessor's legal and review costs in connection with such transfer. If Lessor's withholding of consent is found to be unreasonable by a court of competent jurisdiction, Lessee's sole remedy shall be to have the proposed assignment or subletting declared valid as if Lessor's consent had been given, and Lessee waives any other remedy at law or in equity. Lessee shall deliver to Lessor complete, fully executed documentation with regard to the transfer, assignment or sublease upon execution and delivery of the same. Notwithstanding assignment or subletting, Lessee shall remain liable for the full and complete performance, satisfaction, and compliance with each and every agreement, term, covenant, condition, requirement, provision, and restriction of this Lease, as principal and not as surety or guarantor, and as if no such assignment or subletting had been made. Notwithstanding the foregoing, Lessee shall have the right to assign this Lease to any affiliate if such affiliate is under common ownership with Lessee.

39. **SIGNS.** Lessee shall not place, construct or maintain on the Premises any signs without Lessor's prior written consent, which shall not be unreasonably withheld. All signage must comply with law. Lessor may place on the Premises "For Sale" signs at any time and "For Lease" signs during the last six months of the term thereof.

40. **WAIVERS.** No provision of this Lease shall be deemed to have been waived by Lessor unless such waiver is in writing signed by the waiving party, nor shall any custom or practice which may evolve between the parties in the administration of the terms hereof be construed to waive Lessor's right to require the obligations of Lessee be performed in strict accordance with the terms of this Lease.

41. **AUTHORITY.** Each individual executing this Lease on behalf of Lessee represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Lessee, and that this Lease is binding upon Lessee in accordance with its terms. As a condition precedent to the legal effectiveness of this Lease, Lessor may, at Lessor's option, require corporate or partnership resolutions as are reasonably necessary to establish the authority of Lessee to enter into this Lease.

42. **PEACEFUL POSSESSION.** So long as Lessee observes and performs the covenants and agreements contained herein, it shall at all times during the lease term hereunder peacefully and quietly have and enjoy possession of the Premises, but always subject to the terms hereof.

43. **AMENDMENTS.** This Lease may be only modified in writing, signed by the parties in interest at the time of the modification.

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

TENANT:

LANDLORD:

Volvo Construction Equipment Rents, Inc., a Delaware
corporation

W.Y.L. Five Star Service Industries, Inc., a California
corporation

By: 

Print Name: Evan Brumm

Title: Vice President & CFO

By: 

Print Name: 

Title: 

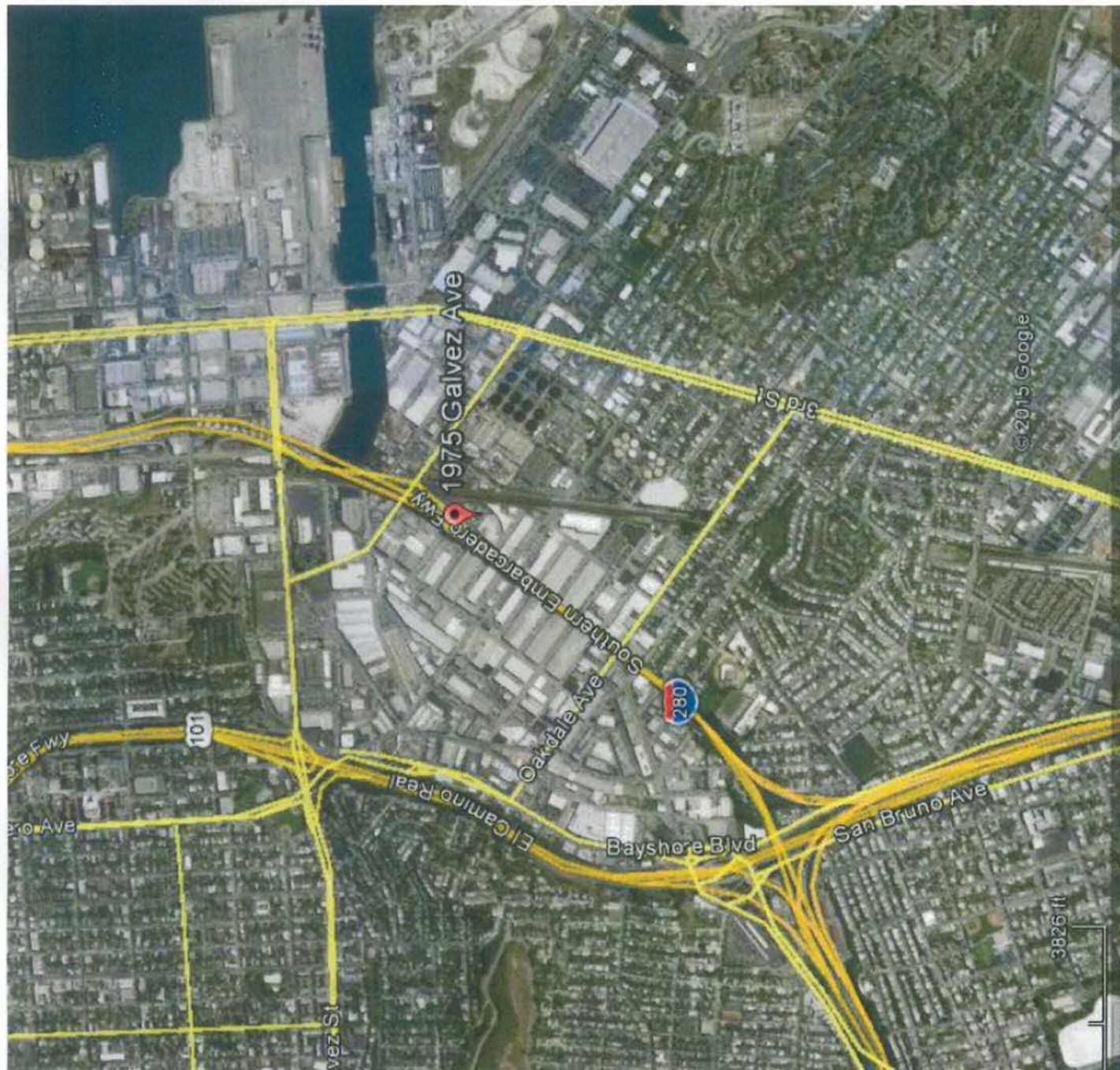















Figure 1
Site Location



SFREIS

INTERNAL


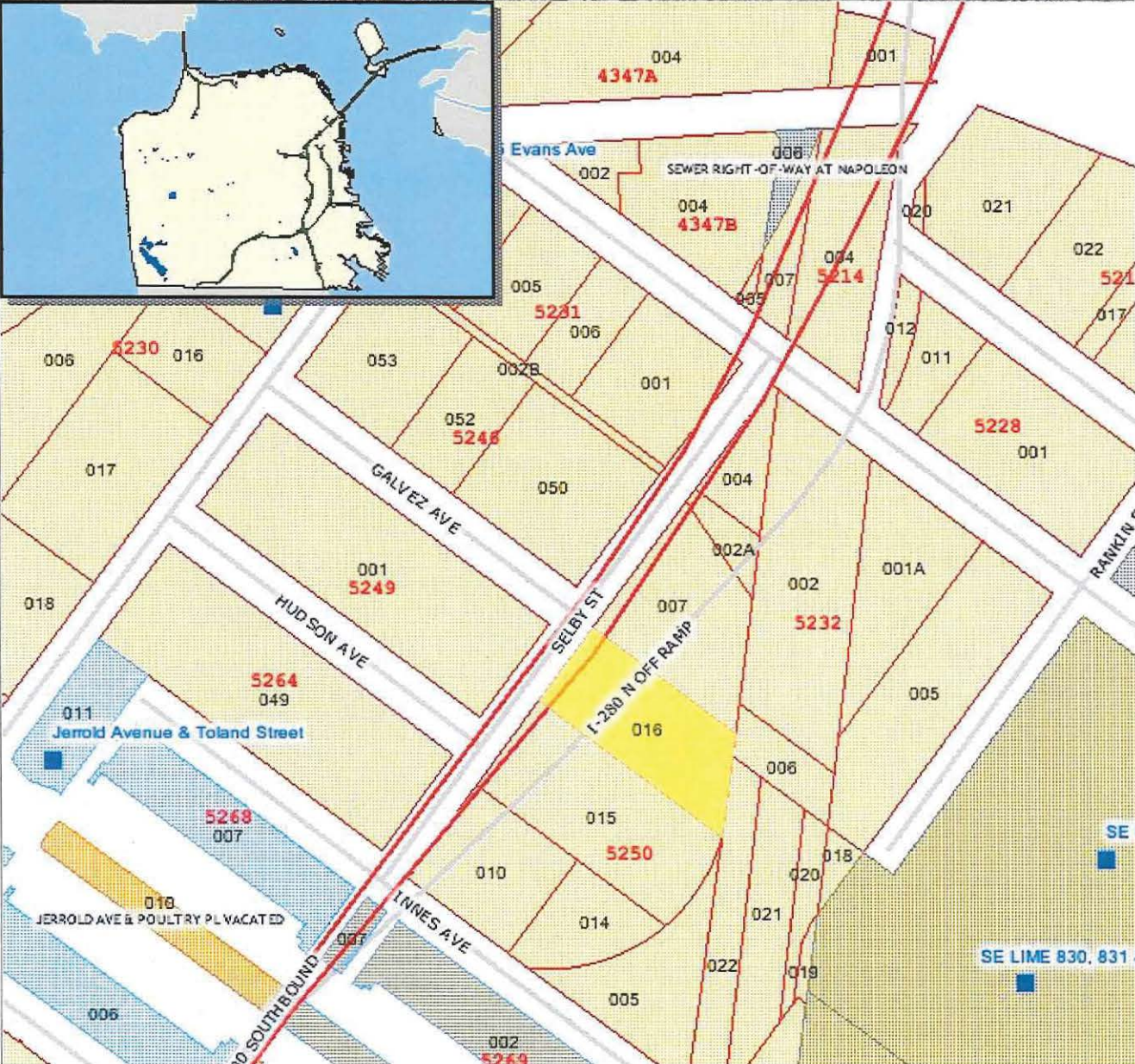
Real Estate Information System

Find Block and/or Lot Number

Find Address or Intersection

Find Property Owner

Find City Properties

Parcel Information per Assessor and related databases (as of 4/20/2015)
Click on the lot number for detailed data

Block and Lot [5250016](#)

Address 1975-0000 GALVEZ AV

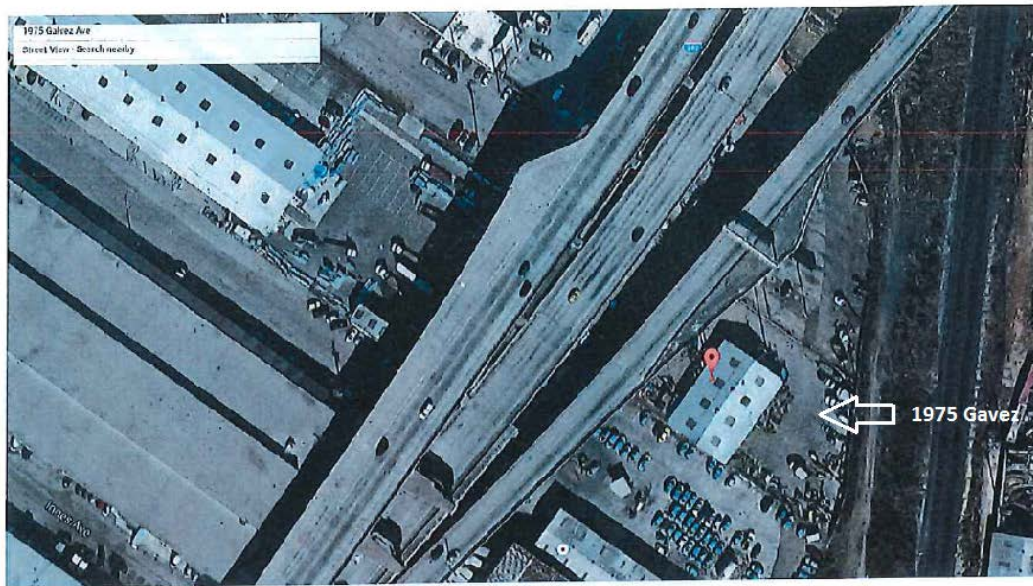
Owner W Y L FIVE STAR
SERVICE INDUST

Mailing Address W Y L FIVE STAR
SERVICE IND LEW
JAMES PO BOX 27025
SAN FRANCISCO CA
94127

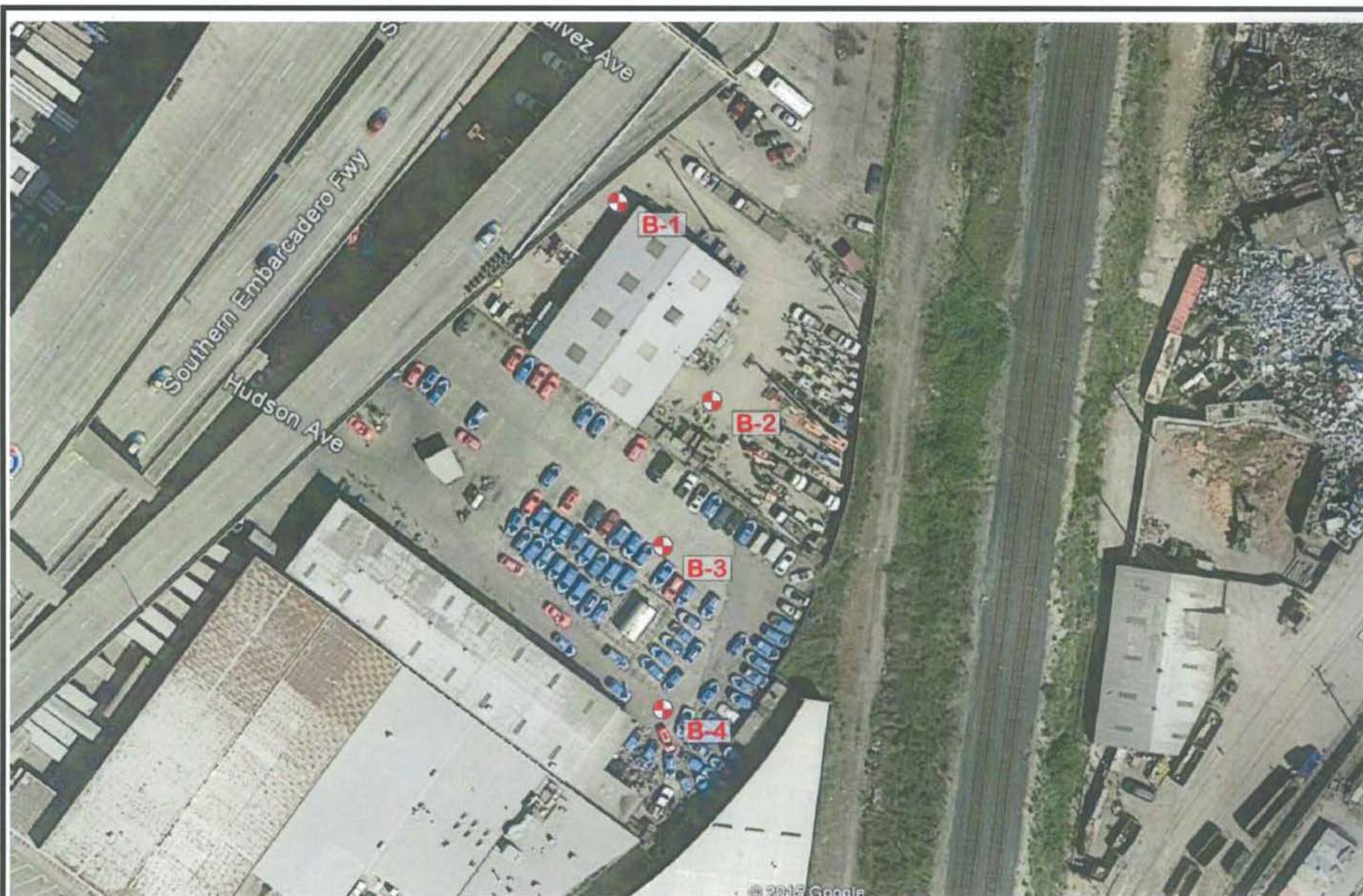
Zone [Zoning from City Planning](#)

Lot Area 48,338

Bldg Area 7,050



APN: 5250:016
Zoning PDR - 2
Height & Bulk 80-E
Parcel - Approximately 48,338 SF +/-
Building 7,050 SF +/- per assessors report



 Boring Location
B-4

0 40 80 feet
Approximate Scale

3717


BOREHOLE LOCATION MAP

Geotechnical Data Report
CDD HD SIG Sites



SAN FRANCISCO PLANNING DEPARTMENT

CEQA CATEGORICAL EXEMPTION FORM

PROJECT NAME: Central Shops Relocation and Land Transfer Project

PROJECT LOCATION: Bayview/Hunters Point

CASE NUMBER: 2015-004781ENV

PROJECT TYPE: ☐ New Facility

☒ Replacement Facility/Equipment

☐ Repair/Maintenance/Upgrade

☐ Other: _____

1. EXEMPTION CLASS

☐ Class 1: Existing Facilities

☐ Class 2: Replacement or Reconstruction

☐ Class 3: New Construction or Conversion of Small Structures

☐ Class 6: Information Collection

☒ Other: Class 32 - In-fill Development

2. CEQA Impacts

For any box checked below, refer to the attached Environmental Evaluation Application with supporting analysis and documentation.

☐ **Air Quality:** Would the project affect sensitive receptors (specifically schools, colleges, universities, day care facilities, hospitals, residential dwellings, or senior-care facilities)? Would project construction or operations exceed air quality screening criteria using either the SFPUC Air Quality Screening Tool or CalEEMOD?

☐ **Noise:** Would the project conflict with the applicable local Noise Ordinance?

☐ **Hazardous Materials:** Would the project be located on a site included on any list compiled pursuant to Section 65962.5 of the Government Code, or impact an area with known hazardous materials such as a former gas station, auto repair, dry cleaners, heavy manufacturing use, or site with underground storage tanks? If the project site is suspected of containing hazardous materials, would the project involve 50 cubic yards or more of soil disturbance?

☐ **Soils Disturbance/Modification:** Would the project result in soil disturbance greater than 2 feet below grade in an archeological sensitive area or 8 feet in a non-archeological sensitive area?

☐ **Slope/Geological Hazards:** If located on slopes of 20% or greater, in a landslide or liquefaction zone, does the project involve excavation of 50 cubic yards of soil or more, new construction, or square footage expansion greater than 1,000 sq. ft. outside of the existing building footprint?

☐ **Hydrology/Water Quality:** Would the project cause flooding impacts, violate water quality standards, result in on- or off-site erosion impacts, or otherwise substantially degrade water quality?

☐ **Biology:** Would the project have the potential to impact sensitive species, rare plants or designated critical habitat? Is the project consistent with the applicable tree protection ordinance?

☐ **Visual:** Is the project located within or adjacent to a designated scenic roadway, or would the project have the potential to impact scenic resources that are visible from public locations?

☐ **Transportation:** Would project construction or operation have the potential to adversely affect existing traffic patterns, transit operations, pedestrian and/or bicycle safety (hazards), or the adequacy of nearby transit, pedestrian and/or bicycle facilities?

☐ **Historical Resources:** Is the project located on a site with a known or potential historical resource?

☐ **Other:** _____

3. CATEGORICAL EXEMPTION DETERMINATION

☐ Further Environmental Review Required.

Notes: _____

☒ No Further Environmental Review Required. Project is categorically exempt under CEQA.

Timothy J. Johnston

Digitally signed by Timothy J. Johnston
DN: dc=org, dc=sfgov, dc=cityplanning, ou=CityPlanning,
ou=Environmental Planning, cn=Timothy J. Johnston,
email=timothy.johnston@sfgov.org
Date: 2015.10.28 11:19:13 -0700

Planner's Signature

10/28/2015

Date

Timothy Johnston, CEQA Coordinator

Name, Title

Project Approval Action: Public Hearing

Once signed and dated, this document constitutes a categorical exemption pursuant to CEQA Guidelines and Chapter 31 of the Administrative Code.



SAN FRANCISCO PLANNING DEPARTMENT

ENVIRONMENTAL EVALUATION APPLICATION COVER MEMO - PUBLIC PROJECTS ONLY

In accordance with Chapter 31 of the San Francisco Administrative Code, an appeal of an exemption determination can only be filed within 30 days of the project receiving the first approval action.

Please attach this memo along with all necessary materials to the Environmental Evaluation Application.

Project Address and/or Title:	Central Shops Relocation and Land Transfer Project
Funding Source (MTA only):	
Project Approval Action:	SFPUC Commission Hearing
Will the approval action be taken at a noticed public hearing? <input checked="" type="checkbox"/> YES* <input type="checkbox"/> NO	
* If YES is checked, please see below.	

IF APPROVAL ACTION IS TAKEN AT A NOTICED PUBLIC HEARING, INCLUDE THE FOLLOWING CALENDAR LANGUAGE:

End of Calendar: CEQA Appeal Rights under Chapter 31 of the San Francisco Administrative Code If the Commission approves an action identified by an exemption or negative declaration as the Approval Action (as defined in S.F. Administrative Code Chapter 31, as amended, Board of Supervisors Ordinance Number 161-13), then the CEQA decision prepared in support of that Approval Action is thereafter subject to appeal within the time frame specified in S.F. Administrative Code Section 31.16. Typically, an appeal must be filed within 30 calendar days of the Approval Action. For information on filing an appeal under Chapter 31, contact the Clerk of the Board of Supervisors at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, or call (415) 554-5184. If the Department's Environmental Review Officer has deemed a project to be exempt from further environmental review, an exemption determination has been prepared and can be obtained on-line at <http://sf-planning.org/index.aspx?page=3447>. Under CEQA, in a later court challenge, a litigant may be limited to raising only those issues previously raised at a hearing on the project or in written correspondence delivered to the Board of Supervisors, Planning Commission, Planning Department or other City board, commission or department at, or prior to, such hearing, or as part of the appeal hearing process on the CEQA decision.

Individual calendar items: This proposed action is the Approval Action as defined by S.F. Administrative Code Chapter 31.

THE FOLLOWING MATERIALS ARE INCLUDED:

- ☒ 2 sets of plans (11x17)
- ☒ Project description
- ☒ Photos of proposed work areas/project site
- ☐ Necessary background reports (specified in EEA)
- ☐ MTA only: Synchro data for lane reductions and traffic calming projects



SAN FRANCISCO
PLANNING
DEPARTMENT

Planning Department
1650 Mission Street
Suite 400
San Francisco, CA
94103-9425

T: 415.558.6378
F: 415.558.6409

APPLICATION PACKET FOR Environmental Evaluation

Pursuant to the California Environmental Quality Act (CEQA), public agencies must review the environmental impacts of proposed projects. The CEQA process is codified in the California Public Resources Code, Sections 21000 et seq., the California Code of Regulations, Title 14, Sections 15000 et seq., and Chapter 31 of the San Francisco Administrative Code.

WHAT IS ENVIRONMENTAL EVALUATION?

Environmental evaluation pursuant to CEQA is an objective process that is intended to disclose to decision makers and the public the significant environmental effects of proposed projects, to require agencies to reduce or avoid environmental effects, to disclose reasons for agency approval of projects with significant environmental effects, to enhance public participation, and to foster intergovernmental coordination. In San Francisco, the Environmental Planning Division of the San Francisco Planning Department administers the CEQA review process. More information on the environmental review process and how it is administered in San Francisco is available on the Planning Department's Environmental Planning web pages.

WHEN IS ENVIRONMENTAL EVALUATION NECESSARY?

Projects subject to CEQA are those actions that require a discretionary decision by the City; have the potential to result in a direct or reasonably foreseeable indirect physical change in the environment; or fall within the definition of a "project" as defined by the CEQA Guidelines in Sections 15060(e) and 15378. A project may be determined to be statutorily or categorically exempt from CEQA or may require an initial study to determine whether a negative declaration or environmental impact report (EIR) is required. Planners at the Planning Information Center (PIC) counter (1660 Mission Street, First Floor) may issue an exemption stamp or require that the project sponsor file an Environmental Evaluation Application.

Projects that create six or more dwelling units, and/or projects that involve the construction of a new building or addition of 10,000 square feet or more must first undergo a Preliminary Project Assessment (PPA). **If your project meets these thresholds, you must first submit a PPA Application before you submit the Environmental Evaluation Application.**

HOW DOES THE PROCESS WORK?

The Environmental Evaluation Application may be filed prior to or concurrently with the building permit application; however, the City may not approve projects or issue permits until the environmental review process is complete.

No appointment is required but Environmental Planning staff are available to meet with applicants upon request. The Environmental Evaluation Application will not be processed unless it is completely filled out and the appropriate fees are paid in full. See the current Schedule of Application Fees (available online). Checks should be made payable to the San Francisco Planning Department. Fees are generally non-refundable.

WHO MAY SUBMIT AN ENVIRONMENTAL EVALUATION APPLICATION?

Only the property owner or a party designated as the owner's agent may submit an Environmental Evaluation Application. (A letter of agent authorization from the owner must be attached.)

WHAT TO INCLUDE ON THE PROJECT DRAWINGS

Project drawings submitted with the Environmental Evaluation Application must be in 11x17 format and, in most cases, must include existing and proposed site plans, floor plans, elevations, and sections, as well as all applicable dimensions and calculations for existing and proposed floor area and height. The plans should clearly show existing and proposed structures on both the subject property and on immediately adjoining properties; off-street parking and loading spaces; driveways and trash loading areas; vehicular and pedestrian access to the site, including access to off-street parking and parking configuration; and bus stops and curbside loading zones within 150 feet of the site.

SPECIAL STUDIES THAT MAY BE NEEDED

To assist in the environmental evaluation process, the project sponsor may be required to provide supplemental data or studies, as determined by Planning staff, to address potential impacts on cultural, paleontological, or historical resources, soils, traffic, biological resources, wind, shadows, noise, air quality, or other issue areas. Neighborhood notification may also be required as part of the environmental review processes.

HISTORIC RESOURCE REVIEW

All properties over 45 years of age in San Francisco are considered potential historic resources. If the proposed project involves physical alterations to a building over 45 years in age, you may be requested by Planning staff to provide additional information to determine (1) whether the property is a historic resource, and (2) whether the proposed project may cause a substantial adverse change in the significance of a historic resource. If requested by a Planner, you must submit the Supplemental Information for Historic Resource Evaluation form with the Environmental Evaluation Application.

The property may have already been evaluated as a historic resource through previous survey or analysis. Please consult the Preservation tab of the Property Information Map on the Planning Department's website. Certain types of projects will require a complete Historic Resource Evaluation (HRE) to be prepared by a professional preservation consultant. For further information, please consult with a preservation planner at the PIC counter.

COMMUNITY PLAN EXEMPTION

Community plan exemption (CPE) from CEQA review may be issued for projects within adopted plan areas that would not otherwise be exempt, if they are determined not to create significant impacts beyond those identified in the applicable area plan EIR. There are three possible outcomes of this process: Preparation of (1) a CPE only, (2) a CPE and a focused initial study/mitigated negative declaration, or (3) a CPE and a focused EIR.

PROJECTS THAT ARE DETERMINED NOT TO BE EXEMPT

Projects that require mitigation measures are not eligible for environmental exemption. If Planning staff determines that the project is not exempt from CEQA review, an initial study will be required. The applicable environmental evaluation fee is based on the construction cost of the proposed project. Based on the analysis of the initial study, Planning staff will determine that the project will be issued either (1) a negative declaration stating that the project would not have a significant effect on the environment, or (2) an EIR if there is substantial evidence of one or more significant impacts.

HOW TO SUBMIT THE APPLICATION

The complete Environmental Evaluation Application should be submitted as follows: For projects that underwent Preliminary Project Assessment and already received the PPA letter, send the Environmental Evaluation Application to the attention of Chelsea Fordham. For all other projects, including those that require historical resource review only, send the Environmental Evaluation Application to the attention of Jeanie Poling. A preservation planner will be assigned to complete the historical review. Once an application is submitted, historical review questions may be directed to Tina Tam.

Chelsea Fordham
(415) 575-9071
chelsea.fordham@sfgov.org

Jeanie Poling
(415) 575-9072
jeanie.poling@sfgov.org

Tina Tam
Senior Preservation Planner
(415) 558-6325
tina.tam@sfgov.org

APPLICATION FOR Environmental Evaluation

1. Owner/Applicant Information

PROPERTY OWNER'S NAME: San Francisco Public Utilities Commission	
PROPERTY OWNER'S ADDRESS: SFPUC 525 Golden Gate Ave., 9th Floor San Francisco, CA 94102	TELEPHONE: (415) 551-4586 EMAIL: www.sfwater.org

APPLICANT'S NAME: Irina P. Torrey		Same as Above <input type="checkbox"/>
APPLICANT'S ADDRESS: SFPUC 525 Golden Gate Ave., 6th Floor San Francisco, CA 94102	TELEPHONE: (415) 554-3232 EMAIL: itorrey@sfwater.org	

CONTACT FOR PROJECT INFORMATION: YinLan Zhang		Same as Above <input type="checkbox"/>
ADDRESS: SFPUC 525 Golden Gate Ave., 6th Floor San Francisco, CA 94102	TELEPHONE: (415) 487-5201 EMAIL: YZhang@sfwater.org	

2. Location and Classification

STREET ADDRESS OF PROJECT: 1975 Galvez Avenue; 555 Selby Street; 450 Toland Street	ZIP CODE: 94124
CROSS STREETS: Jerrold Avenue; Hudson Avenue	

ASSESSORS BLOCK/LOT: N/A / N/A	LOT DIMENSIONS: N/A	LOT AREA (SQ FT): N/A	ZONING DISTRICT: M-2; P; PDR-2	HEIGHT/BULK DISTRICT: 65-J; 80-E
COMMUNITY PLAN AREA (IF ANY): N/A				

3. Project Description

(Please check all that apply) <input checked="" type="checkbox"/> Change of Use <input type="checkbox"/> Change of Hours <input checked="" type="checkbox"/> New Construction <input checked="" type="checkbox"/> Alterations <input type="checkbox"/> Demolition <input type="checkbox"/> Other Please clarify: _____	ADDITIONS TO BUILDING: <input type="checkbox"/> Rear <input type="checkbox"/> Front <input type="checkbox"/> Height <input type="checkbox"/> Side Yard	PRESENT OR PREVIOUS USE: Taxi company and equipment rental at Selby and vacant at 450 Toland St.	
		PROPOSED USE: New single story building and tenant improvements.	
		BUILDING APPLICATION PERMIT NO.: N/A	DATE FILED: N/A

4. Project Summary Table

If you are not sure of the eventual size of the project, provide the maximum estimates.

	EXISTING USES:	EXISTING USES TO BE RETAINED:	NET NEW CONSTRUCTION AND/OR ADDITION:	PROJECT TOTALS:
PROJECT FEATURES				
Dwelling Units	N/A	N/A	N/A	N/A
Hotel Rooms	N/A	N/A	N/A	N/A
Parking Spaces	540	450	N/A	450
Loading Spaces	N/A	N/A	N/A	N/A
Number of Buildings	3	1	1	2
Height of Building(s)	30', 28'	28'	35'	N/A
Number of Stories	1	1	1	1
Bicycle Spaces	N/A	N/A	N/A	6
GROSS SQUARE FOOTAGE (GSF)				
Residential	N/A	N/A	N/A	N/A
Retail	N/A	N/A	N/A	N/A
Office	N/A	N/A	N/A	N/A
Industrial	61000	45000	53000	98,000
PDR Production, Distribution, & Repair	N/A	N/A	N/A	N/A
Parking				
Other (Specify Use)	N/A	N/A	N/A	N/A
TOTAL GSF	N/A	N/A	N/A	N/A
<p>Please provide a narrative project description that summarizes the project and its purpose or describe any additional features that are not included in this table. Please list any special authorizations or changes to the Planning Code or Zoning Maps if applicable.</p> <p>The proposed project includes the SFPUC purchasing two parcels (1975 Galvez Avenue, Assessor's Block 5250 lot 016 and 555 Selby Street, Assessor's Block 5250 lot 015) for use by the San Francisco General Services Agency (GSA) and the GSA leasing one parcel (450 Toland Street Assessor's Block 5230 lot 018) for the site of the new Central Shops. The proposed project also includes demolition of existing structures and construction of a new Central Shops building on the two parcels at Selby and Galvez, and making tenant improvements to the existing structure on 450 Toland Street; relocation of Central Shops operations to the new sites; and minor clean up at the existing Central Shops site for use by the SFPUC Southeast Water Pollution Control Plant (SEP) for its near term repair and replacement (R&R) needs.</p>				

5. Environmental Evaluation Project Information

1. Would the project involve a major alteration of a structure constructed 45 or more years ago or a structure in a historic district? ☒ YES ☐ NO

If yes, submit the *Supplemental Information for Historic Resource Evaluation* application.

2. Would the project involve demolition of a structure constructed 45 or more years ago or a structure located in a historic district? ☒ YES ☐ NO

If yes, a historic resource evaluation (HRE) report will be required. The scope of the HRE will be determined in consultation with Preservation Planning staff.

3. Would the project result in excavation or soil disturbance/modification? ☒ YES ☐ NO

If yes, please provide the following:

Depth of excavation/disturbance below grade (in feet): 5

Area of excavation/disturbance (in square feet): _____

Amount of excavation (in cubic yards): 7650

Type of foundation to be used (if known) and/or other information regarding excavation or soil disturbance modification:

Note: A geotechnical report prepared by a qualified professional must be submitted if one of the following thresholds apply to the project:

- The project involves a lot split located on a slope equal to or greater than 20 percent.
- The project is located in a seismic hazard landslide zone or on a lot with a slope average equal to or greater than 20 percent and involves either
 - excavation of 50 or more cubic yards of soil, or
 - building expansion greater than 1,000 square feet outside of the existing building footprint.

A geotechnical report may also be required for other circumstances as determined by Environmental Planning staff.

4. Would the project involve any of the following: (1) construction of a new building, (2) relocation of an existing building, (3) addition of a new dwelling unit, (4) addition of a garage or parking space, (5) addition of 20 percent or more of an existing building's gross floor area, or (6) paving or repaving of 200 or more square feet of an existing building's front setback? ☒ YES ☐ NO

If yes, please submit a *Tree Planting and Protection Checklist*.

5. Would the project result in any construction over 40 feet in height?

☐ YES ☒ NO

If yes, please submit a *Shadow Analysis Application*. This application should be filed at the PIC and should not be included with the Environmental Evaluation Application. (If the project already underwent Preliminary Project Assessment, this application may not be needed. Please refer to the shadow discussion in the PPA letter.)

6. Would the project result in a construction of a structure 80 feet or higher?

☐ YES ☒ NO

If yes, an initial review by a wind expert, including a recommendation as to whether a wind analysis is needed, may be required, as determined by Planning staff. (If the project already underwent Preliminary Project Assessment, please refer to the wind discussion in the PPA letter.)

7. Would the project involve work on a site with an existing or former gas station, auto repair, dry cleaners, or heavy manufacturing use, or a site with underground storage tanks?

☐ YES ☒ NO

If yes, please submit a Phase I Environmental Site Assessment (ESA) prepared by a qualified consultant. If the project is subject to Health Code Article 22A, Planning staff will refer the project sponsor to the Department of Public Health for enrollment in DPH's Maher program.

8. Would the project require any variances, special authorizations, or changes to the Planning Code or Zoning Maps?

☐ YES ☒ NO

If yes, please describe.

9. Is the project related to a larger project, series of projects, or program?

☐ YES ☒ NO

If yes, please describe.

Estimated Construction Costs

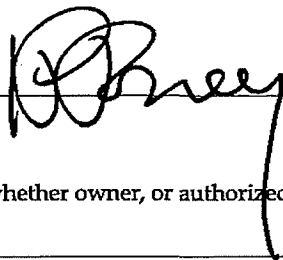
TYPE OF APPLICATION: N/A	
OCCUPANCY CLASSIFICATION: N/A	
BUILDING TYPE: N/A	
TOTAL GROSS SQUARE FEET OF CONSTRUCTION: 98000	BY PROPOSED USES: Repair and maintenance of the City's service vehicles
ESTIMATED CONSTRUCTION COST: 40,000,000	
ESTIMATE PREPARED BY: SFPUC	
FEE ESTABLISHED: N/A	

Applicant's Affidavit

Under penalty of perjury the following declarations are made:

- a: The undersigned is the owner or authorized agent of the owner of this property.
- b: The information presented is true and correct to the best of my knowledge.
- c: Other information or applications may be required.

Signature: _____



Date: _____

10/8/15

Print name, and indicate whether owner, or authorized agent:

Irina P. Torrey

Owner / Authorized Agent (circle one)



Environmental Evaluation Application Submittal Checklist

APPLICATION MATERIALS	PROVIDED	NOT APPLICABLE
Two originals of this application signed by owner or agent, with all blanks filled in.	<input type="checkbox"/>	
Two hard copy sets of project drawings in 11" x 17" format showing existing and proposed site plans with structures on the subject property and on immediately adjoining properties, and existing and proposed floor plans, elevations, and sections of the proposed project.	<input type="checkbox"/>	
One CD containing the application and project drawings and any other submittal materials that are available electronically. (e.g., geotechnical report)	<input type="checkbox"/>	
Photos of the project site and its immediate vicinity, with viewpoints labeled.	<input type="checkbox"/>	
Check payable to San Francisco Planning Department.	<input type="checkbox"/>	
Letter of authorization for agent.	<input type="checkbox"/>	<input type="checkbox"/>
<i>Supplemental Information for Historic Resource Evaluation</i> , as indicated in Part 5 Question 1.	<input type="checkbox"/>	<input type="checkbox"/>
<i>Historic Resource Evaluation</i> , as indicated in Part 5 Question 2.	<input type="checkbox"/>	<input type="checkbox"/>
Geotechnical report, as indicated in Part 5 Question 3.	<input type="checkbox"/>	<input type="checkbox"/>
<i>Tree Planting and Protection Checklist</i> , as indicated in Part 5 Question 4.	<input type="checkbox"/>	<input type="checkbox"/>
Phase I Environmental Site Assessment, as indicated in Part 5 Question 7.	<input type="checkbox"/>	<input type="checkbox"/>
Additional studies (list).	<input type="checkbox"/>	<input type="checkbox"/>

For Department Use Only

Application received by Planning Department:

By: _____

Date: _____



SAN FRANCISCO
PLANNING
DEPARTMENT

FOR MORE INFORMATION:

Call or visit the San Francisco Planning Department

Central Reception

1650 Mission Street, Suite 400
San Francisco CA 94103-2479

TEL: 415.558.6378

FAX: 415 558-6409

WEB: <http://www.sfplanning.org>

Planning Information Center (PIC)

1660 Mission Street, First Floor
San Francisco CA 94103-2479

TEL: 415.558.6377

Planning staff are available by phone and at the PIC counter.
No appointment is necessary.



San Francisco
Water Power Sewer
Services of the San Francisco Public Utilities Commission

Bureau of Environmental Management
525 Golden Gate Avenue, 6th Floor
San Francisco, CA 94102
T (415) 934-5700
F (415).934-5750

October 9, 2015

Timothy Johnston, MP, Environmental Planner
Environmental Planning Division
San Francisco Planning Department
1650 Mission Street, Fourth Floor
San Francisco, CA 94103

RE: CEQA Exemption Request for
Central Shops Relocation and
Land Transfer
Project Number CWWSSIPRPL91
Index Code Number 573910

Dear Timothy:

The San Francisco General Services Agency (GSA) is the owner of a property at 1800 Jerrold Avenue which has been used as the City Central Fleet Maintenance Shop (Central Shops). The San Francisco Public Utilities Commission (SFPUC) and GSA request your review under the California Environmental Quality Act (CEQA) of the proposed Central Shops Relocation and Land Transfer (Project). The purposes of this letter are to: 1) Provide the Environmental Planning Division (EP) with information on the proposed Project; and 2) Request EP review and concurrence that the Project is categorically exempt under CEQA.

CEQA Guidelines Section 15332 provides exemptions for "In-Fill Development", Class 32, which consists of projects meeting the following conditions:

- (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
- (c) The project site has no value as habitat for endangered, rare or threatened species.
- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- (e) The site can be adequately served by all required utilities and public services.

Edwin M. Lee
Mayor

Ann Moller Caen
President

Francesca Victor
Vice President

Vince Courtney
Commissioner

Anson Moran
Commissioner

Ike Kwon
Commissioner

Harlan L. Kelly, Jr.
General Manager



The following description and analysis of the proposed activities demonstrates that the proposed project satisfies the above requirements for a categorically exemption under CEQA Guidelines Section 15332.

BACKGROUND

The Central Shops Site at 1800 Jerrold Avenue

The 1800 Jerrold Avenue site is approximately 5.3 acres and is currently occupied by the City's Central Fleet Maintenance Shop (Central Shops) under the jurisdiction of the City's General Services Administration (GSA). Purchase of the property and surrounding land (a total of 40 acres) was approved by the Board of Supervisors (BOS) for sewage facilities in 1945. The SFPUC Southeast Water Pollution Control Plant (SEP) facilities, completed in the early 1950's, did not include the 1800 Jerrold Avenue area and the site was put to the use of Central Shops, the purpose of which is to repair and maintain the City's service vehicles.

The SFPUC Need for Industrial Space near the SEP

The SFPUC has an immediate need in the vicinity of the SEP for an area of at least six acres for storage of equipment and vehicles and temporary relocation of existing uses while it undertakes scheduled repair and replacement (R&R) projects in the next two years. Many of SEP's facilities have reached the end of their useful life and are in need of substantial and constant maintenance. In the longer term, the SFPUC anticipates a continuing need for more space for capital improvement wastewater treatment projects that are in the planning stages related to existing facilities and upgrades to the sewer system as part of its Sewer System Improvement Program (SSIP), including the proposed Biosolids Digester Facilities Project, which is currently undergoing separate environmental review.

The SFPUC has found it difficult to locate suitable industrial space near the SEP for its need for immediate storage and temporary uses. The highly competitive real estate market conditions in San Francisco reflect a strong economy in which there is a shortage of industrial space. In particular such space is not easily available in the vicinity of the SEP. The 1800 Jerrold Avenue site is highly desirable for SFPUC's needs because of its ample size and adjacency to existing SEP facilities.

Opportunity to Relocate 1800 Jerrold Street Operations

The GSA has determined that it would be feasible to relocate Central Shops activities on two separate sites near its current location with one site serving heavy equipment repair and the other serving lighter equipment repair. Under the relocation proposal, GSA and the SFPUC would agree to a jurisdictional transfer of the 1800 Jerrold site to the SFPUC and the relocation of Central Shops to two sites: one to be purchased and the other to be leased by the GSA

using SFPUC funds. Because of the immediate availability of the two identified sites, and the difficulty of locating suitable industrial space nearby in the currently highly competitive real estate market, the GSA desires to proceed quickly to secure the two proposed sites for Central Shops future use.

Project Components

The project consists of the following components:

1975 Galvez Avenue and 555 Selby Street

- Purchase of 1975 Galvez Avenue (Assessor's Block 5250 lot 016) and 555 Selby Street (Assessor's Block 5250 lot 015) by GSA.
- Demolition of existing structures on both parcels.
- Construction of a new building to house the heavy equipment repair operation of Central Shops.

450 Toland Street

- Lease of 450 Toland Street parcel, (Assessor's Block 5230 lot 018) by GSA
- Improvements to the existing structure to house the light equipment repair operation of Central Shops.

1800 Jerrold Avenue

- Relocation of Central Shops Operations
- Site preparation of 1800 Jerrold Avenue for SFPUC uses (debris removal and installation of replacement perimeter security fencing).

Project Agreements and Approvals

In order to implement the proposed project, the following agreements will need to be executed between GSA and the SFPUC and the following approval actions by various City entities would be necessary:

1. SFPUC approval of a Memorandum of Understanding between the SFPUC and the GSA for the Jurisdictional Transfer of the existing Central Shops site at 1800 Jerrold from GSA to SFPUC.
2. SFPUC approval of funding to GSA for the Jurisdictional Transfer and Central Shops relocation.
3. Board of Supervisors approval of the Jurisdictional Transfer of 1800 Jerrold Avenue.
4. Board of Supervisors approval of purchase agreements for the 1975 Galvez and 555 Selby parcels; assigning jurisdiction of the parcels to SFPUC, and authorizing GSA to enter into a construction management agreement with a developer to construct Central Shops facilities on the parcels.

5. Board of Supervisor approval authorizing GSA to enter into a 10-year lease for 450 Toland Street, and authorizing GSA to enter into a construction management agreement with a developer to implement tenant improvements.

GSA would enter into construction agreements with a developer to carry out design and construction of the new Central Shops facilities. The San Francisco Department of Public Works (DPW) has prepared a preliminary design that prescribes the limits of the proposed Central Shops in terms of maximum dimensions, bulk, height, and usable space. Once the purchase agreements, construction agreements, and lease have been approved by the Board of Supervisors, a developer engaged by GSA would carry out the design and construction without exceeding the limits established by DPW in the preliminary design and the following approvals would be required from City agencies:

1. Approval of Lot Line Adjustment (merger) of Block 5250 Lot 016 (1975 Galvez Avenue) and Block 5250 Lot 015 (555 Selby Street by DPW Bureau of Street Use and Mapping
2. Civic Design Review and Approval by the San Francisco Arts Commission
3. Issuance of the necessary Building, Plumbing and Electrical permits by the Department of Building Inspection.

PROJECT SETTING

Current Central Shops (1800 Jerrold Avenue)

The Central Shops site, which encompasses approximately 5.3 acres, is located on the northwest corner of the intersection of Jerrold Avenue and Quint Street, at 1800 Jerrold Avenue, (Assessor's Block 5262 lot 009). The site is currently used to maintain the City's service vehicle fleet (i.e. police, fire, and ambulance, etc.) and is located adjacent to the SFPUC's SEP in the Bayview Hunters Point neighborhood. The north quadrant of the site is zoned M-2 (Heavy Industrial) and the south quadrant of the site is zoned P (Public). The SEP is north and east of the site and the Caltrain railroad right-of-way is west of the site. South of the site is DPW's decommissioned asphalt plant. Other land uses near the site are industrial buildings including warehouses and distribution facilities. Surrounding parcels are zoned M-1 (Light Industrial), M-2, P, and PDR (Production, Distribution and Repair) (see Figure 1. Project Location).

When the proposed relocation takes place, the Central Shops operation would occupy two locations at 1975 Galvez Avenue and 555 Selby Street and at 450 Toland Street.

Selby Street Site

1975 Galvez Avenue and 555 Selby Street are two contiguous parcels collectively referred to here as the Selby Street site, which is approximately 500 feet northwest of the existing Central Shops, across the Caltrain tracks. The Selby Street site is approximately 2.8 acres. The two lots (are zoned PDR-2 (Core Production, Distribution and Repair) in an 80-E height and bulk district. The Interstate 280 Freeway is an elevated freeway located directly above the western portion of the site. It is surrounded by other PDR zoned parcels and adjacent land uses include Circosta Ironworks (scrap metal recycling) to the northeast, the current Central Shops and the former asphalt plant to the east, and industrial warehouses and distribution facilities to the south and east.

450 Toland Street

450 Toland Street is zoned PDR-2 in a 65-J height and bulk district. It is located northwest of the Toland Street and Jerrold Avenue intersection and west of the Interstate 280 Freeway. The site is approximately 1,500 feet northwest of the current Central Shops, and 850 feet west of the Selby Street site. The site is 1.27 acre surrounded by other PDR zoned parcels and adjacent land uses include the produce distribution facility to the south, a commercial warehouse and school bus depot to the west, construction equipment storage to the north, and other industrial warehouses to the east (see Figure 1. Project Location).

DESCRIPTION OF THE PROPOSED PROJECT

The proposed project includes the demolition of the two existing buildings and the construction of a new single story building at the Selby Street site and tenant improvements to the existing building at 450 Toland Street. The project also includes site preparation at the 1800 Jerrald Street site involving debris removal and installation of replacement of perimeter security fencing at the current Central Shops site.

Proposed Activities at New Central Shops Sites

Selby Street Site

555 Selby Street is a 72,788 square-foot lot with a 9,600 square-foot, 30 feet tall corrugated metal building used by two taxi companies for dispatch, maintenance repairs, and storage of approximately 150 taxi cabs. 1975 Galvez Avenue is a 48,338 square-foot parcel with a 7,050 square-foot 30 foot tall corrugated metal warehouse building. It is used by a construction equipment rental company with approximately 15 employees and 75 pieces of equipment and vehicles parked on site including bobcats, compressors, generators and lighting systems. After the City purchases the two lots, it is anticipated that the taxi business would close and the construction equipment rental company would relocate to an un-determined site.

The proposed project would demolish the two existing buildings on 555 Selby Street and 1975 Galvez Avenue properties, remove two above ground fuel storage tanks, and construct a larger building that would be within the two lots. The lots would be merged prior to approval and issuance of the building permit. The proposed new building would be a triangular-shape 35 foot tall single story structure that would be 240 feet wide on average and 286 feet long and approximately 53,000 square feet in area (See Figure 2. Project Plans). Maximum depth of excavation for the proposed building would be down to five feet and piling for the foundation would be drilled as deep as 90 feet below grade. The new building would be used for maintenance and repair of medium and heavy duty vehicles, such as fire trucks, heavy equipment transporters, dump trucks, and street sweepers, as well as for offices and employee amenities.

450 Toland Street

450 Toland Street has an approximately 45,000 square-foot industrial building onsite. The building is approximately 170 feet wide, 250 feet long and 28 feet tall (See Figure 3. Project Plans). It was previously occupied by a wholesale produce distribution business but is currently vacant. The site is surrounded by similar large, warehouse structures.

The proposed project would make improvements to the existing building without any changes to the footprint or height. The majority of the work would be interior modifications including installation of new partitions, new plumbing and construction of ramps and an elevator, which would bring the building into compliance with Americans with Disabilities Act (ADA) requirements. Exterior work would consist of demolition of the loading dock, replacement of three existing 8 foot wide by 10 foot tall roll up doors on the southern face of the building with two larger roll up doors each 14 feet wide and 14 feet high, replacement of existing 6-foot tall chain link perimeter fence with new 10-foot high chain link perimeter fencing, and restriping of the parking spaces. The maximum depth of excavation would be three feet for the installation of the elevator shaft.

Once construction is complete, 450 Toland would be used for maintenance and repair of light duty vehicles, i.e. the City's automobile fleet and pickup trucks, ladder shop, body and paint shop, and metal fabrication and welding shop, and would also include administrative offices and breakrooms and lockers for employees.

Construction

Construction activities would require the use of excavators, loaders, bobcats, dump trucks, a crane, compressors, and hand tools. Demolition and new construction would be completed in approximately 12 months at the Selby Street site and within 9 months to alter the building at 450 Toland Street. Construction would take place between the hours of 7:00 a.m. and 6:00 p.m.

Monday through Friday with occasional work on Saturdays as needed. Evening work would not be required.

Post-Construction

Once construction at the new Central Shops sites has been completed, the current Central Shops employees and operations would be relocated to the Selby Street site and 450 Toland Street. 46 employees would move to the Selby Street site and 45 employees would move to 450 Toland Street.

Site Preparation at Current Central Shops (1800 Jerrold Avenue)

Once the relocation of current Central Shops operations to the new site is complete, the existing Central Shops site at 1800 Jerrold Avenue would be readied for SFPUC's use. The SFPUC would implement the following activities:

- Remove debris, including any discarded equipment, vehicles, personal property, lumber, equipment, trash, or building materials left at the site, such as generators, above-ground tanks, hazardous material cabinets, and a shack.
- Once the site has been cleared of debris, install an eight-foot tall chain link fence covered with non-climbable fabric to replace the existing fence and secure the site.

Proposed activities would not include removal or alteration of any buildings nor would excavation be required. Equipment to be used for the proposed site preparation activities would include loaders, bobcats, pickup trucks and dump trucks to haul off debris. Debris removal would require approximately 45 truck trips. The debris removal would be completed in approximately four weeks. The SFPUC would then proceed to use the site for vehicle and equipment storage and temporary uses associated with ongoing repair and maintenance activities at the SEP.

Compliance with Section 15332 of CEQA Guidelines

CEQA Guidelines Section 15332, or Class 32, provides an exemption from environmental review for in-fill development projects that meet the following conditions. As discussed below, the proposed project satisfies the terms of the Class 32 exemption.

- a) *The project is consistent with applicable general plan designations and policies as well as with applicable zoning designations.*

The proposed project is located in the City's Bayview neighborhood and is covered under the Bayview Hunters Point Area Plan of the San Francisco General Plan. The proposed project would be consistent with the following applicable policies of the Bayview Hunters Point Area Plan:

Land Use Policy 1.3 *Maintain buffer zones where housing and industry occur in close proximity to each other to better define the configuration of residential neighborhoods and areas reserved for industrial activity.*

The current Central Shops site is located approximately 700 feet from the nearest residential areas. The proposed project would relocate the operation of Central Shops further away from residential areas, toward the industrial zone north and west of the existing Central Shops, thereby concentrating industrial uses and better defining the configuration of industrial activity.

Land Use Policy 1.5 *Encourage a wider variety of light industrial uses throughout the Bayview by maintaining the newly established Production, Distribution and Repair zoning, by more efficient use of industrial space, and by more attractive building design.*

The proposed project would maintain the Production, Distribution and Repair zoning of the Selby Street site and 450 Toland Street. The project would use the parcels more efficiently by demolishing two smaller industrial structures and constructing a larger structure that would consolidate the functions and services of Central Shops at the Selby Street site. The new building would have a modern, attractive building design that would be approved by the San Francisco Arts Commission's Civic Design Review process.

Zoning

Selby Street Site

The Selby Street site is in the PDR-Use District 2 (Core Production, Distribution, and Repair) and 80-E Height and Bulk District in the Bayview neighborhood of San Francisco. The proposed project would use the sites for maintenance and repair of the City's service vehicles, and this use (automotive repair) is a principally permitted use in the PDR-2 District.

The proposed 35-foot-tall building would comply with the 80-E Height and Bulk District. There are no setbacks required for buildings on PDR zoned lots. The Floor Area Ratio (FAR) for the proposed new building is 0.43 and meets the 6.0 FAR for the designated zoning district and height and bulk district. The Ground Floor Standards for buildings in PDR zone require a minimum 17 foot floor-to-floor height. The proposed building would provide a ground floor height of 35 feet. The proposed project would reduce the number of off-street parking spaces on the Selby Street site from 522 to 428, however, this still exceeds the requirements of 30 parking spaces for the approximately 53,000 square foot occupied floor area of the new construction.

For PDR districts the required bicycle parking is a minimum of two spaces and four Class 2 spaces for any use larger than 50,000 gross square feet. The proposed project would have a minimum of four bicycle parking spaces at the Selby Street site since the new building would be approximately 53,000 square feet.

Section 202.7 of the Planning Code requires demolished buildings in PDR districts be replaced and that if the building proposed for demolition represents 0.4 FAR or less, then the replacement building shall include at least two square feet of Industrial Use for each square foot of Industrial Use in the building proposed for demolition. The total square footage of buildings to be demolished at the Selby Street site is 16,650, on two parcels that total 121,126 square feet, which means that the existing FAR is 0.14, less than 0.4. The new building would be approximately 53,000 square feet which is more than three times the size of the demolished buildings. Therefore the proposed project would comply with the provisions of Section 202.7 of the Planning Code.

450 Toland Street

450 Toland Street is in the PDR-Use District 2 (Core Production, Distribution, and Repair) and 65-J Height and Bulk District in the Bayview neighborhood of San Francisco. The proposed project would use the sites for maintenance and repair of the City's service vehicles, and this use (automotive repair) is a principally permitted use in the PDR-2 District. The existing building at 450 Toland Street is 28 feet tall and complies with the 65-J Height and Bulk District. The FAR for the existing building at 450 Toland Street is 0.81 and meets the 5.0 FAR for the designated zoning district and height and bulk district. The building at 450 Toland Street has ground floor height of 28 feet, which complies with the 17 foot floor-to-floor height requirement. 450 Toland Street site would have 23 parking spaces and two bicycle parking spaces, which meet the requirement in the PDR-2 zone.

The proposed project is consistent with applicable General Plan policies and objectives and applicable Planning Code requirements.

b) The development occurs within city limits on a site of less than five acres surrounded by urban uses.

The Selby Street site and 450 Toland Street total 4.07 acres. They are located within a fully developed area of San Francisco. The surrounding uses near the project site include industrial storage and distribution, freeway overpass and off ramps, Caltrain railroad tracks, and the SEP. The proposed project, therefore, would be properly characterized as in-fill development of less than five acres, completely surrounded by urban uses.

c) The project site has no habitat for endangered, rare or threatened species.

The project site is within a developed urban area and occupied by industrial warehouses and vehicle and heavy equipment parking. There are no trees or landscaping at either project site. Thus, the project sites have no value as habitat for rare, threatened, or endangered species.

- d) *Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.*

Traffic

The proposed project would relocate the current Central Shops operation to two sites approximately 500 and 1,500 feet away. The project would not generate new vehicle trips but would relocate the existing traffic to other locations nearby. Currently, Central Shops has 89 employees and serves approximately 6,000 city vehicles per year. The new Central Shops would operate from two separate locations; 46 employees would be at the Selby Street site and 43 employees would be at 450 Toland Street.

Proposed Central Shops (Selby Street Site and 450 Toland)

The Selby Street site currently serves two separate businesses, including a taxi company that dispatches up to 150 vehicles per day and another business with approximately 15 employees. Central Shops would replace the existing businesses operating at the Selby Street site and would be occupied by 46 employees and generate approximately 30 truck trips per day from vehicles that would be serviced at the site. Overall vehicle trips to and from the site could be lower compared to current uses of the site.

450 Toland Street is currently vacant; it would be used by 43 employees and generate a maximum of 40 vehicle trips per day from City vehicles that would be serviced at the site. These vehicle trips would be relocated from the current Central Shops and would not represent an overall increase in traffic to and from the local area. In addition the truck trips would be spread throughout the day and would not be concentrated in the peak AM and PM hours.

Overall, the proposed project would not result in an increase in vehicle trips but would relocate existing traffic from the current Central Shops location to locations nearby within the same transportation and air quality setting conditions. The project could lower traffic from existing uses at the Selby Street site and would result in an insignificant level of increase in traffic to and from the 450 Toland Street site. Therefore, adverse traffic effects are not anticipated.

Construction would not require the closure of any roads or generate a substantial number of vehicle trips. There would be approximately 300 truck trips at the Selby Street site and 150 truck trips at 450 Toland Street, over the 18 month long construction period. There is adequate space at both the Selby Street site and 450 Toland Street to accommodate construction staging and laydown, therefore on-street parking would not be affected.

Current Central Shops (1800 Jerrold Avenue)

After the jurisdictional transfer and site preparation activities, use of the current Central Shops site by the SFPUC would consist primarily of staging, storage, and other miscellaneous uses which would not increase vehicle trips from the

current use of the site. Potential use of the site for capital improvement projects would be subject to further environmental review including traffic analyses.

Overall, no adverse effects to traffic and transportation are anticipated.

Noise

Ambient noise in this industrial area includes Interstate Highway 280 traffic noise, freight movement in diesel trucks, and passenger train service on the adjacent Caltrain tracks.

Proposed Central Shops (Selby Street Site and 450 Toland)

There are no residences within 1,000 feet of the Selby Street site or 450 Toland Street. Construction activities would be limited to the hours between 7:00 AM and 8:00 PM and noise would be restricted to 80 dBA at 100 feet to comply with the San Francisco Noise Ordinance.

Current Central Shops (1800 Jerrold Avenue)

The closest residences to the existing Central Shops site are approximately 700 feet south. Noise generated during proposed debris removal activities at the current Central Shops site would be very limited due to the short duration and limited scope of work. The work would also be limited to the hours between 7:00 AM and 8:00 PM and noise would be restricted to 80 dBA at 100 feet to comply with the San Francisco Noise Ordinance.

In summary, no adverse noise effects would occur.

Air Quality

The proposed project would relocate the existing Central Shops to two new locations approximately 500 and 1,500 feet away. The air quality setting is the same for all these properties. The proposed project would not expand the operation of Central Shops. The current Central Shops site, once vacated, would be used for SEP operations related to maintenance activities currently conducted at the SEP. Therefore, no additional operational vehicle trips would be generated by the proposed project.

The proposed construction of the new Central Shops facilities would entail use of construction equipment listed above and would generate approximately 300 truck trips for the Selby site and 150 truck trips for the 450 Toland Street site to haul construction materials. Estimated emissions of criteria pollutants calculated by SFPUC Bureau of Environmental Management staff using the SFPUC Air Quality Screening Tool would not exceed Bay Area Air Quality Management District's (BAAQMD) CEQA guidelines and are presented in the table below:

Pollutant	Project Emissions (lbs/day)	Threshold (lbs/day)
PM ₁₀	0.15	82
PM _{2.5}	0.14	54
NO _x	20.10	54
ROG	0.32	54

The contractor would comply with the City's Dust Control Ordinance which requires the preparation and implementation of a dust control plan.

The proposed project is located in an Air Pollutant Exposure Zone (APEZ) as defined in the City's Clean Construction Ordinance. The project would comply with the amended Clean Construction Ordinance, which requires construction in an APEZ to use off-road equipment with engines that meet or exceed either United States Environmental Protection Agency or State Air Resources Board (ARB) Tier 2 off-road emission standards, and have been retrofitted with an ARB Level 3 verified diesel emission control strategy (VDECS) while limiting idling to two minutes and ensuring that construction equipment is properly maintained and tuned.

Because the project would not generate emissions greater than the thresholds specified in the BAAQMD CEQA guidelines, and would comply with the Dust Control and Clean Construction Ordinances, adverse effects on air quality would not occur.

Water Quality

There are no wetlands, creeks or other natural water bodies located at the current or proposed Central Shops sites. Project construction would comply with the City's Construction Site Runoff Ordinance to ensure that polluted sediment does not enter the sewer system during construction. Post construction, the project would comply with the City's Stormwater Management Ordinance to minimize run-off from impervious surfaces.

Due to lack of waterbodies nearby and compliance with the City's construction and post construction water quality regulations, no adverse effects to water quality or other waters are anticipated.

- e) *The site can be adequately served by all required utilities and public services.*

The project sites are located in a dense urban area where all public services and utilities are available. The proposed project would be connected to the City's water, electric, and wastewater services. Prior to receiving building permits, the project would be reviewed by the City to ensure compliance with City and State fire and building code regulations concerning building standards and fire protection. The proposed project would not result in a substantial

increase in intensity of use or demand for utilities or public services that would necessitate any expansion of public utilities or public service facilities.

OTHER ENVIRONMENTAL INFORMATION

Aesthetics

Selby Street Site

The Selby Street site (is located in an industrial area of the City surrounded by other industrial uses consisting of large, utilitarian warehouse complexes. Approximately 1/4th of the site is located under the Interstate 280 freeway and the Cesar Chavez Street off-ramp. The site is visible from the freeway but is not a designated scenic highway and the overall visual quality of the site and surrounding area is poor. The proposed project at the Selby Street site would demolish two corrugated metal warehouse buildings and construct a new building in similar, utilitarian style. The two structures to be demolished total approximately 16,000 square feet and are approximately 30 feet tall. The new building would contain approximately 53,000 square feet of floor area and would be 35 feet tall. While the new building would be larger and taller than the demolished buildings, there are other similarly sized warehouse buildings in the vicinity. The warehouse building south of the Selby Street site, across Jerrold Avenue, is approximately 50,000 square feet and the warehouse building west of the site is approximately 60,000 square feet. The proposed new building at the Selby Street site would result in development similar in style and mass to the industrial structures in the surrounding area and be visually compatible with existing development. The proposed building would require Civic Design Review at the Arts Commission prior to issuance of a building permit. Adverse effects on aesthetics from the new building are not expected.

450 Toland Street

Proposed improvements to the building at 450 Toland Street would not result in changes to the footprint or height of the building. The majority of the tenant improvements would be interior renovations. Only minor improvements to the exterior would be made including demolition of the loading dock, replacement of the three smaller roll up doors with two larger roll up doors, and replacement of the existing 6-foot tall chain link perimeter fence with a 10-foot tall chain link perimeter fence. These exterior modifications would not result in any significant visual changes to the building, therefore no adverse effects on aesthetics are anticipated.

Current Central Shops(1800 Jerrold Avenue)

Debris removal activities at the existing Central Shops site would not result in any significant change in visual appearance because no buildings would be altered or demolished. An existing 6-foot high fence surrounds the site. The proposed security fence would be 2-feet taller and covered with non-climbable fabric. The site would be less visible from the street as the result of the

installation of the replacement fence (non-climbable fences consist of one-inch openings compared to the larger openings in the current fence). However, due to the industrial nature of the site and the surrounding areas, the proposed fencing would not alter the visual quality of the site. Therefore, adverse effects to the visual environment at the Central Shops site are not anticipated

Cultural Resources

Archaeological Resources

Sally Morgan, Registered Professional Archaeologist, reviewed the proposed project locations in the confidential archaeological GIS database at Environmental Planning. The closest suspected historic resource is about 0.4 mile distant. This is the location of Butchertown, which consisted of slaughterhouses and meat and hide processing facilities located on the Islais Creek channel. There also are known or suspected prehistoric shell midden deposits between 0.3 and 0.5 mile to the northwest and south. No known or suspected archaeological sites are present at any of the proposed Project sites.

Proposed Central Shops Sites (Selby Street Site and 450 Toland)

The two sites proposed for relocation of the Central Shops facility lie within the area of the Islais Creek marsh as illustrated on the 1869 U.S. Coast Survey map. This marsh area was filled in the 1920s and '30s as part of a reclamation project. Historic archaeological deposits from before this fill period would be unlikely in this wet marsh setting. While it is possible that historic archaeological deposits dating subsequent to the fill placement could be present, none has been recorded in historic mapping.

Modeling of pre-bay topography presented in Far Western's report of geoarchaeological testing at SEP Building 521 (June 2015: Figure 7, on file at EP), illustrates a basal landform at elevation -40 feet at the Central Shops relocation sites. This suggests a steep bay bottom slope where early prehistoric deposits are unlikely to have developed or survived. While it is possible that prehistoric sites may have been present within the marsh, the anticipated shallow depth of proposed Project excavation at these sites for demolition and new construction (maximum 5 foot depth) is unlikely to penetrate the marsh fill and therefore is unlikely to encounter prehistoric archaeological sites. While it is possible that deeply buried prehistoric archaeological sites could be encountered by pile driving if pile foundations are required for the new warehouse, pile driving would not bring any material to the surface for examination. Further, as noted above, the presence of older deeply buried sites is unlikely based on pre-Bay topography. However, if it appears that a pile-driven foundation is required, a geoarchaeological assessment would be conducted determine whether prehistoric deposits associated with the earliest settlement of the bayshore may be present..

Consistent with the adopted policies of the SFPUC, compliance with SFPUC Standard Construction Measure Number 9 (archaeological measures) is included in this project. Archaeological Measure Number 1 would be implemented during construction. Under this measure, construction crews would be informed of the potential to encounter archaeological materials and suspension of work requirements in the event of a discovery. In addition, archaeological measures 2 and/or 3 would be implemented to assess pile driven foundation, to provide for geoarchaeological assessment and geoarchaeological data recovery if a pile driven foundation is required.

Current Central Shops (1800 Jerrold Avenue)

Proposed activities at the existing Central Shops location would not involve any grading or excavation. Therefore the proposed debris removal at 1800 Jerrold has no potential to result in adverse effects to archaeological resources, should any be present. Geoarchaeological testing at the site in 2015 did not reveal any evidence of archaeological resources at this site.

With the inclusion of these measures, no significant impacts to archaeological resources would occur.

Historic Built Environment

Proposed Central Shops Sites (Selby Street Site and 450 Toland)

Environmental Science Associates (ESA) conducted an evaluation of the two structures to be demolished at the Selby Street site and the building at 450 Toland Street (Attachment B), and concluded that the properties do not appear eligible for listing in the National Register of Historic Places, the California Register of Historical Resources, or local designation because the buildings lack historic significance and integrity. Therefore, the proposed project would not affect any historic resources.

Current Central Shops (1800 Jerrold Avenue)

JRP Historical Consulting evaluated the current Central Shops site (Attachment A) and determined that two of three buildings on site appear to meet the criteria for listing on the National Register of Historic Places (NRHP) and the California Register of Historical Resources (CRHR). However, the proposed Project would not affect any of these buildings. Debris removal and uses listed above are proposed for the current Central Shops site. None of these activities would involve any new building construction or alteration or demolition of the existing vehicle maintenance buildings that have been determined to be historical resources.

In conclusion, the project would not result in adverse effects to cultural resources.

Hazards and Hazardous Materials

Proposed Central Shops (Selby Street Site and 450 Toland)

The proposed project would disturb approximately 7,600 cubic yards of soil for construction of the new building at the Selby Street site and less than 50 cubic yards of soil for improvements to the building at 450 Toland Street. SFPUC Bureau of Environmental Management (BEM) staff reviewed the State Water Resources Control Board (SWRCB) GeoTracker and Department of Toxic Substances Control (DTSC) Envirostor databases, which did not identify any "Open" sites within the vicinity (150 feet) of the project sites.

Phase I environmental assessments conducted for 555 Selby Street and 1975 Galvez Avenue, where the new building would be constructed, revealed both parcels have permitted above ground fuel storage tanks. However the reports did not identify any ongoing contamination. The proposed project would remove the fuel storage tanks.

The Selby Street site and 450 Toland Street are located within the "Expanded Maher Area" mapped by the San Francisco Department of Public Health. The construction contractor would comply with Article 22A of the San Francisco Health Code ("Maher Ordinance") to address any hazardous materials discovered on site. The Maher Ordinance requires the identification, transportation and disposal of hazardous material, should they be encountered during project excavation, which would ensure that neither people nor the environment are exposed to hazardous materials. Therefore, adverse effects related to potential exposure of workers or the public to hazardous materials would not occur.

Current Central Shops (1800 Jerrold Avenue)

No ground disturbing activities are proposed at the current Central Shops site. However the proposed activities would involve removal of hazardous materials that have been stored on site. The SFPUC contractor would comply with applicable federal, State and local regulations (including SFPUC or SFDPW standard contract technical specifications) related to the characterization, transportation and disposal of hazardous materials, and therefore, no adverse effects from exposure of the public or construction workers to hazardous materials, contaminated groundwater, soil or vapor would occur.

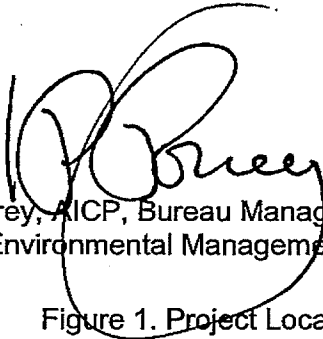
CEQA Compliance/Recommendation

Based on the above description, the SFPUC recommends EP determine the proposed Project is categorically exempt under CEQA Guidelines Section 15332, In-fill development.

If you have any questions, please contact YinLan Zhang, Environmental Project Manager, Bureau of Environmental Management, at 415-487-5201.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'I. Torrey', is written over the typed name and title of the sender.

Irina P. Torrey, AICP, Bureau Manager
Bureau of Environmental Management

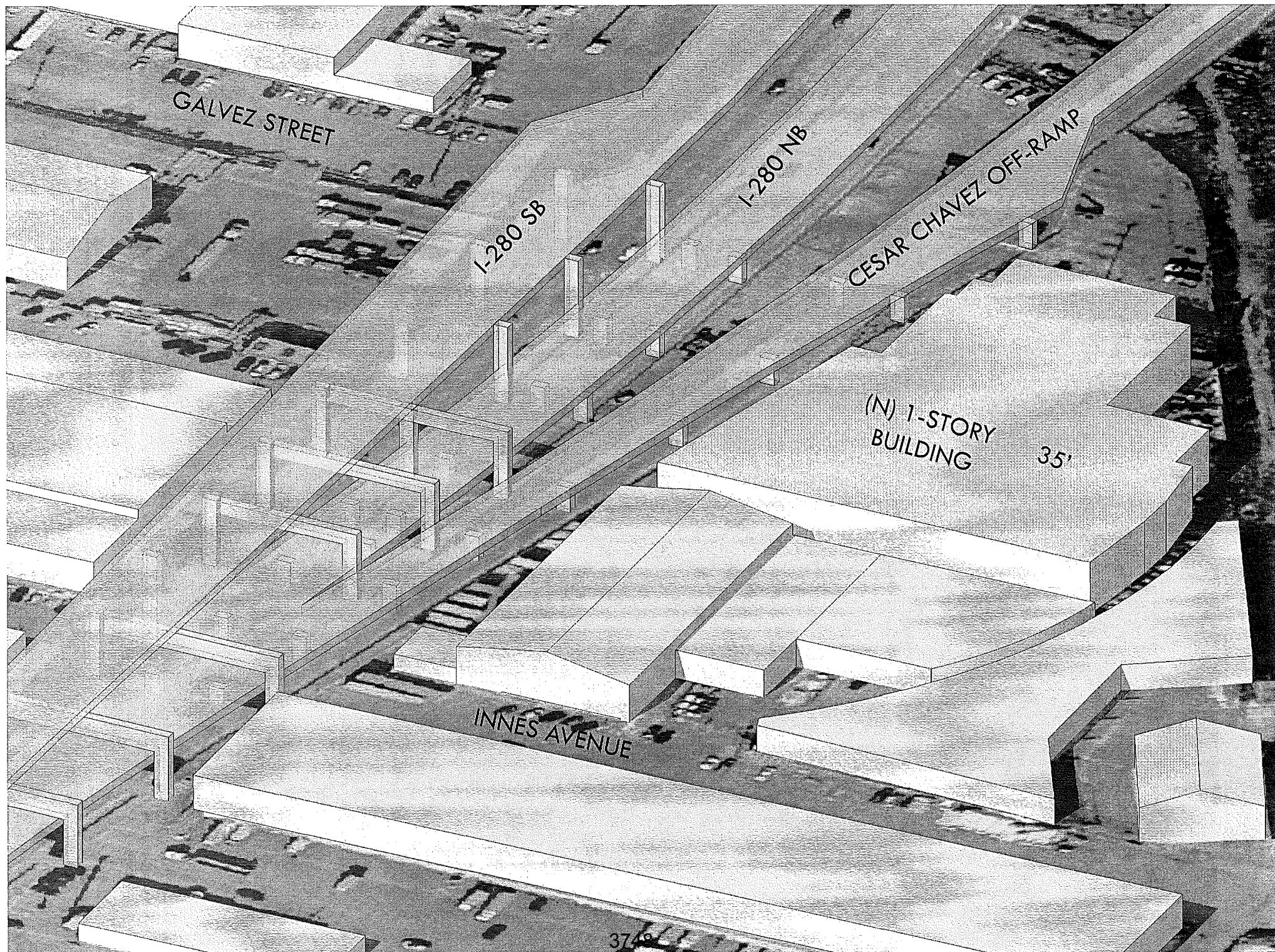
Enclosures: Figure 1. Project Location
Figure 2. Project Plans for the Selby Street Site
Figure 3. Project Plans for 450 Toland Street
Figure 4. Site Photos
Attachment A: DPR Forms for Current Central Shops Site
Attachment B: DPR Forms for Proposed Central Shops Sites
Attachment C: Preliminary Archeological Checklist

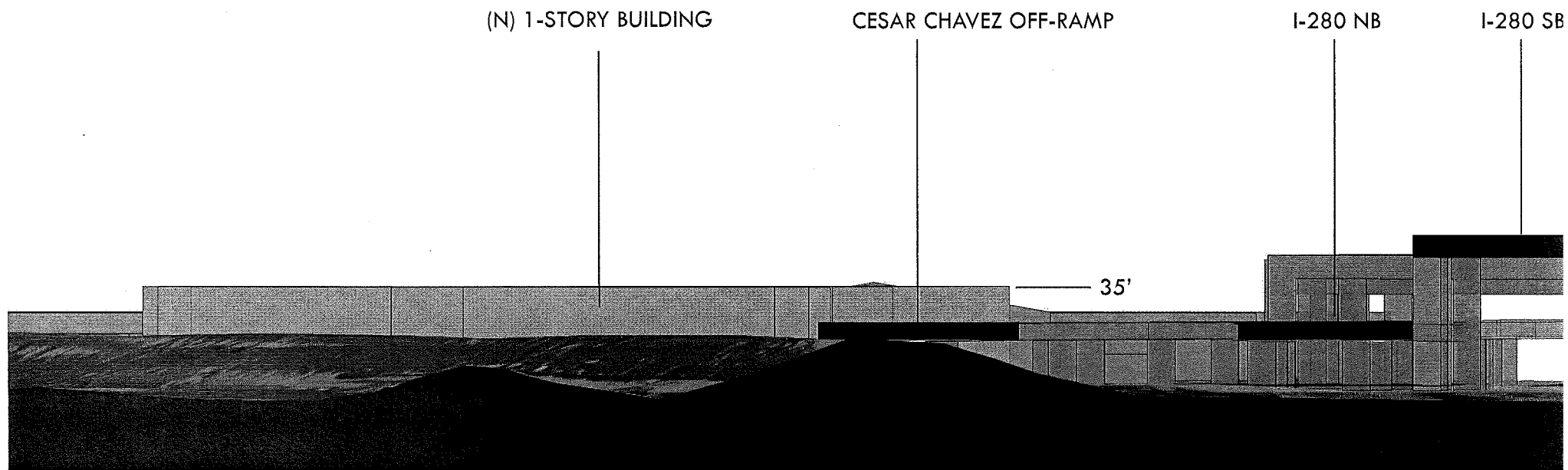
cc: Shelby Campbell, SFPUC, Project Management Bureau
Rosanna Russell, SFPUC, Real Estate Services
John Updike, GSA, Real Estate Department
YinLan Zhang, SFPUC, Bureau of Environmental Management
Boris Deunert, DPW

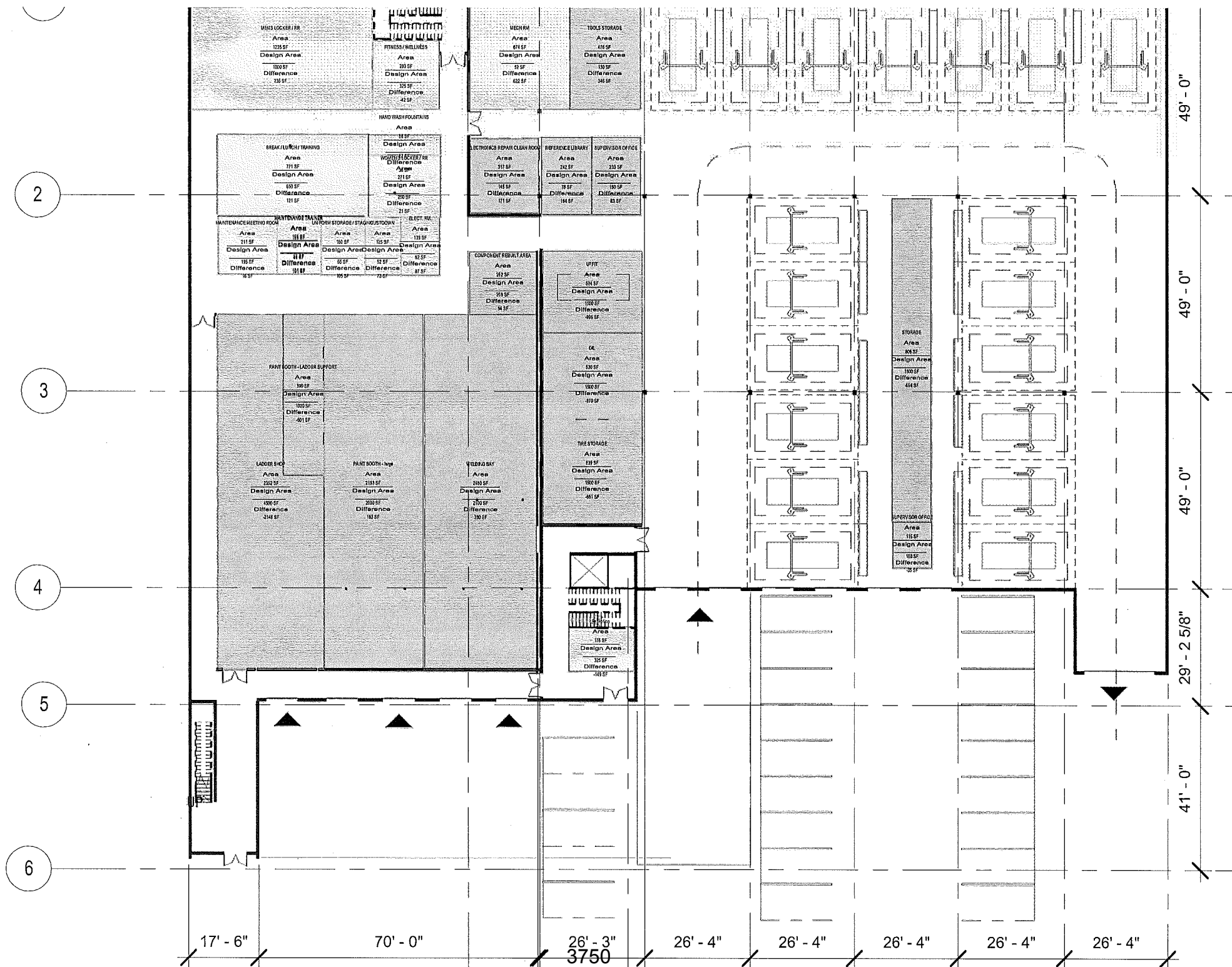


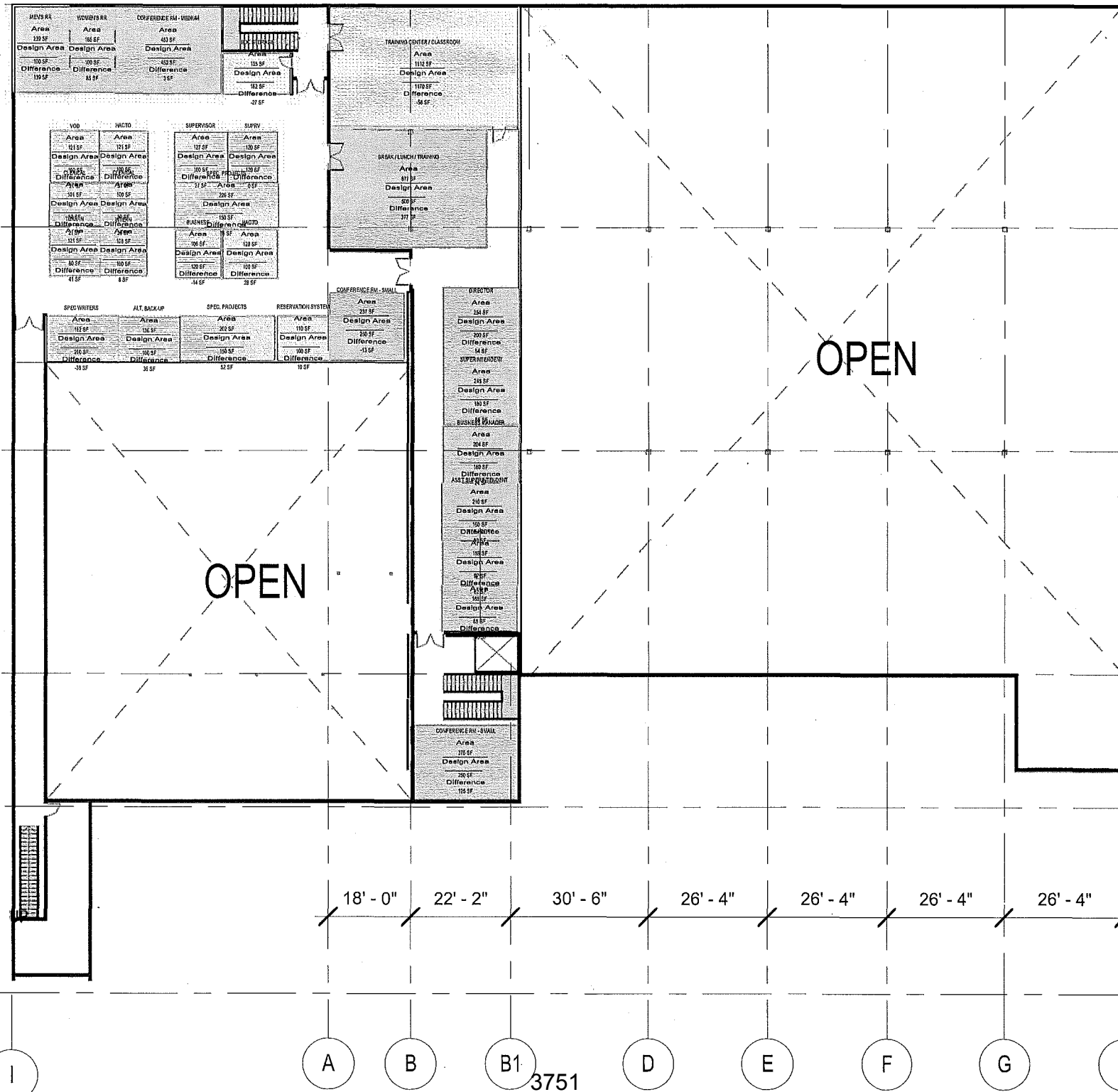
Figure 1. Project Location Map



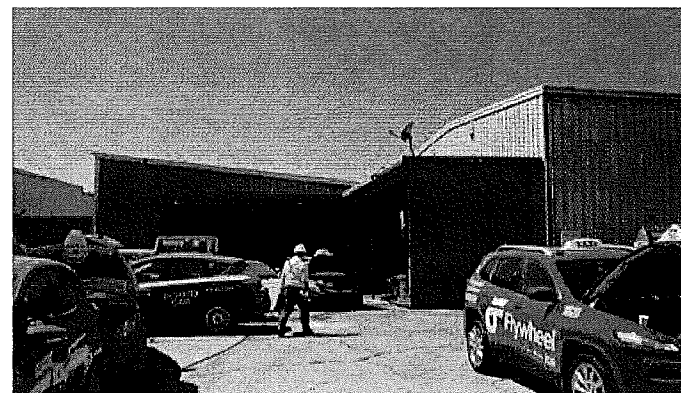
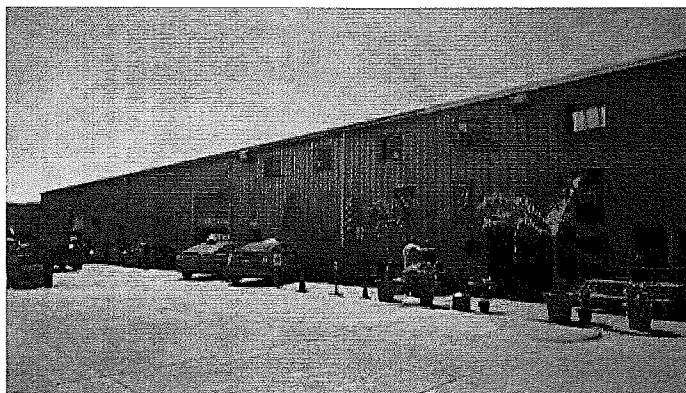
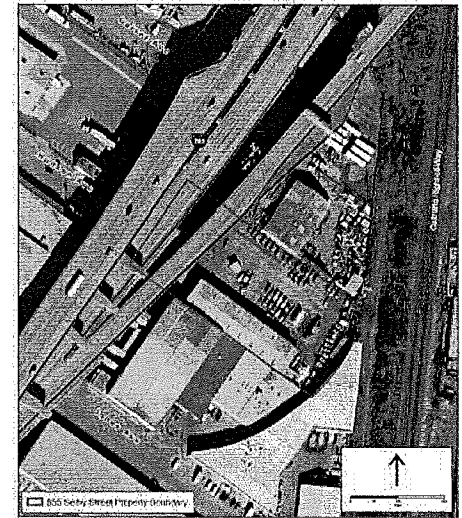
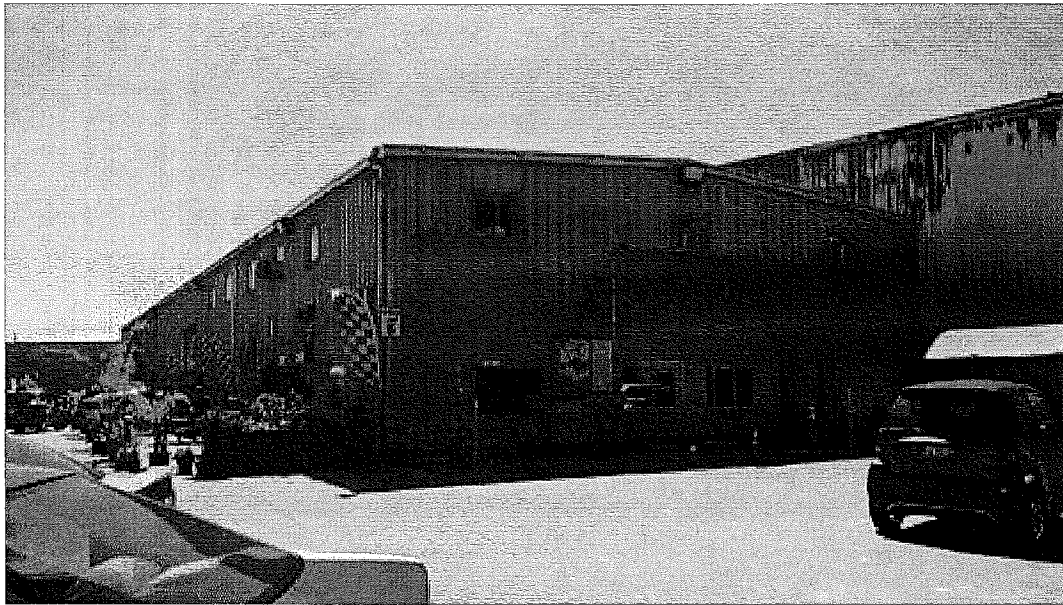




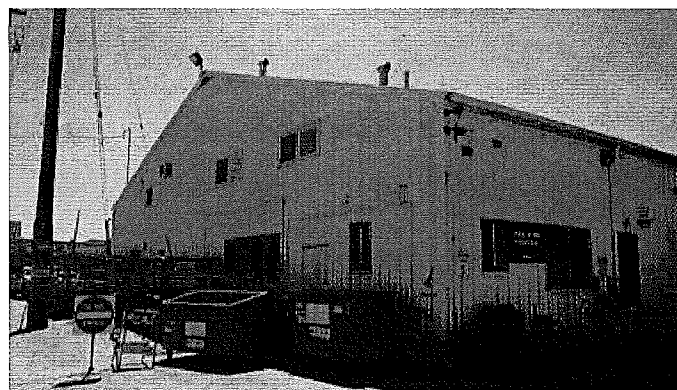
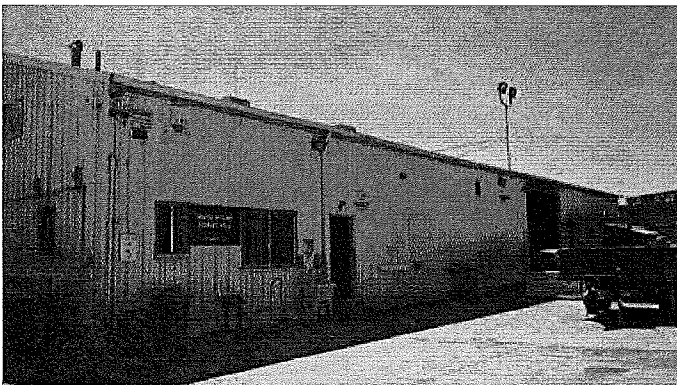
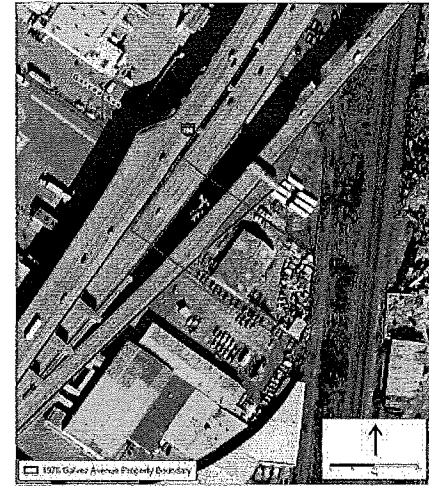




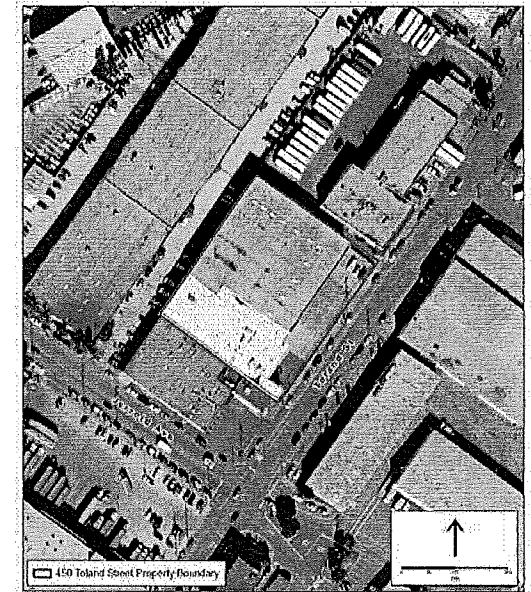
555 Selby Street Site Photos



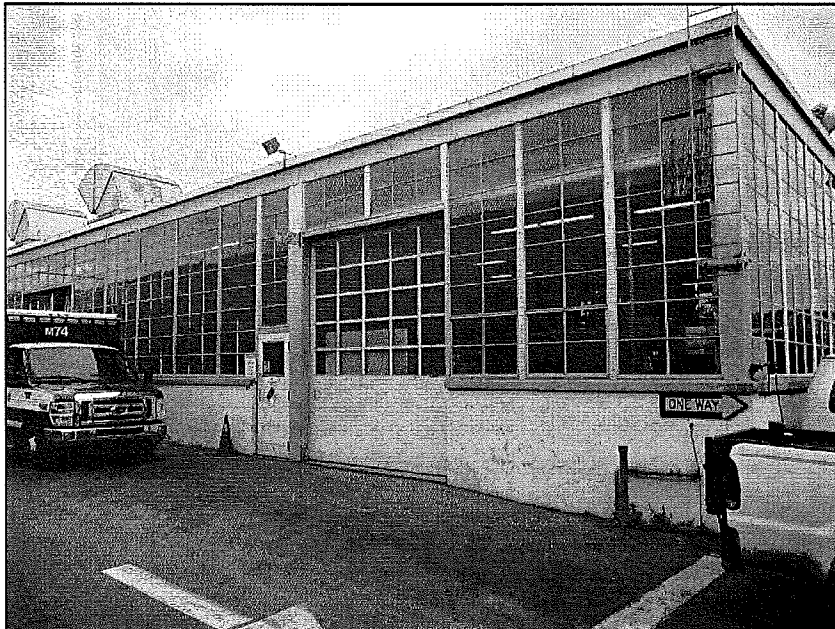
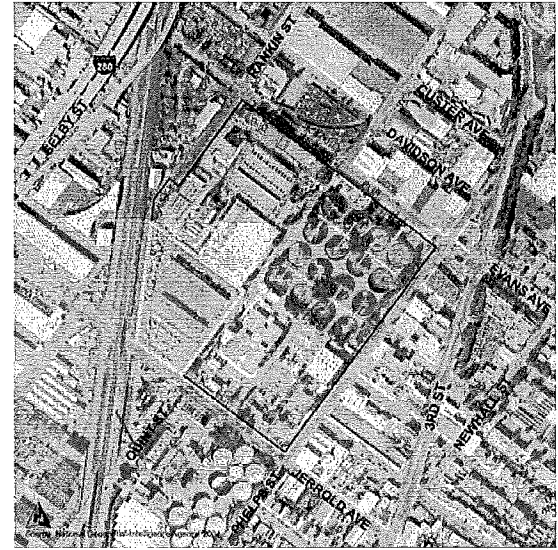
1975 Galvez Avenue Photos



450 Toland Street Photos



1800 Jerrold Avenue Photos



Stephen B. Wee, Principal/President
Rand F. Herbert, Principal/Vice President
Meta Bunse, Partner
Christopher D. McMorris, Partner

December 4, 2014

YinLan Zhang
San Francisco Public Utilities Commission
Bureau of Environmental Management
525 Golden Gate Avenue, 6th Floor
San Francisco, CA 94102

YinLan
Dear Ms. Zhang:

I pleased to submit to you the DPR 523 form for the Central Shops facility at 1800 Jerrold Avenue in San Francisco that JRP Historical Consulting, LLC (JRP) prepared at your request.

The Central Shops at 1800 Jerrold Avenue appears to meet the criteria for individual listing in the National Register of Historic Places (NRHP) under Criterion C and the California Register of Historical Resources (CRHR) under Criterion 3. The property is significant at the local level and it retains historic integrity to convey its significance. Its period of significance is 1959, when it was constructed, and the boundary of the historic property / historical resource is the footprint and layout of Building A and Building B described on the DPR 523 form. This property has been evaluated in accordance with Section 15064.5(a)(2)-(3) of the California Environmental Quality Act (CEQA) Guidelines, using the criteria outlined in Section 5024.1 of the California Public Resources Code and is a historical resource for the purposes of CEQA.

Thank you.

Sincerely,


Christopher McMorris

State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
PRIMARY RECORD

Primary # _____
HRI # _____
Trinomial _____
NRHP Status Code 3S
Other Listings _____
Review Code _____ Reviewer _____ Date _____

Page 1 of 20

*Resource Name or # (Assigned by recorder) 1800 Jerrold Avenue

P1. Other Identifier: 1800 Jerrold Avenue

***P2. Location:** ☐ Not for Publication ☒ Unrestricted
and (P2b and P2c or P2d. Attach a Location Map as necessary.)

***a. County** San Francisco

***b. USGS 7.5' Quad** San Francisco South **Date** 1993 **T** ____; **R** ____; **Sec** ____; ____ **B.M.**

c. Address 1800 Jerrold Avenue **City** San Francisco **Zip** 94124

d. UTM: (give more than one for large and/or linear resources) **Zone** ____; ____ **mE/** ____ **mN**

e. Other Locational Data: (e.g., parcel #, directions to resource, elevation, etc., as appropriate)

Assessor Parcel Number (APN): 5262-009

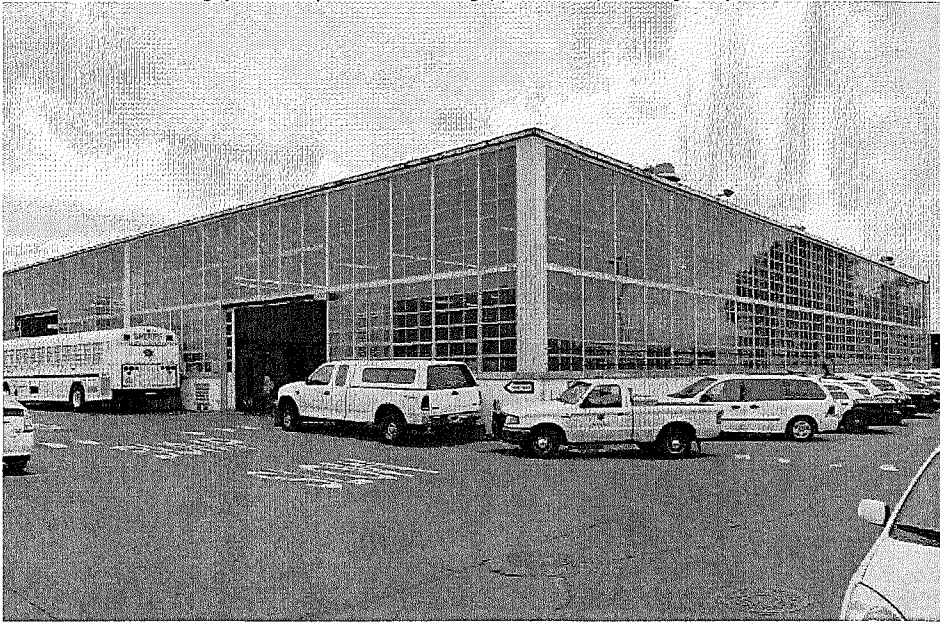
***P3a. Description:** (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries)

This form documents the City and County of San Francisco's Central Shops facility at 1800 Jerrold Avenue. The facility occupies a 6-acre portion of APN 5262-009. The remainder of the parcel contains the Southeast Wastewater Treatment Plant, which is not subject to this inventory. The Central Shops facility consists of three permanent buildings that are designated from south to north Building A, Building B, and Building C. At the south end of this facility are several recently installed temporary buildings not associated with Central Shops. Building A and Building B are of identical construction, the main difference being Building B is about twice as tall as Building A (**Photograph 1**). These two buildings are both rectangular with flat, metal deck roofs supported by clear span steel trusses. Wall framing is also steel and the wall surface is largely industrial steel sash windows. Below the windows is a reinforced concrete apron wall about three feet high. Building A is 17,401 square feet divided into several bays housing the administration office, locker room, body shop, small equipment repair, paint shop, boiler room, and pattern shop (**Photograph 2**). Building A has several glazed metal personnel doors, glazed metal top-hung sliding doors, large glazed metal hinged doors, and two recessed personnel entrances providing access to the office and locker room (**Photographs 3 and 4**). On the south side are a few horizontal sliding sash windows. (See Continuation Sheet.)

***P3b. Resource Attributes:** (List attributes and codes) HP8 – Industrial Building

***P4. Resources Present:** ☒ Building ☐ Structure ☐ Object ☐ Site ☐ District ☐ Element of District ☐ Other (Isolates, etc.)

P5a. Photo or Drawing (Photo required for buildings, structures, and objects.)



P5b. Description of Photo: (View, date, accession #) **Photograph 1: Building B,** camera facing northwest, 8/20/2014

***P6. Date Constructed/Age and Sources:**
☒ Historic ☐ Prehistoric ☐ Both
1959 (CCSF Purchasing Dept. Annual Report, 1959)

***P7. Owner and Address:**
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

***P8. Recorded by:** (Name, affiliation, address)
Steven J. Melvin & Heather Miller
JRP Historical Consulting, LLC
2850 Spafford Street
Davis, CA 95618

***P9. Date Recorded:** August 20, 2014

***P10. Survey Type:** (Describe) Intensive

***P11. Report Citation:** (Cite survey report and other sources, or enter "none.") None

***Attachments:** NONE ☐ Location Map ☐ Sketch Map ☒ Continuation Sheet ☒ Building, Structure, and Object Record ☐ Archaeological Record
☐ District Record ☐ Linear Feature Record ☐ Milling Station Record ☐ Rock Art Record ☐ Artifact Record ☐ Photograph Record
☐ Other (list) _____

DPR 523A (1/95)

***Required Information**

BUILDING, STRUCTURE, AND OBJECT RECORD

Primary # _____

HRI # _____

Page 2 of 20

*NRHP Status Code 3S

*Resource Name or # (Assigned by recorder) 1800 Jerrold Avenue

B1. Historic Name: City and County of San Francisco Central Shops

B2. Common Name: City and County of San Francisco Central Shops

B3. Original Use: vehicle and equipment maintenance and repair

B4. Present Use: vehicle and equipment maintenance and repair

*B5. Architectural Style: Industrial Modern; utilitarian

*B6. Construction History: (Construction date, alteration, and date of alterations) Buildings A, B and C were constructed in 1959; a few windows replaced on Building A, date unknown.

*B7. Moved? ☒ No ☐ Yes ☐ Unknown Date: _____ Original Location: _____

*B8. Related Features: _____

B9. Architect: unknown b. Builder: unknown

*B10. Significance: Theme Architecture Area San Francisco

Period of Significance 1959 Property Type Vehicle Maintenance Facility Applicable Criteria C/3

(Discuss importance in terms of historical or architectural context as defined by theme, period, and geographic scope. Also address integrity.)

The Central Shops at 1800 Jerrold Avenue appears to meet the criteria for individual listing in the National Register of Historic Places (NRHP) under Criterion C and the California Register of Historical Resources (CRHR) under Criterion 3. The property is significant at the local level and it retains historic integrity to convey its significance. Its period of significance is 1959, when it was constructed, and the boundary of the historic property / historical resource is the footprint and layout of Building A and Building B described herein. This property has been evaluated in accordance with Section 15064.5(a)(2)-(3) of the California Environmental Quality Act (CEQA) Guidelines, using the criteria outlined in Section 5024.1 of the California Public Resources Code and is a historical resource for the purposes of CEQA. This evaluation is consistent with San Francisco Preservation Bulletin 5, "Landmark and Historic District Designation Procedures," which directs that historic resources be evaluated for local designation using the California Office of Historic Preservation Recordation Manual (as per San Francisco Landmarks Board Resolution No. 527, June 7, 2000). The property is not significance under NRHP / CRHR criteria A/1, B/2, or D/4. There is also no known or potential historic district to which this property would be a contributor. (See Continuation Sheet.)

B11. Additional Resource Attributes: _____

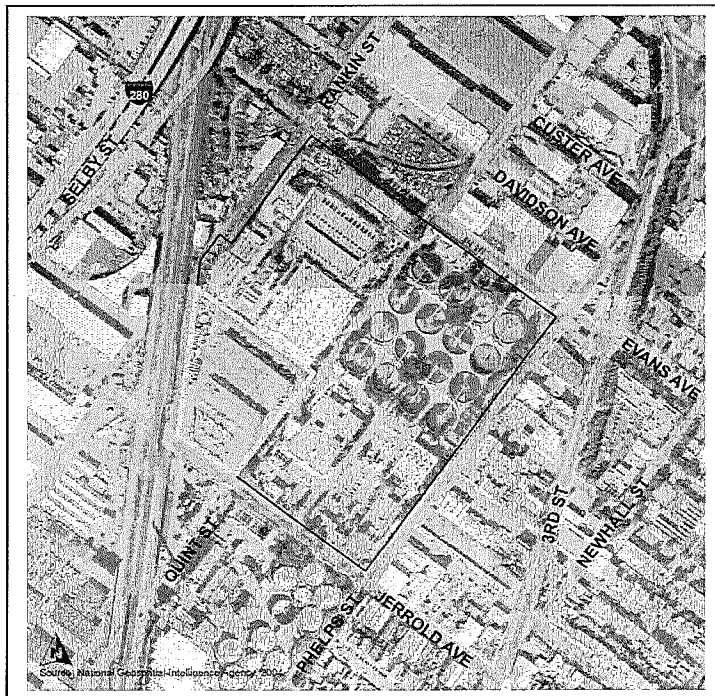
*B12. References: CCSF Purchasing Department Annual Reports, various years; Sanborn Fire Insurance Maps, various years; Kelley & Ver Planck, *Bayview-Hunters Point Area B Survey, Historic Context Statement*, 2010; *San Francisco Chronicle*; Betsy Hunter Bradley, *The Works: the Industrial Architecture of the United States*, (New York: Oxford University Press, 1999); William Kostura, "Van Ness Auto Row Support Structures: A Survey of Automobile-Related Buildings along the Van Ness Avenue Corridor," prepared for the Department of City Planning, San Francisco, California; Mary Brown, San Francisco Planning Department, *San Francisco Modern Architecture and Landscape Design, 1935-1970, Historic Context Statement*, (San Francisco Planning Department, 2010). (See B10 footnotes for additional references.)

B13. Remarks:

*B14. Evaluator: Steven J. Melvin and Christopher McMorris

*Date of Evaluation: November 2014

(This space reserved for official comments.)



Page 3 of 20

*Resource Name or # (Assigned by recorder) 1800 Jerrold Avenue

*Recorded by S.J. Melvin & H. Miller *Date August 20, 2014

☒ Continuation ☐ Update

P3a. Description (continued):

Building B is 49,976 square feet and is divided into the car shop, truck shop, outfitting shop, spray booth, fire engine and apparatus shop, welding shop, machine shop, storeroom, and tire shop (**Photograph 1**). Each bay is accessed by large top-hung glazed double sliding doors or metal roll-up doors (**Photograph 5 and 6**). The car shop, truck shop, and fire shop all are drive through bays with top-hung doors on each end (**Photograph 7 and 8**). Also throughout the building are glazed metal personnel doors.

Building C is at the north end of the facility and is an open sided shed roof building of 13,200 square feet (**Photograph 9**). It is made of reinforced concrete with steel beams supporting the wood board deck of the shed roof. The building has six bays divided by reinforced concrete walls (**Photograph 10**). The bays appear to be used for smog checking, miscellaneous repairs and maintenance, and storage. At the west end of this building is the former facility gas station (**Photograph 11**). It has a small indoor area sheathed in stucco walls and topped by a wide, projecting shed roof porte-cochere supported by steel posts. This element of Building C has a horizontal band of multi-pane windows and glazed metal personnel doors.

B10. Significance (continued):

Historic Context

Industrial Development of Bayview-Hunters Point

The Central Shops at 1800 Jerrold Avenue is located in the Bayview-Hunters Point area in southeast San Francisco that is generally bounded by Cesar Chavez Boulevard (formerly Army Street) on the north, San Francisco Bay on the east, U.S. Highway 101 on the west, and Candlestick Hill on the south. The Bayview-Hunters Point area, along with the Potrero Point area just to the north, developed as one of San Francisco's early industrial districts. Ordinances in the early 1850s pushed slaughterhouses from South of Market to the edge of the city in southeastern San Francisco, where shipbuilding was already established, and the area has retained its industrial nature ever since.¹

The blocks and lots around the Central Shops were historically occupied by a variety of industries since the late 1800s. This area provided proximity to Islais Creek and Islais Estuary, which factories used for water in their production processes and to carry away wastewater. Some industries located here in the 1880s were the Pacific Rolling Mills Company, Union Iron Works, San Francisco Cordage Factory and Rope Works, California Sugar Refinery, and the City Gas Company. Others included more noxious industries such as tanneries, slaughterhouses, and manufacturers of paints, oils, and petroleum based products.²

The Islais Creek area of the San Francisco was served by multiple railroads by the early twentieth century, including Southern Pacific Railroad, Ocean Shore Railroad, and Western Pacific Railroad. Southern Pacific built its Bayshore Cutoff rail line between 1904 and 1907 using several cuts, bay fill, bridges, tunnels, and trestles to move its main line along the bay instead of through Colma. Tunnel No. 3 through Hunters Point Hill is just south of the Central Shops and the Bayshore Cutoff line forms the westside of 1800 Jerrold Avenue. Another railroad, the Ocean Shore Railroad, began operations in 1905 and ran both freight and passenger service. This line passed through the west side of Bayview-Hunters Point, well west

¹ Kelley & VerPlanck, *Bayview-Hunters Point Area B Survey, Historic Context Statement*, 2010, 1; San Francisco, *Manual of the Corporation of the City of San Francisco: Containing a Map of the City, the Declaration of Independence, the Constitution of the United States, the Constitution of the State of California, the Charters of the City, the Revised Ordinances Still in Force, and Certain Laws Relating Particularly to the City of San Francisco* (San Francisco: Published by authority, 1852), 94; San Francisco, *Ordinances and Joint Resolutions of the City of San Francisco* (San Francisco: Published by authority, 1854), 386; Roger W. Lotchin, *San Francisco 1846-1856: From Hamlet to City* (Lincoln, NB: University of Nebraska Press, 1974), 12.

² Sanborn Map Company, *San Francisco, California* (New York: Sanborn Map Company, 1886-1887, 1900); USGS, *San Francisco Quadrangle*, 1:62500, 15 minute (Washington: USGS, 1895, 1899); Richard Walker, *Industry Builds Out the City: The Suburbanization of Manufacturing in the San Francisco Bay Area, 1850-1940* http://oldweb.geog.berkeley.edu/PeopleHistory/faculty/R_Walker/IndustryBuildsOut.pdf (accessed February 28, 2014), 6.

of the Central Shops. In 1920 the railroad ceased operations and Western Pacific Railroad acquired the trackage in Bayview-Hunters Point to serve local industries and connect with its freight slip and terminal located at Potrero Point at 25th Street.³

In the early decades of the twentieth century real estate developers looked to southeastern San Francisco as an underutilized area for industrial growth. The main impedance to development was the vast swampy area of the Islais Creek estuary, adjacent to the future Central Shops parcel. In 1909, a reclamation plan proposed condemnation by the State of California to purchase 173 acres of privately owned land in the Islais Creek estuary, but the plan's high cost stalled the project.⁴ The project started moving again in 1930 and by September work to reclaim the estuary property and create a new 280-acre industrial district began. Dredged material from the channel was used to fill land on the north side of the creek for a lumber, factory, and railroad district. North of Army Street (now Cesar Chavez Street), the Western Pacific Railroad Company leveled a hill and reclaimed several acres of its own property to provide more useable land for industries and customers for its new peninsula rail line. Reclamation of Islais Creek estuary was officially completed in 1936 and industries began construction on the former swamplands. The reclamation project, however, stopped west of the Southern Pacific railroad line and did not include the site of the future Central Shops, which was on the edge of the estuary, but east of the railroad. As reclamation opened the way for development nearby, the Central Shops site remained swampy and sparsely developed with a few scattered buildings. Improvements to Bayshore Boulevard and Army Street through the area further spurred development, as did the construction of Highway 101 (Bayshore Freeway) and I-280 in the 1950s. These roadways facilitated the movement of products and people in and out of Bayview-Hunters Point and encouraged further development.⁵

Efforts to continue industrial expansion in Bayview-Hunters Point continued after World War II. The first was the creation of an industrial zone called Apparel City. This group of ten industrial buildings bounded by Barneveld Avenue, Oakdale Avenue, and Industrial Avenue, just southwest of the Central Shops, housed apparel and textile assembly businesses. Another large project promoted by the San Francisco Redevelopment Agency was the creation of the San Francisco Wholesale Produce Market, four two-story industrial warehouses on a 25-acre tract of land facing Jerrold Avenue. The market was part of larger industrial park bounded by Rankin Street, Toland Street, Newcombe Avenue, and Hudson Avenue. This area is just west of the Central Shops on the other side of the railroad tracks. Industrial growth continued into the 1960s, with the redevelopment of Butchertown south of Islais Creek, and the India Basin Industrial Park, completed in 1973. India Basin Industrial Park slowly brought more industry and commercial businesses to the area, and is considered an ongoing project. Other industrial and housing redevelopment projects started and stalled throughout the 1970s and 1980s. Into the Twenty-First Century, Bayview-Hunters Point remains the focus of redevelopment efforts such as a 2000 Community Revitalization Concept Plan, but it still retains its industrial character.⁶

City and County of San Francisco Central Shops

³ Southern Pacific Bureau of News, "Historical Outline," 77; Loren Nicholson, *Rails Across the Ranchos*, Centennial Edition (San Luis Obispo, CA: California Heritage Publishing Associates, 1993), 133-138; "Construction on the Bay Shore Line of the Southern Pacific Co.," *The Railway and Engineering Review* (October 20, 1906): 807-809; Sanborn Map Company, *San Francisco, California* (New York: Sanborn Map Company, 1914, 1950); Jack R. Wagner, *The Last Whistle: Ocean Shore Railroad* (Berkeley: Howell-North Books, 1974), 17, 107; Islais Creek Reclamation District, *Map Showing Property Owners*, May 23, 1927, on file at the San Francisco Public Library History Center, San Francisco Ephemera Collection; USGS, *San Francisco South Quadrangle*, 1:24000, 7.5 minute (Washington: USGS, 1956 [photorevised 1968, 1980]).

⁴ Kelley & VerPlanck, *Bayview-Hunters Point Area B Survey, Historic Context Statement*, 73-80.

⁵ "Islais Creek District Development Project Will Ne Begun Tomorrow," *San Francisco Chronicle*, September 2, 1930, 7:6; Kelley & VerPlanck, *Bayview-Hunters Point Area B Survey, Historic Context Statement*, 83, 110; Richard Walker, *Industry Builds Out the City: The Suburbanization of Manufacturing in the San Francisco Bay Area, 1850-1940* http://oldweb.geog.berkeley.edu/PeopleHistory/faculty/R_Walker/IndustryBuildsOut.pdf (accessed February 28, 2014), 10; "Islais Creek District Development Project Will Be Begun Tomorrow," *San Francisco Chronicle*, September 2, 1930, 7:6; Sanborn Map Company, *San Francisco, California* (New York: Sanborn Map Company, 1950); USGS, *San Francisco South Quadrangle*, 1:24000, 7.5 minute (Washington: USGS, 1956 [photorevised 1968, 1980]).

⁶ Kelley & VerPlanck, *Bayview-Hunters Point Area B Survey, Historic Context Statement*, 101, 102, 120-121, 153-154.

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The Central Shops is a City bureau responsible for the maintenance of city-owned vehicles (except for the Department of Public Utilities) as well as mechanical apparatus, fire apparatus, and a variety of other mechanical and machines works and equipment. In the 1950s the Bureau of Central Shops operated under the City and County of San Francisco (CCSF) Purchasing Department and was responsible for approximately 1,200 City vehicles. At this time the Bureau of Central Shops had three major shops, Shops Nos. 1, 2, and 3, and eleven sub-shops and garages. Shop No. 1 was located at 313 Francisco Street and was responsible for fire department maintenance and repairs; Shop No. 2, at 2800 Alameda Street, maintained the automobile fleet; and Shop No. 3 at 1745 California Street (also referred to as 1765 California Street) maintained police vehicles. The various sub-shops and garages were also scattered throughout the City.⁷ By the mid-1950s, these multiple facilities had become inadequate and inefficient. Specific problems included lack of space for vehicle repair, lack of modern equipment, and the need to move vehicles that required multiple repairs, such as painting and upholstery work, from one specialty shop to another. In 1956 the Purchasing Department Annual Report described plans to build a new consolidated shop facility: "The hope has arisen that the inadequacy of the City's central repair shops, which has handicapped efficiency and caused delays and high automotive repair costs, is scheduled to be overcome." The plan was to bring Shops Nos. 1, 2 and 3 together at the 1800 Jerrold Avenue site, described in the report as "surplus land acquired for the Southeast Sewage Treatment Plant." The site was ideal because the land was already owned by the City and it was in an industrial area.⁸

The Southeast Sewage Treatment Plant currently occupies the tract of land bounded by Evans Avenue, Phelps Street, Rankin Street and Jerrold Avenue, north and east of the Central Shops Jerrold Avenue facility. Just prior to the construction of the sewage treatment plant, this tract of land was sparsely developed. In the 1940s and 1950s the area contained only scattered small buildings, including livestock pens, a small lumber shed, and an office near Jerrold Avenue and Quint Street. Railroad tracks of the Atchison, Topeka and Santa Fe ran up the middle of Quint Street. The only sizable development was on the north end of this large tract – north of where the Central Shops was later built – where the Scavengers Protective Association processing plant fronted on Evans Avenue between Phelps Street and Quint Avenue. The Lowrie Paving Company was also on Evans Avenue between Rankin Street and Quint Avenue. Historically, the land currently occupied by the sewage treatment plant and the Central shops was on the edge of the Islais Creek estuary, but was just outside of the reclamation project, which stopped on the other side of the railroad tracks. Historic mapping and aerial photographs from the 1940s and 1950s shows this parcel to be low and poorly drained, a condition that likely explains its continued lack of development at this late date.⁹

Construction of the new Central Shops facility was well underway by the spring of 1958 at an estimated cost of \$1 million. In June of the following year, Bureau of Central Shops Superintendent Aylmer W. Petan oversaw the move into the three new buildings, which had an address at that time of 800 Quint Street. As planned, the new facility consolidated the operations of Shops Nos. 1, 2, and 3 and thenceforth the majority of the work of the Bureau of Central Shops was conducted at the new facility, while small sub-shops remained in operation throughout the City. The Jerrold Avenue facility was divided into three main areas: automobile, truck, and fire apparatus, as well as several auxiliary shops such as machine shop, blacksmith shop, upholstery shop, paint shop, fire hose shop, ladder shop, tire shop, and wood working shop (**Figure 1, Figure 2, Figure 3 and Figure 4**). The facility also housed Central Shops administration offices. By 1959, the fleet of vehicles serviced by Central Shops had increased to 1,400. This increased again the following year to 1,600 vehicles.¹⁰

⁷ City and County of San Francisco, Purchasing Department, "Annual Report to the Mayor for 1954-1955," September 21, 1955, 5-6; City and County of San Francisco, Purchasing Department, "Annual Report to the Mayor for 1955-1956," September 1956, 7-8; City and County of San Francisco, Purchasing Department, "Annual Report to the Mayor for 1957-1958," September 1958, 9.

⁸ City and County of San Francisco, Purchasing Department, "Annual Report to the Mayor for 1955-1956," September 21, 1955, 7-8.

⁹ Sanborn Map Company, *San Francisco, California* (New York: Sanborn Map Company, 1950), Sheets 807, 808, 817, 818; USGS, *San Francisco South Quadrangle*, 1:24,000, 7.5 minute (Washington: USGS, 1947); HistoricAerials.com, historic aerial images, 1946, 1956.

¹⁰ City and County of San Francisco, Purchasing Department, "Annual Report to the Mayor for 1957-1958," September 1958, 9; City and County of San Francisco, Purchasing Department, "Annual Report," September 1959, 11-12; "Directory of City and County Officers," *City-County Record* 26, no. 6 (June 1959): 9; City and County of San Francisco, Purchasing Department, "Annual Report," September 1960, 18.

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During the period when the new Central Shops facility was built, the City was generally interested in improving the efficiency of its various departments. In 1952, Board of Supervisors established the Municipal Government Survey Advisory Committee to study and make recommendations on how to improve the operations of City departments to reduce costs. Budget constraints, however, limited the scope of the study, which did not review all departments and did not include the Central Shops. Interest in cost-saving persisted and in late 1960 Mayor George Christopher formed the Mayor's Committee for Municipal Management to study reducing costs of operation of the City and County of San Francisco government. The consolidation of the Central Shops occurred in this era of heightened efforts by San Francisco to improve efficiency.¹¹

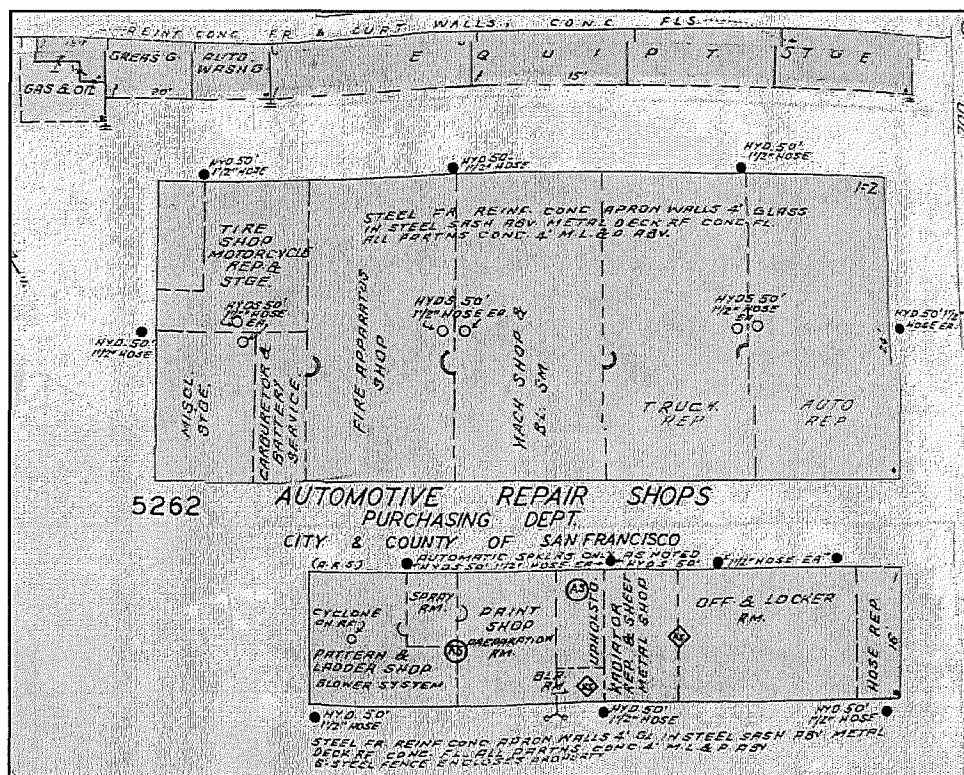


Figure 1. Image from Sanborn Fire Insurance Map. Sanborn Maps were revised on a regular basis and it is not clear when the above plan of the Central Shops was produced, but the image appears to have been revised.¹²

The function of the Central Shops Jerrold Avenue facility continued virtually unchanged in the following decades. In 1960, Albert M. Flaherty assumed the position of Bureau of Central Shops Superintendent and held the position into the 1980s. During that time the Central Shops continued in its primary function as the main repair and maintenance facility for the City's vehicle fleet, as well as maintaining other City equipment and machines. The number of vehicles in the city fleet maintained by Central Shops steadily grew in subsequent years to 1,678 in 1963, 2,408 in 1971, 2,961 vehicles in 1979, and over 4,000 vehicles by 1985. At various times, this facility has also been referred to as the "Quint Street Corporation Yard" or "800 Quint Street." The Central Shops remained under the Purchasing Department of the City into the 1990s. Currently the Central Shops is under the General Services Administration and has five maintenance and repair facilities that provide fleet services to over 6,000 vehicles from 70 City departments. It is also responsible for vehicle acquisitions and dispositions,

¹¹ City and County of San Francisco, Mayor's Committee for Municipal Management, "A Report to the Blythe-Zellerbach Committee on Modern Management for San Francisco, Summary" Vol. 1, June 1961, 1, 2; City and County of San Francisco, "Report of the Municipal Government Survey Advisory Committee," February 25, 1952, 1, 2.

¹² Sanborn Map Company, *San Francisco, California* (New York: Sanborn Map Company, 1950, revised, 1959, 1963).

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equipment specifications, and alternative fuel programs. Central Shops currently completes approximately 34,000 work orders annually.¹³

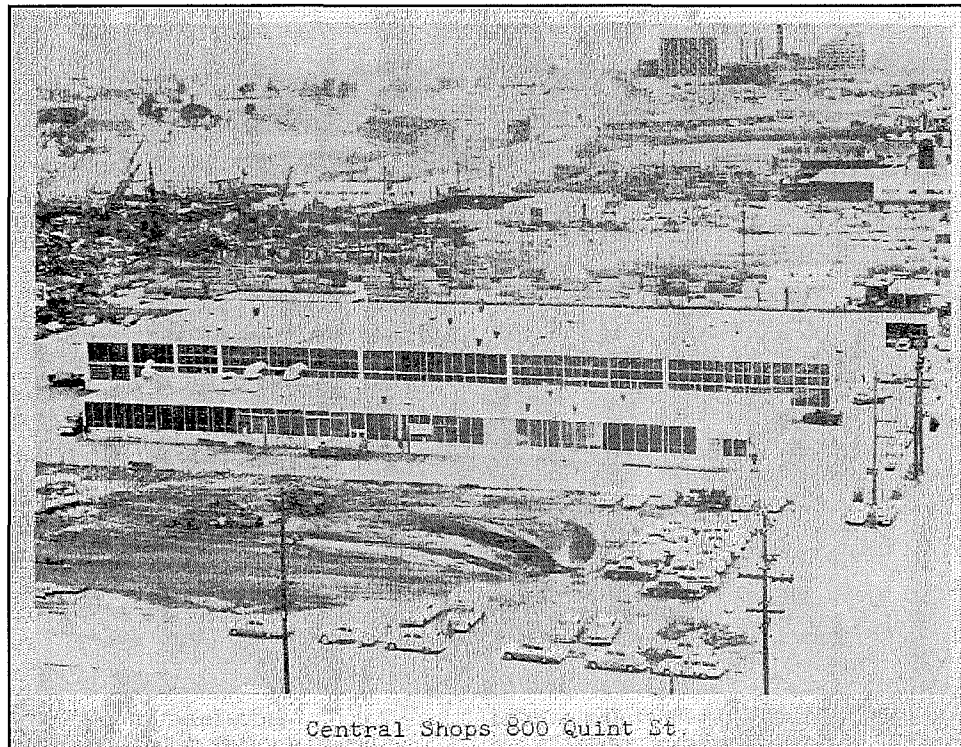


Figure 2. Central Shops, view looking north, ca. 1963. Building A is in the foreground with Building B behind. Building C is largely obscured.¹⁴

¹³ City and County of San Francisco, Purchasing Department, "Annual Report, Fiscal Year 1962-1963," September 5, 1963, 14; City and County of San Francisco, Purchasing Department, "Annual Report, Fiscal Year 1970-1971," September 1971, 14; City and County of San Francisco, Board of Supervisors Budget Analyst, "Report to the Board of Supervisors of the City and County of San Francisco: Review of the Operations of the San Francisco Automotive Fleet and the Central Shops Division of the Purchasing Department," July 1979, 1-3; City and County of San Francisco, Purchasing Department, "Annual Report, Fiscal Year 1985-1986," October 1, 1986, 44; "Directory of City and County Officers," *City-County Record* 27, no. 2 (Feb. 1960): 9; City and County of San Francisco, Purchasing Department, "Annual Report, Fiscal Year 1980-1981," February 10, 1982, 17; City and County of San Francisco, Board of Supervisors Budget Analyst, "Report to the Board of Supervisors of the City and County of San Francisco: Review of the Operations of the San Francisco Automotive Fleet and the Central Shops Division of the Purchasing Department," July 1979, 1-3; City and County of San Francisco, "Purchasing Department Quarterly Report, FY 1994-1995, 4th Quarter," July 20, 1995, 9; City and County of San Francisco, General Services Administration, Central Shops, available at <http://sfgsa.org/index.aspx?page=45>

¹⁴ City and County of San Francisco, Purchasing Department, "Annual Report," September 5, 1963.

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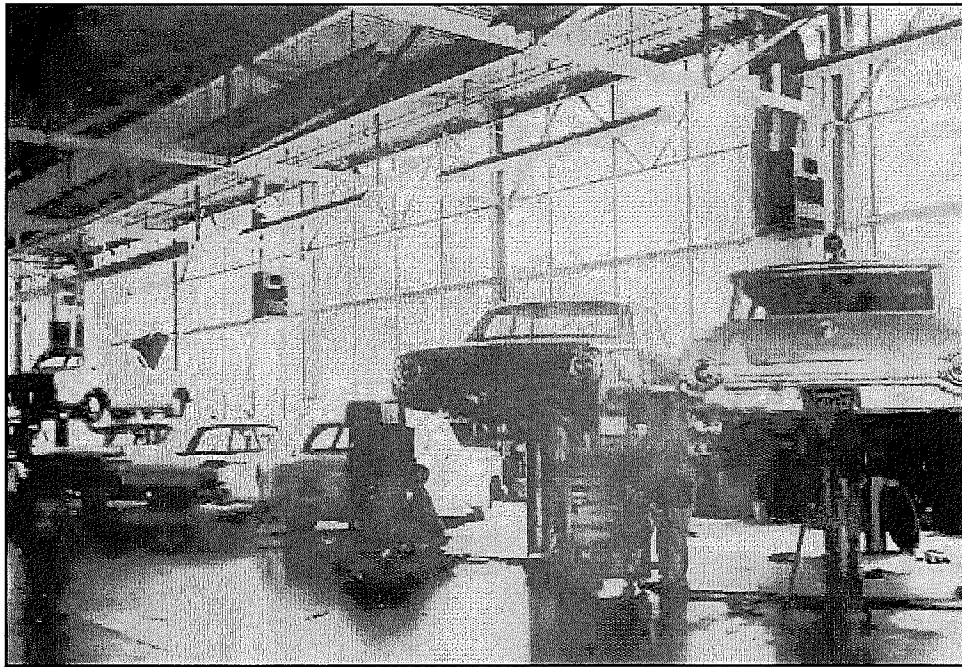


Figure 3. Interior of Central Shops Building B, automobile shop in 1964.¹⁵

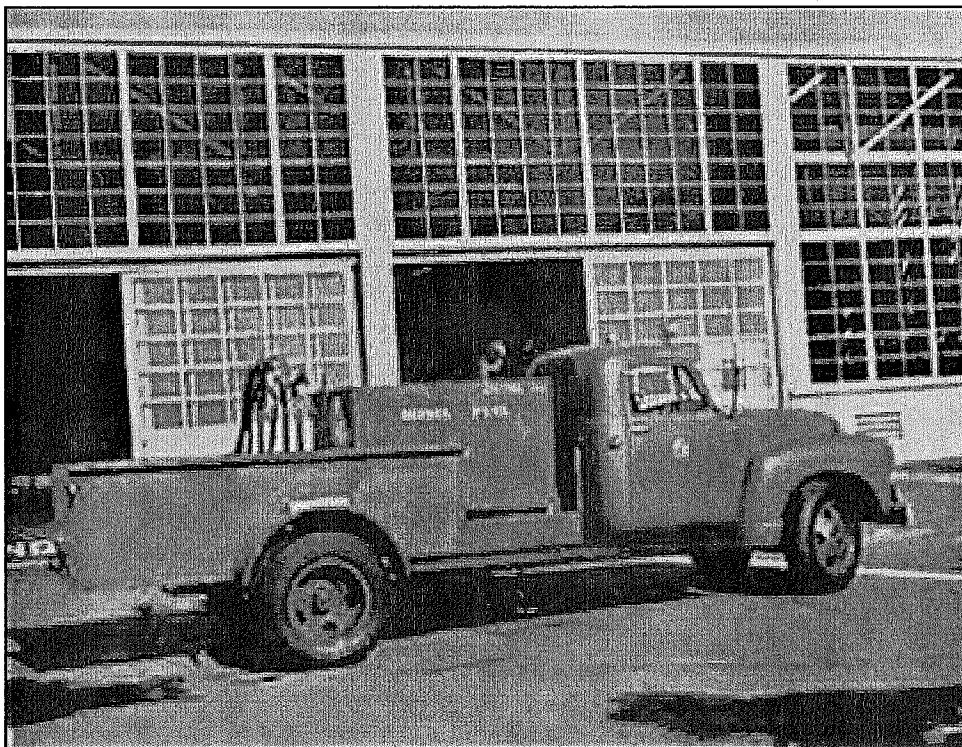


Figure 4. Truck outside of Central Shops Building B in 1971.¹⁶

¹⁵ City and County of San Francisco, Purchasing Department, "Annual Report, Fiscal Year 1963-1964" August 28, 1964.

¹⁶ City and County of San Francisco, Purchasing Department, "Annual Report, Fiscal Year 1970-1971" September 1971.

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Industrial Modern Architecture

The historic context for the design of the Central Shops at 1800 Jerrold Avenue is Industrial Modern architecture, which incorporates twentieth century Modern architectural aesthetic with the design qualities of engineering, manufacturing, and industrial facilities that were built for utility and functionality. Constructed in 1959 to help improve the City's vehicle fleet repair and maintenance services, the Central Shops' straight-forward design shared qualities with industrial design and Modern architecture of its period, including the simple cubic forms, walls of glass on steel frames, open interior floor plans, and lack of applied ornamentation. The design included highly functional expansive glazing that brought extensive natural light into the facility and wide clear spans to maximize flexibility in which to maneuver vehicles and operations. Assimilation of the Modern architectural aesthetic into industrial facilities such as the Central Shops marks an integration of design objectives that merged utilitarian construction with refined architectural concepts of International Style Modernism, such as the purposeful abstraction of building form and expressive visible structure.

During the nineteenth century a schism in industrial design formed that left much of the functional and utilitarian factory and manufacturing facility designs to engineers, as architects of the period remained mostly committed to eclecticism and historicism. Engineer-designed late nineteenth century and early twentieth century industrial buildings were conceived and built to maximize functionality, efficiency, and economy. While some industrial properties included architectural character to aesthetically enhance buildings, the focus of such properties was primarily on the technical and economic aspects of the business for which the property functioned. Industrial buildings often lacked the applied ornamentation, adherence to tradition, and artistic intention practiced by architects at the time for institutional, commercial, residential, and ecclesiastic buildings. Engineers were also at the forefront of the development of modern materials and technologies, and they embraced new building materials and construction methods for their industrial designs. Advances in the manufacture of steel and concrete improved the strength and tensile properties of the materials, allowing them to be used in building framing, for example, that lead to taller structures and wider clear spans that benefited the industrial and manufacturing processes housed therein. Such developments shaped and altered the appearance of industrial buildings. Steel framing allowed wider spans and open interiors, decreasing the area of walls required for structural framing that in turn allowed for larger windows. Maximizing natural light was a priority in industrial buildings and with steel framing engineers could devote a greater amount of wall space to glazing, a trend that culminated in fully glazed curtain walls enclosing and concealing the steel frame. Coinciding with these developments was the innovation of industrial steel sash windows. As compared to wood sash, steel sash was non-combustible, admitted more light, and required less maintenance. With these advantages, steel sashes quickly became the standard window type used in industrial buildings.¹⁷

Early twentieth century industrial development in San Francisco's Bayview-Hunters Point area included various factories and manufacturing plants with wide open interiors that had plentiful natural light made possible by extensive steel framing and steel sash windows. Remaining examples include the former Link Belt Company facility at 300-400 Paul Avenue, built in 1930, that has a sprawling utilitarian industrial plant behind its Spanish Colonial Revival-style office building. This plant had a massive steel-frame and steel-clad shop with a sawtooth roof and an extensive wall of steel sash glazing. This property illustrated the functional and utilitarian designs of industrial architecture, with its architectural character limited to Link Belt's office building fronting Paul Avenue.¹⁸ Similarly, the Central Waterfront's Union Iron Works / Bethlehem Steel Shipyard at Pier 70 (Illinois Street and 20th Street), north of Bayview-Hunters Point, illustrates the range of architectural character of industrial buildings from the 1880s to the 1940s. The property includes massive utilitarian buildings constructed in brick, concrete, wood frame, and steel frame, with office and administrative buildings fronting the public streets designed in architectural styles popular in the 1890s and 1910s. While various utilitarian buildings on the property from the initial decades of the twentieth century included some traditional stylistic elements, many integrated new building technologies of the period, including steel sash windows and concrete / steel framing. Later buildings from the 1930s and 1940s show the

¹⁷ Betsy Hunter Bradley, *The Works: the Industrial Architecture of the United States*, (New York: Oxford University Press, 1999) 144-145, 166-170, and 203-221.

¹⁸ San Francisco Planning Department, Final Mitigated Negative Declaration 320-400 Paul Avenue Data Center and associated Extension of PG&E 12kV Electrical Distribution Circuits, Case No. 2011.0408E, July 2014; *San Francisco California 1950* (New York: Sanborn Fire Insurance Company, 1950), 887.

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effects of mass production on industrial architecture and the growing influences of Modernism. This influence is illustrated in the Moderne style office on Illinois Street, as well as in the multiple steel frame buildings that lack traditional styling seen on earlier buildings. Many of the steel frame utilitarian structures were built with expansive glazing and open interiors. The Light Warehouse, Building 6, (constructed in 1941) (Figure 5) is a prominently situated example along the waterfront. It is a large steel frame building with gable roof trusses creating an expansive open interior lit by steel sash windows running along most of the walls.¹⁹

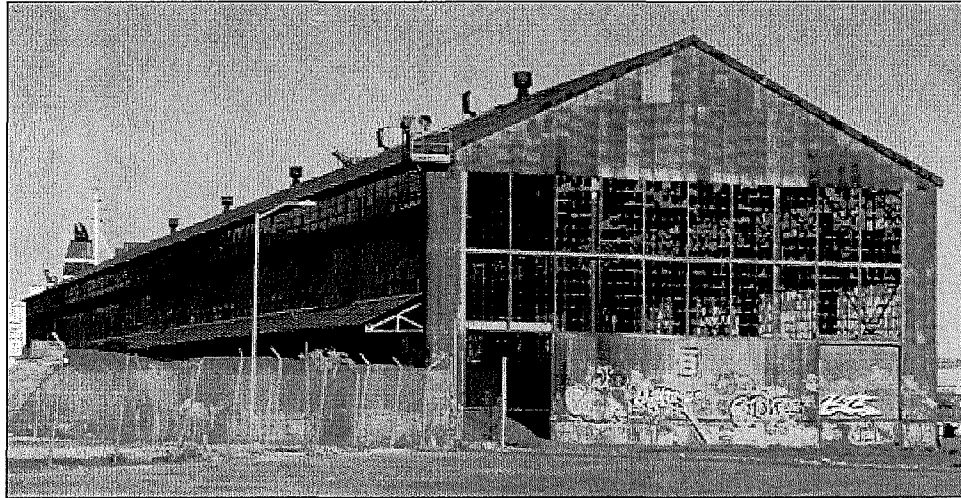


Figure 5: Light Warehouse, Building 6, Pier 70²⁰

The Central Shops' predecessor automobile and motor vehicle repair facilities in San Francisco developed in the early twentieth century mostly in the vicinity of the Van Ness Avenue Auto Row and included many brick or concrete buildings with large steel sash windows, large interior spaces lit by skylights, and ornamented façades facing the street. While they had less ornate façades than automobile show rooms along Van Ness Avenue, many of the vehicle repair shops from the 1910s and 1920s incorporated Classical-architecture pilasters, molding, and cornices, with some having Romanesque or Mission Revival style elements. As noted, the City used the repair facility at 1765 California Street (also listed as 1745 California Street) (Figure 6) as one of its multiple shops for vehicle maintenance. This property, constructed in 1921/1927 and now a grocery store, is a large-scale example of an auto repair shop with a façade that included both large steel sash windows and prominent historic-period revival ornamentation. Many of these properties continued to operate as automobile maintenance buildings into the mid to late twentieth century (and some still do), such as 55 Oak Street and 1641 Jackson Street. Automobile sales and maintenance businesses diffused throughout the City during the mid-twentieth century, with some in the Bayview-Hunters Point area by the late 1950s and early 1960s. These auto repair shops were established in utilitarian buildings, usually with no architectural detail incorporated into the street façades. Such business included Leonard's Automotive Service at 4040 3rd Street (at Hudson Avenue), which is a concrete tilt-up building constructed in 1954 with an addition built in 1960; Harold's Auto & Truck Repair at 1313 Quint Street, which is a concrete block building constructed in 1956; and Bayshore Engine Rebuilders at 271 Bayshore Boulevard, which is a metal building constructed in 1963.²¹

¹⁹ Carey & Co., National Register Nomination Form, Pier 70 /Union Iron Works Historic District, San Francisco, California, 2013. The historic district was listed in the NRHP on April 17, 2014. The nomination and the notification of listing are available at Port of San Francisco website: <http://www.sfport.com/index.aspx?page=1498>.

²⁰ Photograph courtesy www.sfport.com.

²¹ William Kostura, "Van Ness Auto Row Support Structures: A Survey of Automobile-Related Buildings along the Van Ness Avenue Corridor," prepared for the Department of City Planning, San Francisco, California, 2010, 23-25 and 48-53; *Polk's San Francisco City Directory* 1960 and 1964/65; San Francisco Property Information Map, <http://propertymap.sfplanning.org/?dept=planning> (accessed November 2014).

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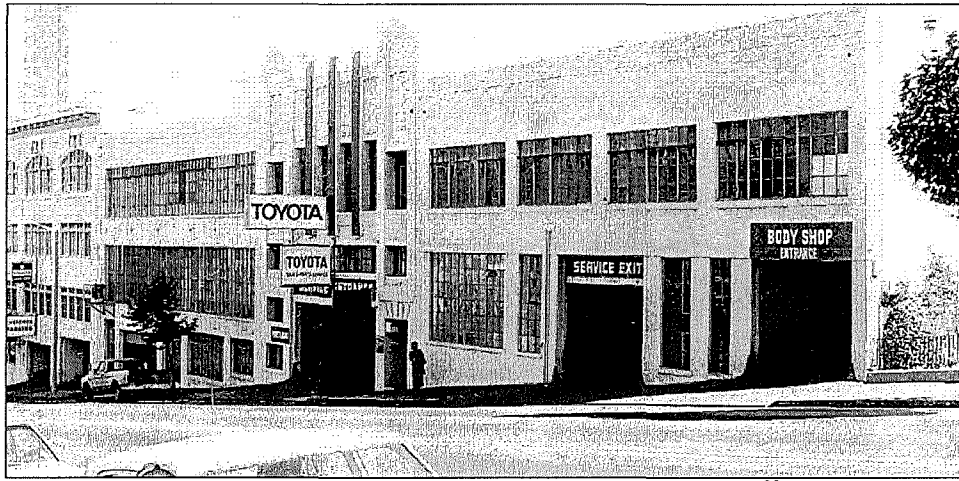


Figure 6: 1765 California Street, San Francisco.²²

In architecture during the early twentieth century, designs were shifting as architects began seeking greater purity of architectural form and function, increasing use of new technologies, materials, and construction methods, and eschewing applied ornamentation derived from historic architecture. In part, this shift away from historical-based designs came as designers recognized the aesthetic qualities achieved in industrial designs during the late nineteenth century. This recognition was an element in the efforts of Modern design to reconcile the underlying principles of architecture with the progressive transition of contemporary society and culture. In general, Modernism emerged as a dominate influence in architecture in the United States starting in the 1920s, evolving from Art Deco and Moderne (1920s to 1940s) to International Style (1930s to 1960s) and later iterations with various names (1950s to present) that explored design qualities related to form, light, and structure. Use of the Modern architectural aesthetic in industrial, institutional, and commercial properties dates to the 1910s, 1920s, and 1930s, initially as part of the development of new architecture in Europe that became known as the International Style. A seminal industrial example of the International Style is the Fagus Shoe Factory in Germany designed by Walter Gropius and Adolph Meyer, built in 1911-13, which is noted for its curtain wall employed to impress a sense of lightness, as opposed to the weight of traditional masonry exteriors, and its uniform design that presented all portions of the facility with equal aesthetic treatment. The use of Modernism in industrial architecture in the United States began later and is seen in designs like those of Albert Kahn who embraced the primacy of functionalism and new materials, bringing an architect's sense of aesthetics to industrial buildings. Kahn is best known for many Ford Motor Company plants, including the Ford Assembly Plant in Richmond that illustrates his successful integration of highly efficient and effective spaces for manufacturing with an exterior that includes modestly abstracted ornamentation based on the classical tradition.²³

During the 1930s, 1940s, and 1950s, there was increased construction of Modern style buildings in San Francisco, initially in the Art Deco and Moderne styles and later in the International Style, as well as in its regional Second Bay Area Tradition variation. In San Francisco modernist buildings included the Moderne style Chevrolet dealer at 999 Van Ness Avenue built

²² William Kostura, "Van Ness Auto Row Support Structures: A Survey of Automobile-Related Buildings along the Van Ness Avenue Corridor," prepared for the Department of City Planning, San Francisco, California, 2010, 53.

²³ Mary Brown, San Francisco Planning Department, *San Francisco Modern Architecture and Landscape Design, 1935-1970, Historic Context Statement*, (San Francisco Planning Department, 2010) 76, 78, 88-95, 167-189; Bradley, *The Works: the Industrial Architecture of the United States*, 244-258; Jurgen Tietz, *The Story of Architecture of the 20th Century*, (Cologne: Konemann, 1999) 20; Kenneth Frampton, *Modern Architecture: A Critical History*, (London: Thames and Hudson, Ltd., 1992) 114; "Ford Motor Company Assembly Plant," National Park Service World War II in the San Francisco Bay Area website: <http://www.nps.gov/nr/travel/wwiibayarea/for.HTM> (accessed November 2014); "Ford Richmond Assembly Plant," Ford Motor History website: <http://www.fordmotorhistory.com/factories/richmond/index.php> (accessed November 2014); Barbara Lamprecht and Christopher Hetzel, ICF Jones & Stokes, "Ford Motor Company Assembly Plant, 4735 East Marginal Way, Seattle" National Register Nomination Form, 2008-2013, listed in the NRHP 10/9/13.

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in 1937 that incorporated large plate glass windows and streamlined architecture, which departed from earlier historic revival styled auto show rooms and repair facilities. After World War II architects and clients were increasingly drawn to the Modernist approach, having been exposed to war-time building efficiencies. During the 1940s and 1950s increasing numbers and types of buildings in San Francisco were constructed with the steel framing and extensive glazing enclosing flexible open interiors that followed the highly influential works of Mies van der Rohe and his glass box expression of the International Style. Such designs highlighted expressive exterior framing with taut glazing, and they became linked with mid-twentieth century corporate architecture. Examples of the Mies-influenced version of the International Style include skyscrapers like the Crown Zellerbach Building at 1 Bush Street, constructed in 1959 and designed by Edward Bassett of Skidmore Owings & Merrill (City of San Francisco Landmark #183), along with lower rise office buildings such as the Fireman's Fund Indemnity Company Building at 3333 California Street, designed by Edward Page and built in 1957.²⁴ The Hunters Point Ordnance and Optical Shop, Building 253, (Figure 7) designed by Ernest Kump and built in 1947 incorporates features that correspond with the Mies glass box archetype. While the design likely derives, in part, from other large scale factory-like Navy facilities, such as the massive 1910s and 1920s curtain wall steel / concrete and glass buildings at Mare Island in Vallejo, the Ordnance and Optical Shop includes vast walls of glass hung on an uncluttered structural frame providing very large clear interior spaces and an exterior appearance that highlights volume over mass that makes a stylistic statement that its Naval predecessors do not.²⁵ The design of the Central Shops is also reminiscent of some metal frame and glass prefabricated automobile service stations from the 1920s and 1930s, which make a similar stylistic statement as the Ordnance and Optical Shop highlighting volume over mass and celebrating the efficiency and functionality of the building's program. This was noted in the book that accompanied the 1932 Museum of Modern Art's exhibition on the International Style (which helped promulgate the International Style in the United States) that featured the Standard Oil Company filling station in Cleveland, Ohio (Figure 8). A similar, albeit more modest, example of a prefabricated service station was located near the San Francisco's Central Waterfront at the corner of 3rd and 18th streets (not extant).²⁶

Although research for this evaluation did not uncover documentation of the direct or indirect intentions of the Central Shops' designers (nor were the architects of the facility identified), the extant property illustrates an effort to emphasize the importance of this modern consolidated City facility by incorporating the contemporary International Style aesthetic to enhance its vehicle repair and maintenance services. This use of International Style is seen in the Central Shops in its flat roof; simple, boxy massing; steel framing; curtain walls of industrial sash; lack of ornamentation; and uniformity of aesthetic treatment that emphasizes efficiency of the buildings' function and the value of such purpose.

²⁴ Brown, *San Francisco Modern Architecture and Landscape Design*, 15, 60, 135, Appendix B, 4; "New Fireman's Fund Building," *Architect and Engineer*, September 1957, 11-19.

²⁵ JRP Historical Consulting Services / PAR Environmental Services, Mare Island Historic District National Register Nomination, 1996 (listed in the National Register in January 23, 1997); JRP Historical Consulting Services, "Historic Context and Inventory and Evaluation of Buildings and Structures, Hunters Point Shipyard, San Francisco, California," prepared for Engineering Field Activity, West, Naval Facilities Engineering Command, September 1997. Mare Island's Building 271 (1918) and the complex Buildings 386, 388, 390 (1922) are excellent examples of early large-scale industrial steel frame curtain wall design.

²⁶ Henry-Russell Hitchcock and Philip Johnson, *The International Style*, (New York: W.W. Norton & Co, 1995), 120-121 (republished from 1932); San Francisco Public Library Historical Photograph Collection, Photo #aax-0162, available online at <http://sflib1.sfpl.org:82/search/a?searchtype=i&searcharg=aax-0162&SORT=D> (accessed November 2014).

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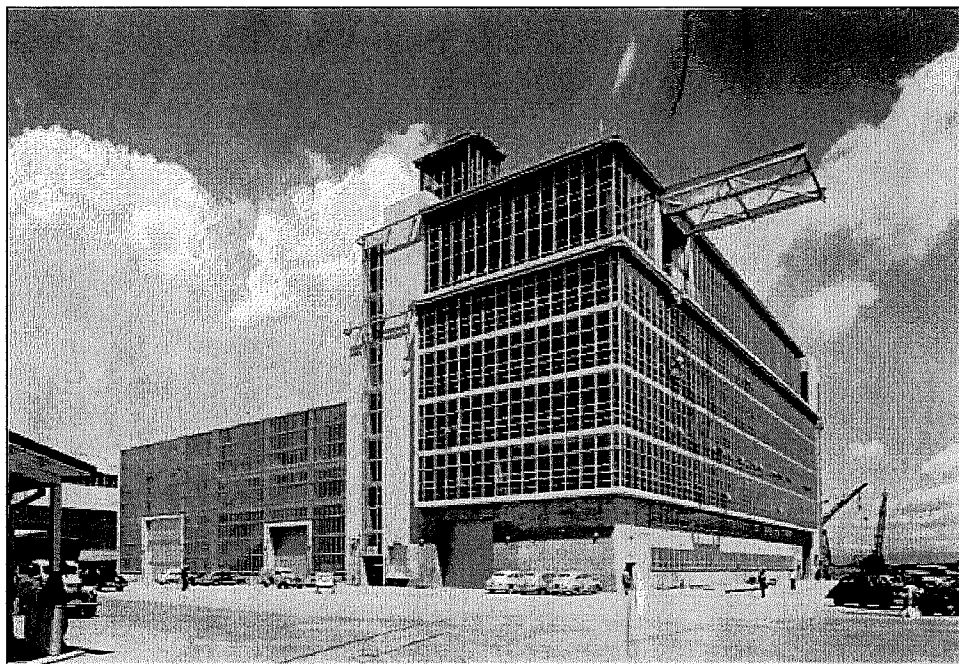


Figure 7: Ordnance and Optical Shop, Hunters Point Naval Shipyard, 1949.²⁷



Figure 8: Filing Station, Standard Oil Company, Cleveland, Ohio, 1931.²⁸

²⁷ SF Public Historical Photograph Collection, Photograph AAB-9060, San Francisco Public Library.

²⁸ Henry-Russell Hitchcock and Philip Johnson, *The International Style*, (New York: W.W. Norton & Co, 1995), 121 (republished from 1932).

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*Resource Name or # (Assigned by recorder) 1800 Jerrold Avenue

*Recorded by S.J. Melvin & H. Miller *Date August 20, 2014

☒ Continuation ☐ Update

Evaluation

Criteria A/1, B/2, and D/4

Under NRHP Criterion A and CRHR Criterion 1, the CCSF Central Shops property at 1800 Jerrold Avenue is not significant within the context of the post-war industrial development in the Bayview-Hunters Point area or within the context of the evolution and development of CCSF government departments, bureaus, and agencies. This property, built in 1959, is located in an industrial area of the Bayview-Hunters Point neighborhood. Industrial development in this area began in the late nineteenth century and continued in the following decades. Industrial growth intensified after the reclamation of Islais Creek estuary in 1936, just north and west of 1800 Jerrold Avenue and continued after World War II. As such, the construction of the Central Shops Jerrold Avenue facility occurred in a well-established industrial zone and does not have significant associations with the industrial development of this area. The Bureau of Central Shops, a sub-agency of the Purchasing Department, moved to this new facility at 1800 Jerrold in 1959 in an effort to merge vehicle maintenance activities and improve efficiency, consolidating functions that had been in multiple facilities. Creation of this Central Shops facility occurred during a period in which City government worked toward greater efficiency, yet its establishment does not appear to have been prominent within any particular efficiency program in City government. Rather, construction of the new facility was simply part of the Bureau of Central Shops general improvements and resulted in a modern facility with modern equipment and improved efficiency. This property, therefore, does not have significant associations with any events, trends, or patterns of development that would make it eligible for listing in the NRHP or the CRHR under this criterion.

The property is not significant under NRHP Criterion B and CRHR Criterion 2 for an association with the lives of persons important to history. Research did not reveal that any of the individuals associated with the development or operation of this property, including superintendents Aylmer W. Petan and Albert M. Flaherty, made demonstrably important contributions to history that rise to the level of significance under this criterion.

Under NRHP Criterion D and CRHR Criterion 4, this property is not a significant or likely source of important information regarding history. The property does not appear to have any potential of yielding important information about historic construction materials or technologies.

Criteria C/3

The Central Shops is significant under Criterion C / 3, at the local level, for distinctive characteristics of a type, period, and method of construction as an important example of Industrial Modern architecture in San Francisco. This is illustrated in the two fully enclosed shop buildings at the facility, Building A and Building B. The property's period of significance is 1959 when the buildings were constructed. The open sided shed roof building on the north end of the facility, Building C, does not exhibit the architectural qualities of the other buildings and is not significant under Criterion C / 3. Furthermore, the Central Shops is not significant under this criterion as a work of a master as research for this evaluation did not identify the architect of the Central Shops. Also, this property is not one that fully expresses an artistic ideal and is not significant for possessing high artistic value.

As an important example of Industrial Modern architecture for its type, period, and method of construction, the Central Shops Building A and Building B have the distinctive characteristics of International Style Modernism, as articulated in industrial-type buildings. They are a full expression of the pattern of features of this style and have an individuality of this property type not present in other vehicle repair / maintenance facilities in San Francisco. The property also illustrates the evolution of architectural design for support facilities in the city presenting the contemporary style of its period when it was constructed in 1959, just as the International Style (and other iterations of Modern architecture) was coming into full prominence in San Francisco. The Central Shops Building A and Building B have flat roofs; simple, boxy massing; expressed steel structure on concrete apron walls with open interiors; curtain walls of industrial sash; and lack of ornamentation. Emphasizing volume rather than mass, the buildings have a uniformity of aesthetic treatment and do not project an architectural style on a street façade, unlike earlier vehicle maintenance buildings. During the 1950s and 1960s there were multiple design options for constructing a vehicle repair and maintenance facility, like the Central Shops. Small industrial buildings included utilitarian pre-engineered steel frame metal clad buildings, as well as buildings constructed of

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*Resource Name or # (Assigned by recorder) 1800 Jerrold Avenue

*Recorded by S.J. Melvin & H. Miller *Date August 20, 2014

☒ Continuation ☐ Update

concrete block or concrete tilt-up walls, examples of which can be seen throughout San Francisco's industrial areas, including Bayview-Hunters Point. The Central Shops illustrates functional planning that serves the simplicity and clarity of building form and the assemblage of the whole design, expressing the Modernist architectural value of reducing building design to its essence. This also shows the maturity of International Style by the late 1950s, wherein the design of the Central Shops employs the tenants of Modernism based on actual, not symbolic, functionality. Although the Central Shops lacks some of the sophistication of the seminal works of the International Style and Industrial Modern, such as specialized building forms dictated by enclosed machinery, refined exterior detailing, and use of innovative materials, the property demonstrates important values of this style.

The character-defining features of the significant buildings at the Central Shops (Buildings A and B) are their original design and materials, including their exposed steel frame structures on concrete apron walls with steel sash exterior glazing, flat metal deck roofs supported on trusses exposed to the interior, wide interior open spaces that are divided into bays of varying function, and the various glazed metal doors (personnel doors, top-hung sliding doors, and large hinged doors). The design also includes recessed personnel entrances to the office and locker room. While located on a six-acre portion of the City-owned parcel, the boundary of this historic property / historical resource is limited to the immediate surroundings of Building A and Building used for vehicle parking and maneuvering, roughly 40 to 100 feet around the buildings, including the space between the buildings. None of the interior machinery or lighting is specifically character-defining to this property and its significance.

Historic Integrity

In addition to its significance, the Central Shops retains historic integrity. Modest changes to the property include installation of some horizontal sliding windows, painted window panes, additional vents / HVAC equipment on the roof, contemporary flood lights, and several recently constructed temporary buildings situated on the same parcel to the south. These changes do not affect the ability for this property to convey its significance. The enclosed shop facilities (Buildings A and B) retain integrity because they are in their original location with few changes to their setting, and they remain as originally designed with original materials and workmanship of this type of construction providing the property a sense of time and integrity of feeling, along with a direct link to period of construction and integrity of association.

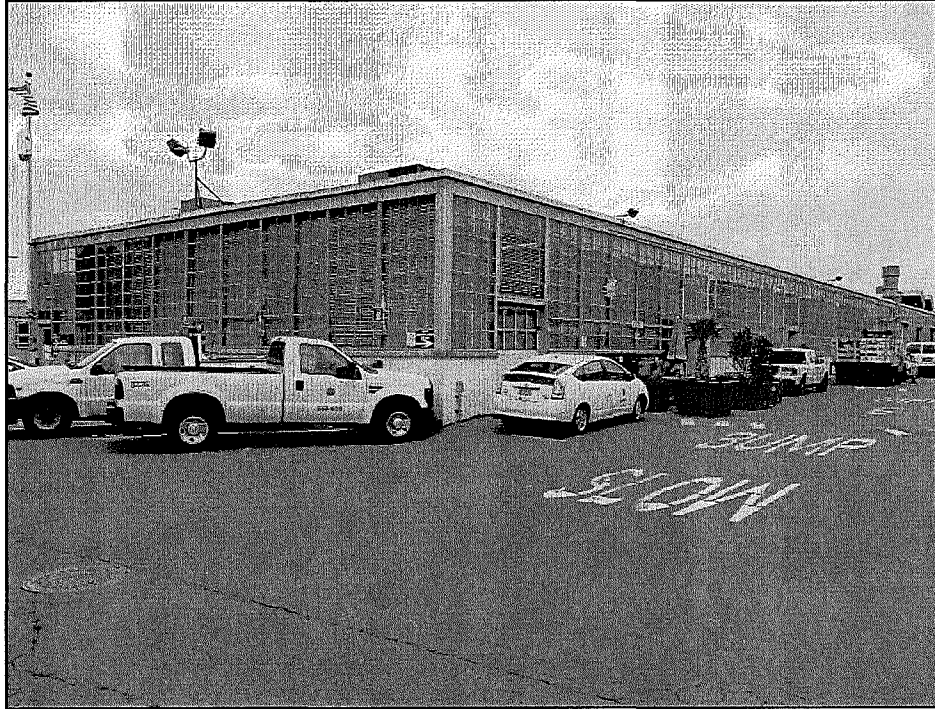
Page 16 of 20

*Resource Name or # (Assigned by recorder) 1800 Jerrold Avenue

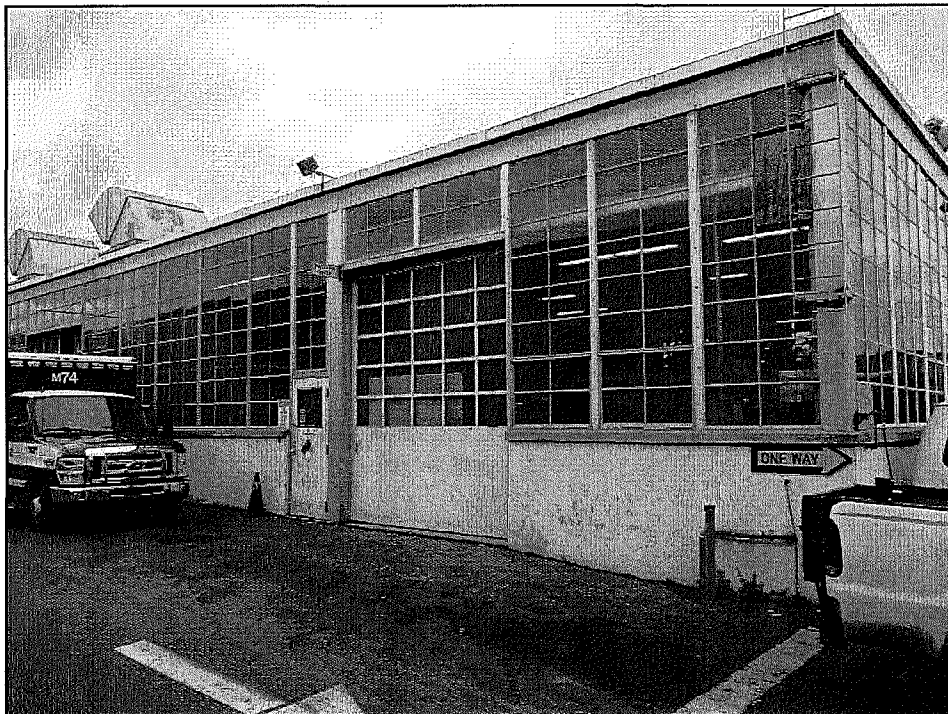
*Recorded by S.J. Melvin & H. Miller *Date August 20, 2014

☒ Continuation ☐ Update

Photographs (continued):



Photograph 2. Building A, camera facing west, August 20, 2014.



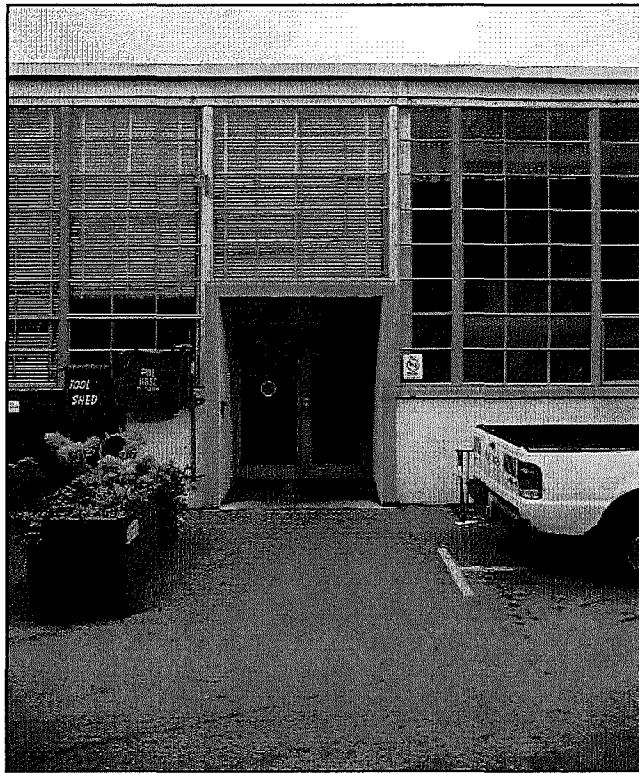
Photograph 3. Building A, north corner, camera facing southeast, August 20, 2014.

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*Resource Name or # (Assigned by recorder) 1800 Jerrold Avenue

*Recorded by S.J. Melvin & H. Miller *Date August 20, 2014

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Photograph 4. Building A showing entrance to office area, camera facing southwest, August 20, 2014.



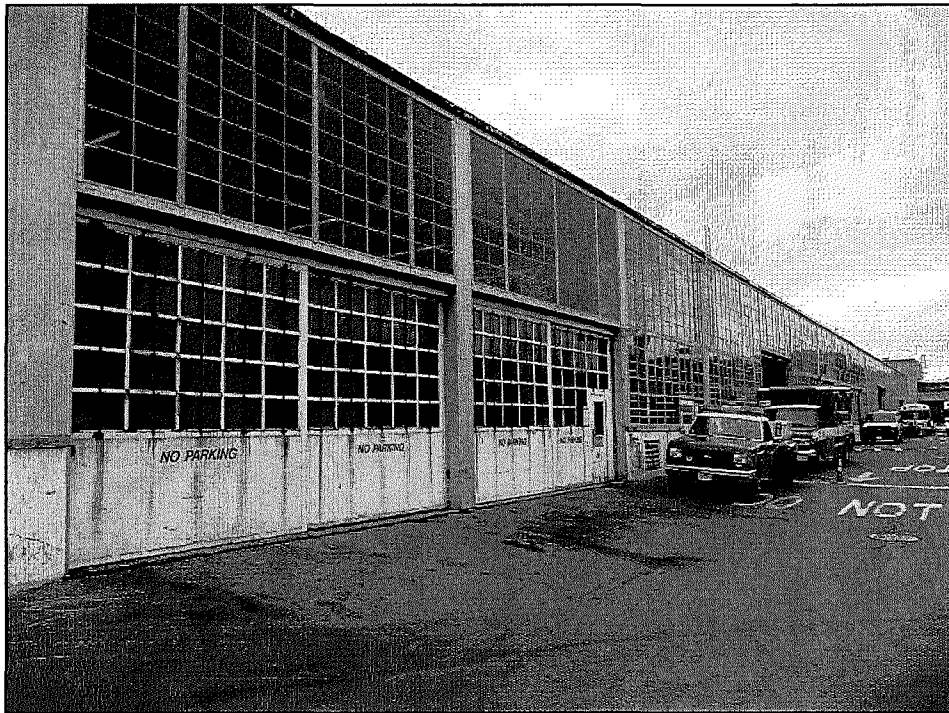
Photograph 5. Building B showing car shop, camera facing northeast, August 20, 2014.

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*Recorded by S.J. Melvin & H. Miller *Date August 20, 2014

*Resource Name or # (Assigned by recorder) 1800 Jerrold Avenue

☒ Continuation ☐ Update



Photograph 6. Building B, camera facing northeast, August 20, 2014.



Photograph 7. Building B, camera facing southeast, August 20, 2014.

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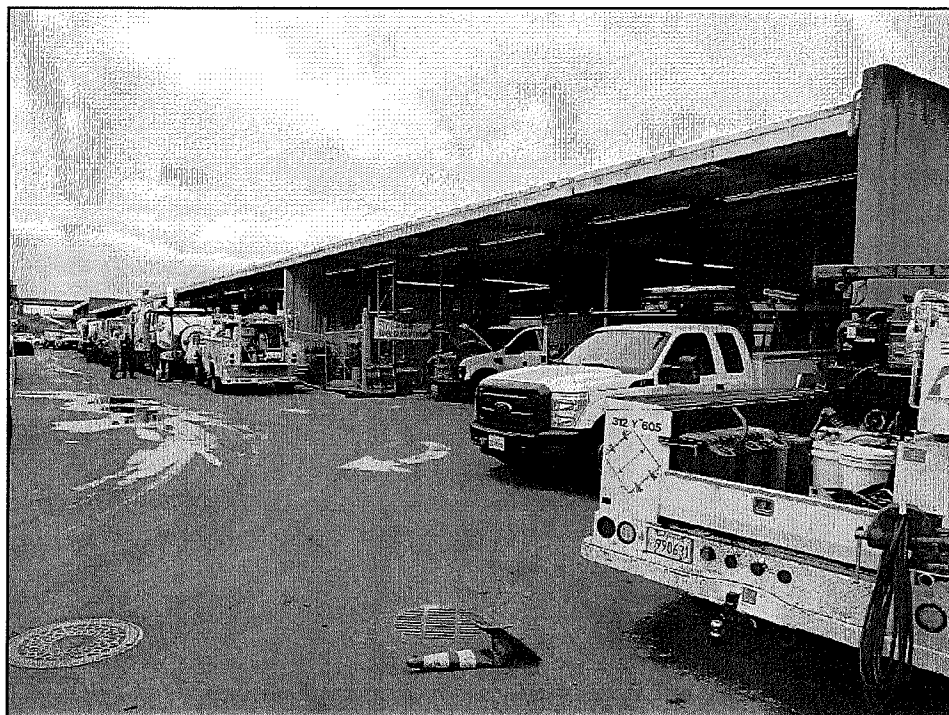
*Resource Name or # (Assigned by recorder) 1800 Jerrold Avenue

*Recorded by S.J. Melvin & H. Miller *Date August 20, 2014

☒ Continuation ☐ Update



Photograph 8. Building B showing inside of car shop, camera facing southeast, August 20, 2014.



Photograph 9. Building C, camera facing northwest, August 20, 2014.

State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
CONTINUATION SHEET

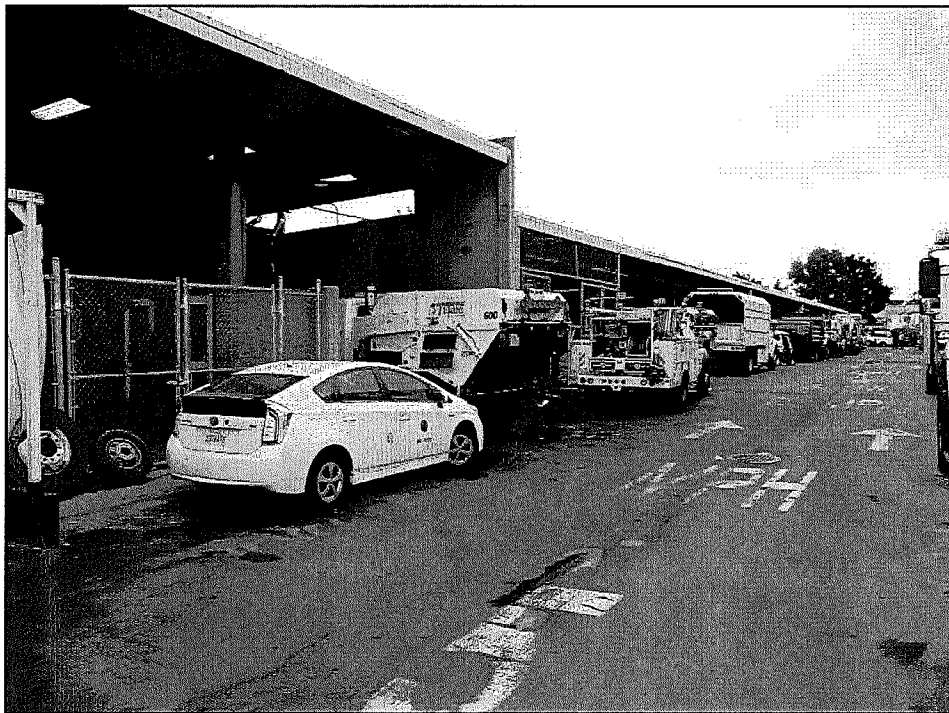
Primary # _____
HRI # _____
Trinomial _____

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*Resource Name or # (Assigned by recorder) 1800 Jerrold Avenue

*Recorded by S.J. Melvin & H. Miller *Date August 20, 2014

☒ Continuation ☐ Update



Photograph 10. Building C, camera facing east, August 20, 2014.



Photograph 11. Building C, north end, camera facing northwest, August 20, 2014.

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DEPARTMENT OF PARKS AND RECREATION
PRIMARY RECORD

Primary # _____
HRI # _____
Trinomial _____
NRHP Status Code 6Z

Other Listings _____
Review Code _____ Reviewer _____ Date _____

Page 1 of 7

*Resource Name or # (Assigned by recorder) 1975 Galvez Avenue

P1. Other Identifier: N/A

*P2. Location: ☐ Not for Publication ☒ Unrestricted

*a. County San Francisco and (P2b and P2c or P2d. Attach a Location Map as necessary.)

*b. USGS 7.5' Quad San Francisco South Date 1980 T ____; R ____; Sec ____; ____ B.M.

c. Address 1975 Galvez Avenue City San Francisco Zip 94124

d. UTM: (give more than one for large and/or linear resources) Zone ____; ____ mE/ ____ mN

e. Other Locational Data: (e.g., parcel #, directions to resource, elevation, etc., as appropriate)

Block 5250/Lot 16

*P3a. Description: (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries)

The structure located at 1975 Galvez Avenue in San Francisco's Bayview neighborhood sits on a 1.11 acre parcel bounded by Galvez Avenue to the north, Selby Street to the west, Hudson Avenue to the south, and a railroad right-of-way to the east containing two sets of parallel railroad tracks, one of which is the Caltrain railroad track. An elevated off-ramp for Interstate 280 (I-280) runs along the west façade, approximately 50 feet east of the building. Access to the site is available from Galvez Avenue. A chain-link fence topped with barbed wire in front of a corrugated aluminum fence and a movable, metal gate are located along the western, northern, and eastern perimeters of the site. A chain-link fence topped with barbed wire and the south façade of the building form the southern perimeter of the site. The fencing encloses a parking area for vehicles and construction equipment associated with BlueLine Rental, the construction equipment rental business occupying the building. The land is owned by WYL Five Star Service Industrial. Provided below is a brief description of the structure and site (see Continuation Sheet).

*P3b. Resource Attributes: (List attributes and codes) HP8 – Industrial Building

*P4. Resources Present: ☒ Building ☐ Structure ☐ Object ☐ Site ☐ District ☐ Element of District ☐ Other (Isolates, etc.)

P5a. Photo or Drawing (Photo required for buildings, structures, and objects.)



P5b. Description of Photo: (View, date, accession #) View looking northeast from parking lot adjacent to structure, 9/4/15

*P6. Date Constructed/Age and Sources:

☒ Historic ☐ Prehistoric ☐ Both

1964 (assessor's data) with alterations in 1972 and 1983 (permit data)

*P7. Owner and Address:

WYL Five Star Service Industrial

P.O. Box 27025

San Francisco, CA 9412

*P8. Recorded by: (Name, affiliation, address)

Eryn Brennan, ESA

550 Kearny Street, Ste. 800

San Francisco, CA 94102

*P9. Date Recorded: 9/4/15

*P10. Survey Type: (Describe) Intensive

*P11. Report Citation: (Cite survey report and other sources, or enter "none.")

None.

*Attachments: ☐ NONE ☐ Location Map ☒ Continuation Sheet ☒ Building, Structure, and Object Record

☐ Archaeological Record ☐ District Record ☐ Linear Feature Record ☐ Milling Station Record ☐ Rock Art Record

☐ Artifact Record ☐ Photograph Record ☐ Other (List):

DPR 523A (1/95)

*Required Information

BUILDING, STRUCTURE, AND OBJECT RECORD

Primary # _____
HRI # _____

*Resource Name or # (Assigned by recorder) 1975 Galvez Avenue

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*NRHP Status Code 6Z

- B1. Historic Name: N/A
B2. Common Name: 1975 Galvez Avenue
B3. Original Use: Construction Equipment Rental Business
B4. Present Use: Office/Repair Shop
*B5. Architectural Style: Modern Utilitarian-Warehouse
*B6. Construction History: (Construction date, alterations, and date of alterations)

Built originally in 1964, with alterations in 1972 and 1983.

*B7. Moved? ☒ No ☐ Yes ☐ Unknown Date: _____ Original Location: _____

*B8. Related Features: N/A

Elevated off-ramp for I-280 to the west and railroad tracks to the east.

B9a. Architect: Unknown

b. Builder: Unknown

*B10. Significance: Theme Utilitarian-Warehouse Area San Francisco Bay Area

Period of Significance N/A Property Type Industrial Applicable Criteria A-D

(Discuss importance in terms of historical or architectural context as defined by theme, period, and geographic scope. Also address integrity.)

The building located at 1975 Galvez Street has been evaluated against the National Register of Historic Places (NRHP) and California Register of Historical Resources (CRHR) Criterion A/1, B/2, C/3, and D/4. This property has also been evaluated in accordance with Section 15064.5(a)(2)-(3) of the California Environmental Quality Act (CEQA) Guidelines, using the criteria outlined in Section 5024.1 of the California Public Resources Code. The property is recommended ineligible for listing under any of the NRHP and CRHR criteria due to a lack of significant associations with important historical events, important persons, architectural significance, and information potential. For these reasons, the property would not be considered a historical resource for the purposes of CEQA. This evaluation is consistent with San Francisco Preservation Bulletin 5, "Landmark and Historic District Designation Procedures," which directs that historic resources be evaluated for local designation using the California Office of Historic Preservation Recordation Manual (as per San Francisco Landmarks Board Resolution No. 527, June 7, 2000). (See Continuation Sheet.)

B11. Additional Resource Attributes: (List attributes and codes)
HP8 – Industrial Building

*B12. References: See Continuation Sheet

B13. Remarks:

*B14. Evaluator: Eryn Brennan and Brad Brewster, ESA

*Date of Evaluation: 9/21/15

(Sketch Map with north arrow required.)

See Continuation Sheet

(This space reserved for official comments.)

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*Resource Name or # (Assigned by recorder) 1975 Galvez Avenue

*Recorded by Eryn Brennan, ESA

*Date 9/21/15

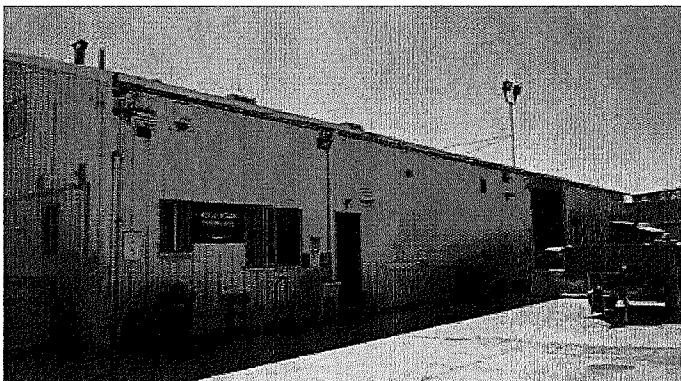
■ Continuation □ Update

P3a. Description (continued):

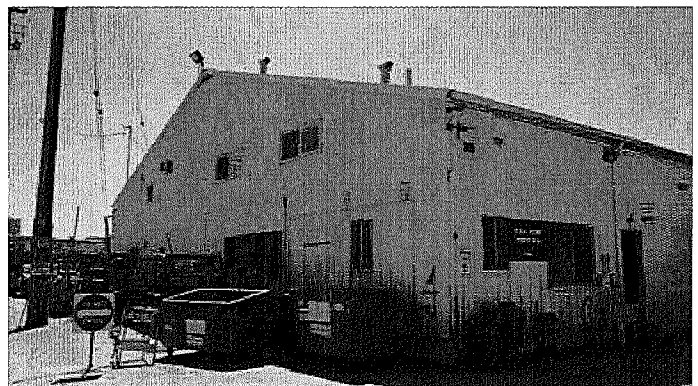
The approximately 100-foot-long by 70-foot-wide, 1- to 2-story warehouse is a metal-frame structure clad in standing seam steel metal roof and wall panels. The steel cladding utilizes a locking system where each sheet is joined together to prevent water from entering through the sidelaps, and the trapezoidal ribs are designed to shed water more efficiently and requires less purlins to support the roof because they provide greater strength and rigidity.¹ The building sits on a concrete foundation, and one-third of the northern end of the structure is two stories in height, while the rest of the building is one-story in height. The structure has a shallow side-gabled roof.

The southern end of the west (front) façade of the structure contains a large, double-height opening that provides access to the storage area of the warehouse. The northern end of the west façade contains an entrance into the office area accessed via two concrete steps, and one large aluminum-frame, sliding sash window and one small and narrow aluminum-frame, sliding sash window, both of which are covered with security bars and have metal sills. A downpipe extends from the gutter to an outdoor sink to the left of the entrance. The first floor of the north façade contains a small and narrow aluminum-frame, sliding sash window on each end of the building, and a pair of large aluminum-frame sliding sash windows center-right under the gable. The second floor of the north façade contains three sliding sash windows with aluminum frames spaced evenly under the gable roof. The east (rear) façade of the structure has only a large, double-height opening that aligns with the opening on the west façade to allow large vehicles to drive through the building to the rear portion of the lot. The south façade of the structure forms the southern perimeter of the site and has no openings.

The site is completely paved, and the approximately 0.95 acre parking lot is filled with construction equipment and vehicles.



View southeast of the west façade of the structure.



View southeast of the north façade.

¹ Tata Steel, "Materials used in cladding," <http://www.tatasteelconstruction.com/en/reference/teaching-resources/architectural-teaching-resource/cladding/metal-cladding/materials-used-in-cladding>, accessed 9/21/15.

B10. Significance (continued):

Project Site History

The building was originally constructed in 1964 on previously undeveloped land in the City's industrial Bayview neighborhood adjacent to city-run operations, such as the Department of Public Work's Central Shops and Asphalt Plant. As the original building permit is no longer on file at the Department of Building Inspection's Records Management Division, the original owner and builder of the structure is not known. Presumably, the approximately 7,050-square-foot building was built as a warehouse, possibly with office space. A 1972 building permit for alterations to the structure identifies the owner as Green Glen Dairy. The alterations included raising the building floor, adding three walk-in refrigerators, adding a loading dock and processing room, and altering the existing office. The permit notes the building was vacant at the time the application was submitted, and the work was conducted by engineer, Howard A. York, for \$80,000. In 1983, the owner of record, Patent Scaffolding Company, extended the existing office space into the warehouse to accommodate a computer room.

Brief History of Pre-Fabricated Metal Warehouses

Although patented as early as 1903, steel siding was rarely used in residential or commercial construction due to its susceptibility to water infiltration and rust. In 1939, Frank Hoess patented an advanced interlocking system that prevented water penetration and applied his steel siding on a small residential development in Chicago.² However, with the onset of World War II, manufacturing steel and aluminum for any purpose other than that which supported the war effort came to a halt. As the primary building material for war materials, the production of aluminum and steel escalated during the war. The development and popularity of the Quonset Hut, a corrugated steel, pre-fabricated structure with a semi-circular cross section, further promoted the benefits of pre-fabricated metal structures. Initially developed by the US military to meet the needs of a lightweight, pre-fabricated building that could be used for any purpose, shipped anywhere, and quickly assembled with unskilled labor, the original T-Rib Quonset hut was modeled on the Nissen Hut developed by the British during World War I.³ A redesign of the structure by Otto Brandenberger to make it lighter weight and easier to assemble was approved by the government in 1941, after which it was mass-produced to support the war effort.⁴ After the war, an abundance of aluminum and steel led to a plunge in price and an opportunity for architects and engineers to find new applications for the material.⁵ Because of its flexibility and resistance to corrosion, aluminum rather than steel became the preferred siding material for residential structures, until vinyl siding was introduced in the 1950s.⁶ However, further advances in the exterior treatment of steel to resist corrosion, combined with its greater strength and fire resistance and lower cost, led to the preference of steel cladding over aluminum for large industrial warehouses, such as the one at 1975 Galvez Avenue.⁷

Evaluation

NRHP/CRHR Criterion A/1 (Events). The structure located at 1975 Galvez Avenue was built on previously undeveloped land in 1964 and has been used continuously since its construction as a warehouse and possibly as an office space. Constructed in an industrial area of the Bayview neighborhood, this utilitarian warehouse is surrounded by other similar structures and would not be considered unique or rare in this context. The warehouse also is not associated with any

² Richa Wilson and Kathleen Snodgrass, "Early 20th-Century Building Materials: Siding and Roofing," *Facilities Tech Tips*, United States Department of Agriculture Forest Service (February 2008): 6-7.

³ Julie Decker and Chris Chiel, *Quonset Hut: Metal Living for a Modern Age* (New York: Princeton Architectural Press, 2005),

4.

⁴ *Ibid.*, 19.

⁵ Bruce S. Kaskel, "The Metal and Glass Curtain Wall," *Cultural Resources Management* 18, no. 8 (1995): 23-24.

⁶ Wilson and Snodgrass, "Early 20th-Century Building Materials: Siding and Roofing," 7.

⁷ Tata Steel, "Materials used in cladding," accessed 9/21/15.

events that have made a significant contribution to the broad patterns of local, regional, or national history. For this reason, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria A/1.

NRHP/CRHR Criterion B/2 (Important Persons). The structure located at 1975 Galvez Avenue is a privately-owned building that is not associated with the lives of any significant persons important to local, regional, or national history. For this reason, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria B/2.

NRHP/CRHR Criterion C/3 (Architecture/Design). The structure was built in 1964 and is a utilitarian, metal-frame, steel-clad warehouse, which is a ubiquitous building type in the industrial Bayview neighborhood, as well as industrial areas of towns and cities throughout the state and country. The structure does not exhibit or embody any distinctive characteristics of a particular architectural style or period. Although the earliest pre-fabricated metal warehouses date to the turn of the twentieth century, the building at 1975 Galvez Avenue is a more typical post-war example of this building type and, therefore, is not significant in this context. The structure also does not exhibit the work of a master with regards to methods of construction, nor does it possess high artistic values. For these reasons, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria C/3.

NRHP/CRHR Criterion D/4 (Information Potential). The building located at 1975 Galvez Avenue is a typical utilitarian structure used for storage and light-industrial purposes and has little to no potential to reveal information important to local, regional, or national history. For these reasons, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria D/4.

References

City and County of San Francisco, San Francisco Property Information Map, 555 Selby Street, accessed online at <http://propertymap.sfplanning.org/> on September 16, 2015.

Decker, Julie and Chris Chiel. *Quonset Hut: Metal Living for a Modern Age*. New York: Princeton Architectural Press, 2005.

Kaskel, Bruce S. "The Metal and Glass Curtain Wall." *Cultural Resources Management* 18, no. 8 (1995): 23-27.

Permits: Permit #325980, 9/4/68, erect one-story, 9,600-square-foot warehouse with future office space, Permit #331054, 4/11/69, addition of office space and two toilets, Permit #884960, 2/3/99, exterior gas tank canopy and expansion of interior office space, Permit #893132, 8/30/99, structural revision to exterior slabs and canopy and revisions to interior lateral resistance system, Permit #985845, 3/19/02, exterior and interior improvements, addition of parking striping, construction of new attendant shack.

Tata Steel, "Materials used in cladding," <http://www.tatasteelconstruction.com/en/reference/teaching-resources/architectural-teaching-resource/cladding/metal-cladding/materials-used-in-cladding>, accessed 9/21/15.

Wilson, Richa and Kathleen Snodgrass. "Early 20th-Century Building Materials: Siding and Roofing." *Facilities Tech Tips*, United States Department of Agriculture Forest Service (February 2008).

State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
CONTINUATION SHEET

Primary # _____
HRI # _____
Trinomial _____

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*Resource Name or # (Assigned by recorder) 1975 Galvez Avenue

*Recorded by Eryn Brennan, ESA

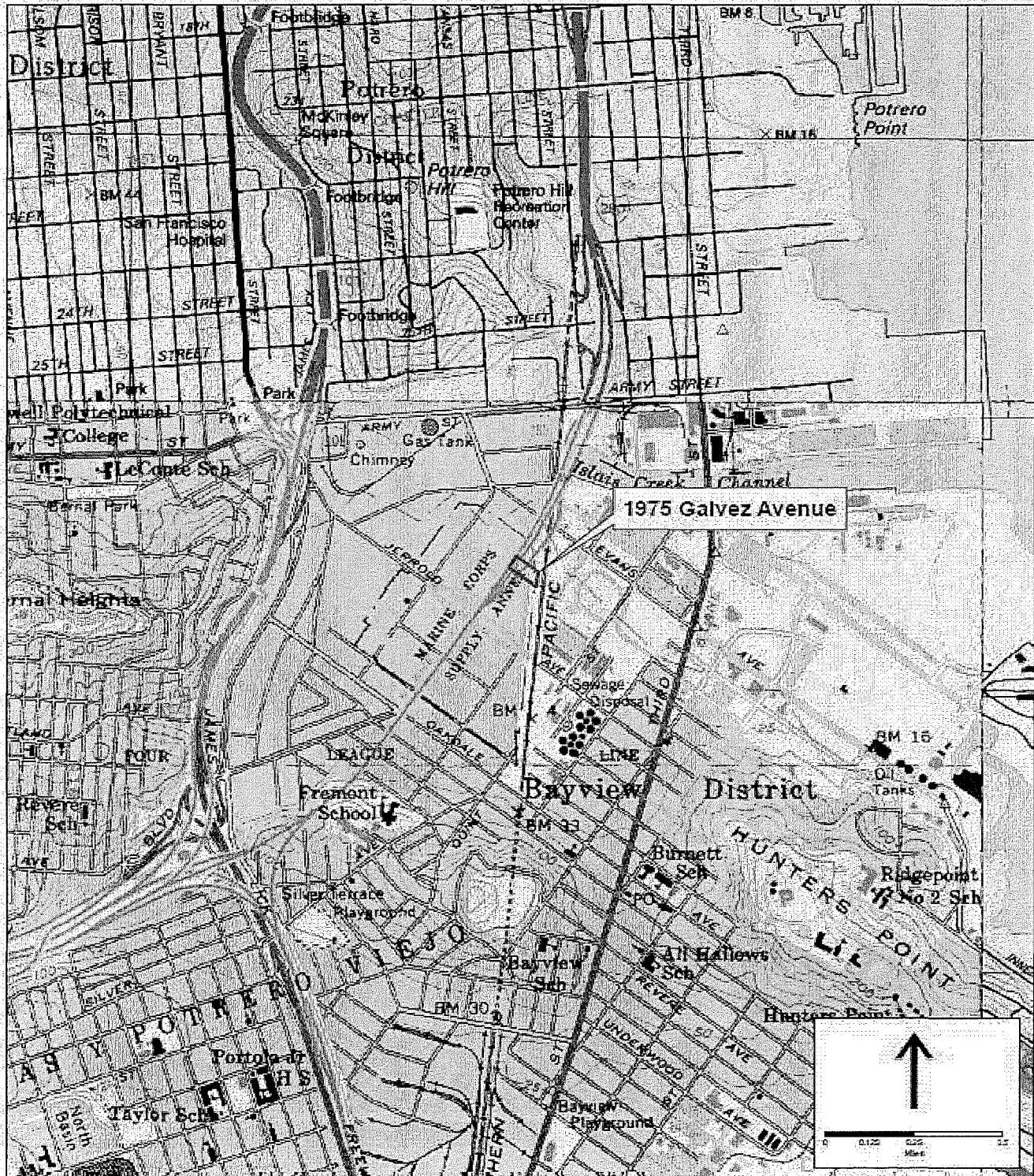
*Date 9/21/15

■ Continuation □ Update

*Location Map: USGS San Francisco South 7.5' Quadrangle

* Scale: *1:24,000

Date of Map: 1980



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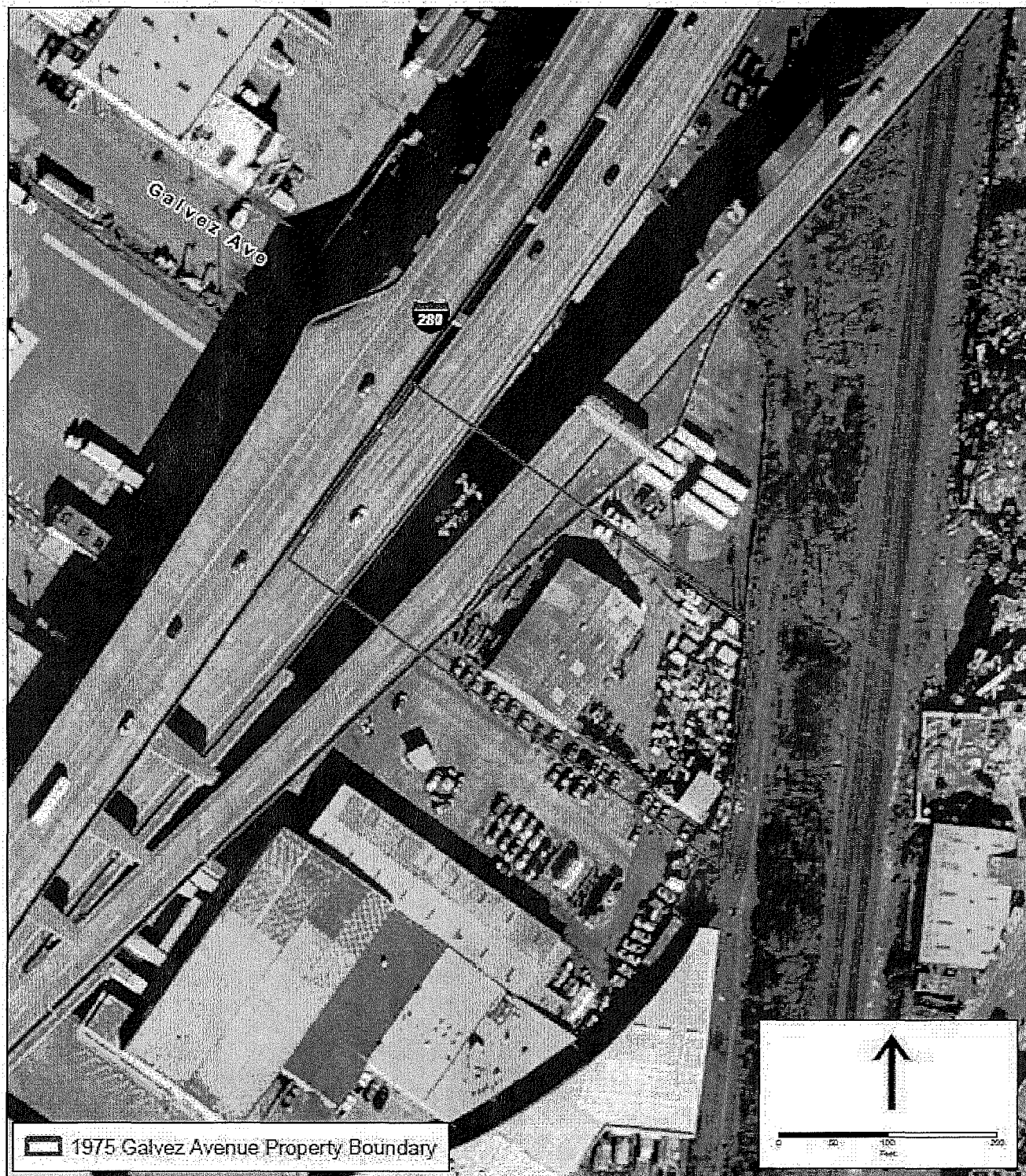
*Recorded by Eryn Brennan, ESA

*Date 9/21/15

*Resource Name or # (Assigned by recorder) 1975 Galvez Avenue

■ Continuation □ Update

Sketch Map: NAIP, 2014 Imagery



State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
PRIMARY RECORD

Primary # _____
HRI # _____
Trinomial _____
NRHP Status Code 6Z
Other Listings _____
Review Code _____ Reviewer _____ Date _____

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*Resource Name or # (Assigned by recorder) 555 Selby Street

P1. Other Identifier: N/A

*P2. Location: ☐ Not for Publication ☒ Unrestricted

*a. County San Francisco and (P2b and P2c or P2d. Attach a Location Map as necessary.)

*b. USGS 7.5' Quad San Francisco South Date 1980 T ____; R ____; Sec ____; ____ B.M.

c. Address 555 Selby Street City San Francisco Zip 94124

d. UTM: (give more than one for large and/or linear resources) Zone ____; ____ mE/ ____ mN

e. Other Locational Data: (e.g., parcel #, directions to resource, elevation, etc., as appropriate)

Block 5250/Lot 15

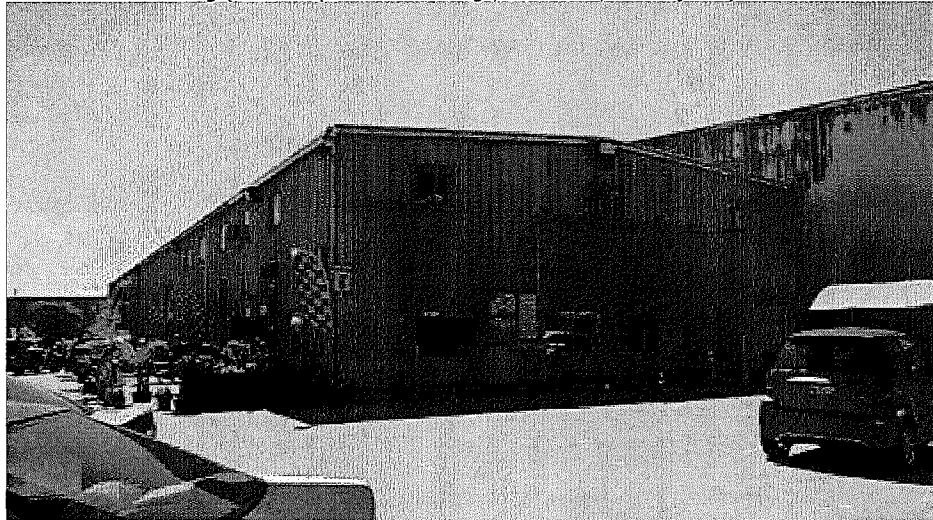
*P3a. Description: (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries)

The structure located at 555 Selby Street in San Francisco's Bayview neighborhood sits on a 1.67 acre parcel on Selby Street between Galvez and Innes Avenues. An elevated off-ramp for Interstate 280 (I-280) runs along the west façade, approximately 35 feet east of the building. Access to the site is available from Selby Street. Two ingress and egress points are located off Selby Street. A six-foot-tall plywood fence topped with barbed wire is located along the western perimeter of the site and encloses a parking area for taxis associated with Flywheel (formerly DeSoto Cab Company), the business occupying the 555 Selby Street structure. A six-foot-tall chain-link fence topped with barbed wire is located along the northern, southern, and eastern perimeters of the site. The land is owned by the Selby & Hudson Corporation. Provided below is a brief description of the structure and site (see Continuation Sheet).

*P3b. Resource Attributes: (List attributes and codes) HP8 – Industrial Building

*P4. Resources Present: ☒ Building ☐ Structure ☐ Object ☐ Site ☐ District ☐ Element of District ☐ Other (Isolates, etc.)

P5a. Photo or Drawing (Photo required for buildings, structures, and objects.)



P5b. Description of Photo: (View, date, accession #) View looking southeast from parking lot in front of structure, 9/4/15

*P6. Date Constructed/Age and Sources: ☒ Historic ☐ Prehistoric ☐ Both
1969 (assessor's data), with alterations in 1968, 1969, 1999, and 2002 (permit data)

*P7. Owner and Address:
Selby & Hudson Corporation
555 Selby Street

San Francisco, CA 94124

*P8. Recorded by: (Name, affiliation, address)
Eryn Brennan, ESA

550 Kearny Street, Ste. 800

San Francisco, CA 94102

*P9. Date Recorded: 9/4/15

*P10. Survey Type: (Describe) Intensive

*P11. Report Citation: (Cite survey report and other sources, or enter "none.")

None.

*Attachments: ☐ NONE ☐ Location Map ☒ Continuation Sheet ☒ Building, Structure, and Object Record
☐ Archaeological Record ☐ District Record ☐ Linear Feature Record ☐ Milling Station Record ☐ Rock Art Record
☐ Artifact Record ☐ Photograph Record ☐ Other (List):

BUILDING, STRUCTURE, AND OBJECT RECORD

Primary # _____

HRI # _____

*Resource Name or # (Assigned by recorder) 555 Selby Street

Page 2 of 7

*NRHP Status Code 6Z

B1. Historic Name: N/A

B2. Common Name: 555 Selby Street

B3. Original Use: Warehouse

B4. Present Use: Office/Repair Shop

*B5. Architectural Style: Modern Utilitarian-Warehouse

*B6. Construction History: (Construction date, alterations, and date of alterations)

Built originally in 1969; office space and bathrooms were added in the same year. A shed addition was added to the rear circa 1984, and structural upgrades and expansion of the office space occurred in 1999. An attendant's shack was constructed on the site in 2002, and interior office was expanded.

*B7. Moved? ☒ No ☐ Yes ☐ Unknown Date: _____ Original Location: _____

*B8. Related Features: N/A

Elevated off-ramp for I-280 to the west and railroad tracks to the east.

B9a. Architect: James Park (Engineer)

b. Builder: Cob Construction

*B10. Significance: Theme Utilitarian-Warehouse Area San Francisco Bay Area

Period of Significance N/A Property Type Industrial Applicable Criteria A-D

(Discuss importance in terms of historical or architectural context as defined by theme, period, and geographic scope. Also address integrity.)

The building located at 555 Selby Street has been evaluated against the National Register of Historic Places (NRHP) and California Register of Historical Resources (CRHR) Criterion A/1, B/2, C/3, and D/4. This property has also been evaluated in accordance with Section 15064.5(a)(2)-(3) of the California Environmental Quality Act (CEQA) Guidelines, using the criteria outlined in Section 5024.1 of the California Public Resources Code. The property is recommended ineligible for listing under any of the NRHP and CRHR criteria due to a lack of significant associations with important historical events, important persons, architectural significance, and information potential. For these reasons, the property would not be considered a historical resource for the purposes of CEQA. This evaluation is consistent with San Francisco Preservation Bulletin 5, "Landmark and Historic District Designation Procedures," which directs that historic resources be evaluated for local designation using the California Office of Historic Preservation Recordation Manual (as per San Francisco Landmarks Board Resolution No. 527, June 7, 2000). (See Continuation Sheet.)

B11. Additional Resource Attributes: (List attributes and codes)

HP8 – Industrial Building

*B12. References: See Continuation Sheet

B13. Remarks:

*B14. Evaluator: Eryn Brennan and Brad Brewster, ESA

*Date of Evaluation: 9/21/15

(Sketch Map with north arrow required.)

See Continuation Sheet

(This space reserved for official comments.)

Page 6 of 7

*Resource Name or # (Assigned by recorder) 555 Selby Street

*Recorded by Eryn Brennan, ESA

*Date 9/21/15

■ Continuation □ Update

P3a. Description (continued):

The approximately 200-foot-long by 50-foot-wide, 22-foot-tall, 1- to 2-story building is a metal-frame structure clad in standing seam steel metal roof and wall panels. The steel cladding utilizes a locking system where each sheet is joined together to prevent water from entering through the sidelaps, and the trapezoidal ribs are designed to shed water more efficiently and requires less purlins to support the roof because they provide greater strength and rigidity.¹ The building sits on a concrete foundation, and one-third of the western end of the structure is two stories in height, while the rest of the building is one-story in height. The structure has a shallow side-gabled roof.

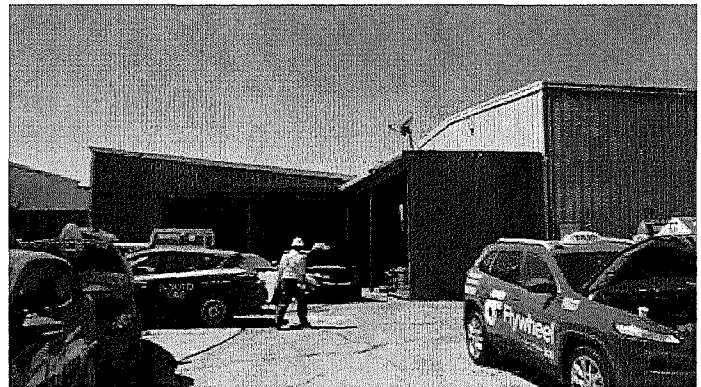
The first floor of the western bay of the north façade has one large, aluminum-frame fixed window on the north end and two sliding sash windows with aluminum frames centered under the gable. Three smaller sliding sash windows are spaced evenly under a gable roof on the second floor. The first floor of the north façade of the two-story portion of the structure has two entrances to access the office and garage areas and a sliding sash aluminum-frame window to the right of the western entrance. The entrance to the garage area is located approximately twenty-five feet east of the office entrance. The second floor of this portion of the building contains five sliding sash windows with aluminum frames spaced evenly above the two entrances. One large, double-height opening with steel roll-up security doors is centered in both the central and eastern bays of the north façade of the structure. The openings provide access to the garage and repair shop areas.

A one-story, flat-roofed addition enclosed on three sides is located on the east end of the building. The plywood addition, constructed circa 1984, is used for storage. The south side of the building abuts structures located at 1970 and 1976 Innes Avenue and is not visible.

The site is completely paved, and a small attendant's shack is located approximately 40 feet north of the western bay of the structure. A fuel storage tank is located approximately 30 feet north of the eastern bay of the building. The approximately 1.45 acre parking lot is filled with Flywheel cars.



View southeast of the north façade of the structure.



View south of the one-story storage addition.

¹ Tata Steel, "Materials used in cladding," <http://www.tatasteelconstruction.com/en/reference/teaching-resources/architectural-teaching-resource/cladding/metal-cladding/materials-used-in-cladding>, accessed 9/21/15.

B10. Significance (continued):

Project Site History

The building was originally constructed in 1969 on previously undeveloped land purchased by Ralph Hewett in the City's industrial Bayview neighborhood adjacent to city-run operations, such as the Department of Public Work's Central Shops and Asphalt Plant. The engineer of record is James Park, and Cob Construction is listed as the general contractor on the original building permit. The approximately 9,600-square-foot building was built as a warehouse with future office space noted in the building permit. In the same year, the office space and a bathroom was added in the building. In 1999, likely the year when the DeSoto Cab Company (now Flywheel) purchased the building, an exterior gas tank canopy was added, which appears to have been subsequently removed, and the interior office space was expanded. The architect for this work was Douglas W. Fong with Design + Build. Structural upgrades were also made to the structure in 1999. In 2002 Flory Construction built the attendant shack on the site, as well as new additional office space, restrooms, and a repair shop in the building.

Brief History of Pre-Fabricated Metal Warehouses

Although patented as early as 1903, steel siding was rarely used in residential or commercial construction due to its susceptibility to water infiltration and rust. In 1939, Frank Hoess patented an advanced interlocking system that prevented water penetration and applied his steel siding on a small residential development in Chicago.² However, with the onset of World War II, manufacturing steel and aluminum for any purpose other than that which supported the war effort came to a halt. As the primary building material for war materials, the production of aluminum and steel escalated during the war. The development and popularity of the Quonset Hut, a corrugated steel, pre-fabricated structure with a semi-circular cross section, further promoted the benefits of pre-fabricated metal structures. Initially developed by the US military to meet the needs of a lightweight, pre-fabricated building that could be used for any purpose, shipped anywhere, and quickly assembled with unskilled labor, the original T-Rib Quonset hut was modeled on the Nissen Hut developed by the British during World War I.³ A redesign of the structure by Otto Brandenberger to make it lighter weight and easier to assemble was approved by the government in 1941, after which it was mass-produced to support the war effort.⁴ After the war, an abundance of aluminum and steel led to a plunge in price and an opportunity for architects and engineers to find new applications for the material.⁵ Because of its flexibility and resistance to corrosion, aluminum rather than steel became the preferred siding material for residential structures, until vinyl siding was introduced in the 1950s.⁶ However, further advances in the exterior treatment of steel to resist corrosion, combined with its greater strength and fire resistance and lower cost, led to the preference of steel cladding over aluminum for large industrial warehouses, such as the one at 555 Selby Street.⁷

Evaluation

NRHP/CRHR Criterion A/1 (Events). The structure located at 555 Selby Street was built on previously undeveloped land in 1969 and has been used continuously since its construction as a warehouse and office space, and later a vehicle repair shop. The structure was built by engineer, James Park, and Cob Construction at the behest of the property owner, Ralph Hewett. Constructed in an industrial area of the Bayview neighborhood, this utilitarian warehouse is surrounded by other similar structures and would not be considered unique or rare in this context. The warehouse also is not associated with

² Richa Wilson and Kathleen Snodgrass, "Early 20th-Century Building Materials: Siding and Roofing," *Facilities Tech Tips*, United States Department of Agriculture Forest Service (February 2008): 6-7.

³ Julie Decker and Chris Chiel, *Quonset Hut: Metal Living for a Modern Age* (New York: Princeton Architectural Press, 2005), 4.

⁴ *Ibid.*, 19.

⁵ Bruce S. Kaskel, "The Metal and Glass Curtain Wall," *Cultural Resources Management* 18, no. 8 (1995): 23-24.

⁶ Wilson and Snodgrass, "Early 20th-Century Building Materials: Siding and Roofing," 7.

⁷ Tata Steel, "Materials used in cladding," accessed 9/21/15.

any events that have made a significant contribution to the broad patterns of local, regional, or national history. For this reason, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria A/1.

NRHP/CRHR Criterion B/2 (Important Persons). The structure located at 555 Selby Street is a privately-owned building that is not associated with the lives of any significant persons important to local, regional, or national history. For this reason, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria B/2.

NRHP/CRHR Criterion C/3 (Architecture/Design). The structure was built in 1969 and is a utilitarian, metal-frame, steel-clad warehouse, which is a ubiquitous building type in the industrial Bayview neighborhood, as well as industrial areas of towns and cities throughout the state and country. The structure does not exhibit or embody any distinctive characteristics of a particular architectural style or period. Although the earliest pre-fabricated metal warehouses date to the turn of the twentieth century, the building at 1975 Galvez Avenue is a more typical post-war example of this building type and, therefore, is not significant in this context. The structure also does not exhibit the work of a master with regards to methods of construction, nor does it possess high artistic values. For these reasons, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria C/3.

NRHP/CRHR Criterion D/4 (Information Potential). The building located at 555 Selby Street is a typical utilitarian structure used for storage and light-industrial purposes and has little to no potential to reveal information important to local, regional, or national history. For these reasons, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria D/4.

References

City and County of San Francisco, San Francisco Property Information Map, 555 Selby Street, accessed online at <http://propertymap.sfplanning.org/> on September 16, 2015.

Decker, Julie and Chris Chiel. *Quonset Hut: Metal Living for a Modern Age*. New York: Princeton Architectural Press, 2005.

Kaskel, Bruce S. "The Metal and Glass Curtain Wall." *Cultural Resources Management* 18, no. 8 (1995): 23-27.

Permits: Permit #325980, 9/4/68, erect one-story, 9,600-square-foot warehouse with future office space, Permit #331054, 4/11/69, addition of office space and two toilets, Permit #884960, 2/3/99, exterior gas tank canopy and expansion of interior office space, Permit #893132, 8/30/99, structural revision to exterior slabs and canopy and revisions to interior lateral resistance system, Permit #985845, 3/19/02, exterior and interior improvements, addition of parking striping, construction of new attendant shack.

Tata Steel, "Materials used in cladding," <http://www.tatasteelconstruction.com/en/reference/teaching-resources/architectural-teaching-resource/cladding/metal-cladding/materials-used-in-cladding>, accessed 9/21/15.

Wilson, Richa and Kathleen Snodgrass. "Early 20th-Century Building Materials: Siding and Roofing." *Facilities Tech Tips*, United States Department of Agriculture Forest Service (February 2008).

State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
CONTINUATION SHEET

Primary # _____
HRI # _____
Trinomial _____

Page 6 of 7

*Recorded by Eryn Brennan, ESA

*Date 9/21/15

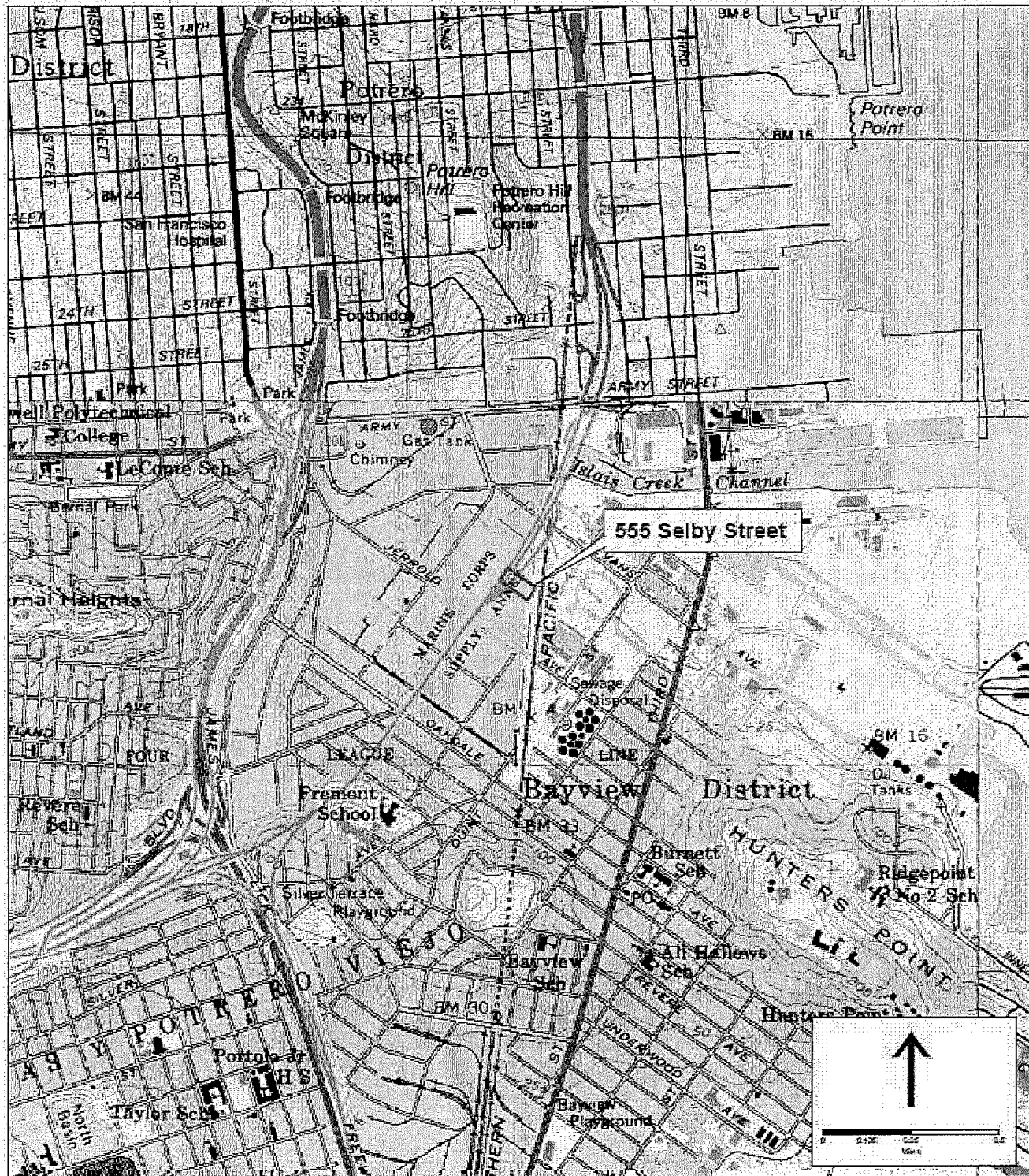
*Resource Name or # (Assigned by recorder) 555 Selby Street

■ Continuation □ Update

*Location Map: USGS San Francisco South 7.5' Quadrangle

* Scale: *1:24,000

Date of Map: 1980



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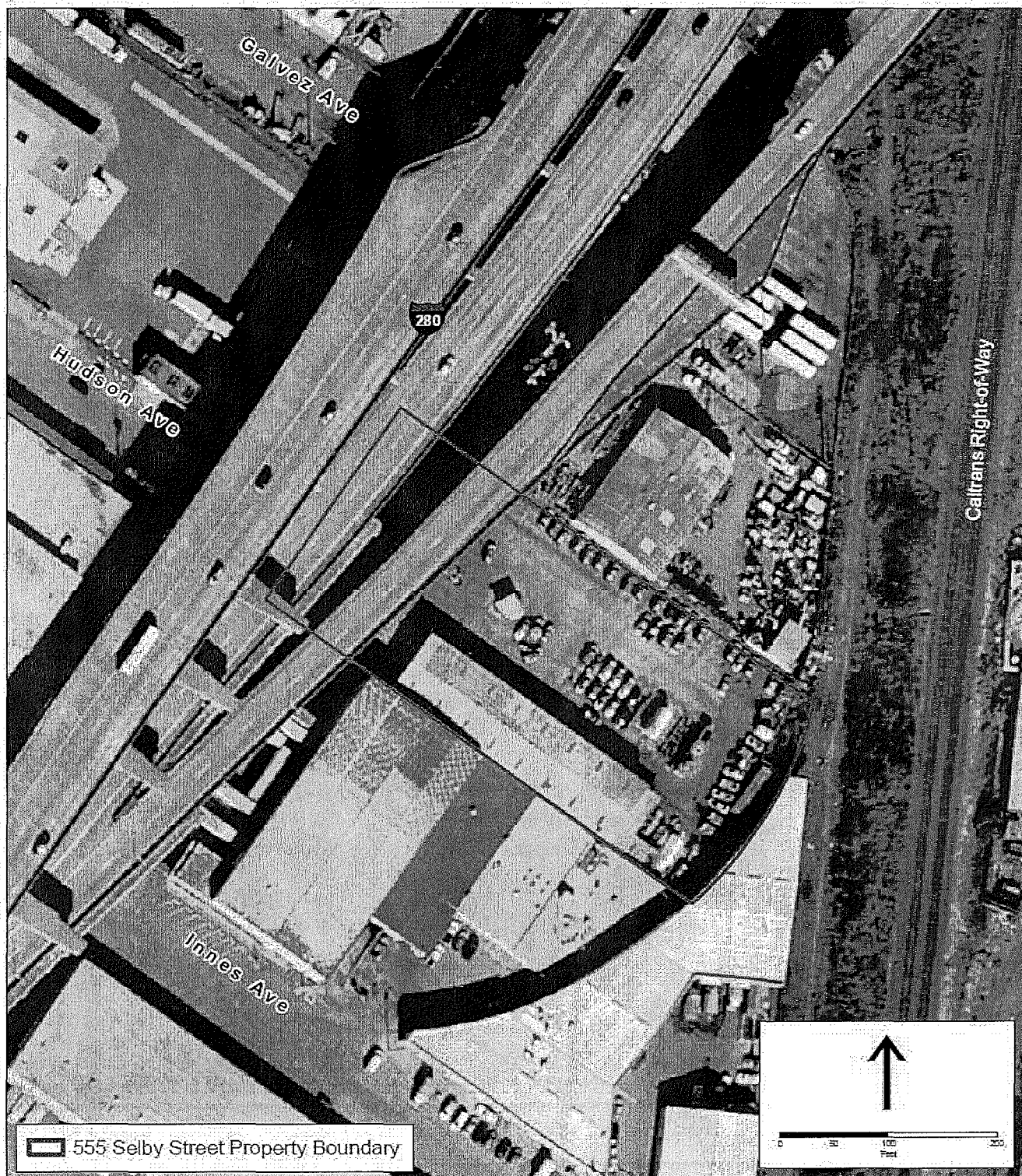
*Recorded by Eryn Brennan, ESA

*Date 9/21/15

*Resource Name or # (Assigned by recorder) 555 Selby Street

☒ Continuation ☐ Update

Sketch Map: NAIP, 2014 Imagery



State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
PRIMARY RECORD

Primary # _____
HRI # _____
Trinomial _____
NRHP Status Code 6Z
Other Listings _____
Review Code _____ Reviewer _____ Date _____

Page 1 of 8

*Resource Name or # (Assigned by recorder) 450 Toland Street

P1. Other Identifier: N/A

*P2. Location: ☐ Not for Publication ☒ Unrestricted

*a. County San Francisco and (P2b and P2c or P2d. Attach a Location Map as necessary.)

*b. USGS 7.5' Quad San Francisco South Date 1980 T ____; R ____; Sec ____; ____ B.M.

c. Address 450 Toland Street City San Francisco Zip 94124

d. UTM: (give more than one for large and/or linear resources) Zone ____; ____ mE/ ____ mN

e. Other Locational Data: (e.g., parcel #, directions to resource, elevation, etc., as appropriate)

Block 5230/Lot 18

*P3a. Description: (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries)

The building located at 450 Toland Avenue in San Francisco's Bayview neighborhood sits on a 1.27 acre parcel bounded by Toland Street to the east, Jerrold Avenue to the south, and Napoleon Street to the west and north. A pedestrian entrance accessed from the sidewalk via three concrete steps and a landing is located in the office wing at the southeast corner of the building. A vehicular ingress and egress closed off by a chain-link fence topped with barbed wire is located at the northeast corner of the building. A six-foot-tall chain-link fence topped with barbed wire and razor wire encloses the loading area in front of the building along Toland Street. The land is owned by 450 Toland, LLC. Provided below is a brief description of the structure and site (see Continuation Sheet).

*P3b. Resource Attributes: (List attributes and codes) HP8 – Industrial Building

*P4. Resources Present: ☒ Building ☐ Structure ☐ Object ☐ Site ☐ District ☐ Element of District ☐ Other (Isolates, etc.)

P5a. Photo or Drawing (Photo required for buildings, structures, and objects.)



*P5b. Description of Photo: (View, date, accession #) View looking west from Toland Street, 9/30/15

*P6. Date Constructed/Age and Sources:

☒ Historic ☐ Prehistoric ☐ Both

1969 (assessor's data) with alterations in 1969, 1976, 1987, 1988, 1989, 1996, and 2006 (permit data)

*P7. Owner and Address:

450 Toland, LLC

16 Bien Venida

Orinda, CA 94563

*P8. Recorded by: (Name, affiliation, address)

Eryn Brennan, ESA

550 Kearny Street, Ste. 800

San Francisco, CA 94102

*P9. Date Recorded: 9/30/15

*P10. Survey Type: (Describe) Intensive

*P11. Report Citation: (Cite survey report and other sources, or enter "none.")

None.

*Attachments: ☐ NONE ☐ Location Map ☒ Continuation Sheet ☒ Building, Structure, and Object Record

☐ Archaeological Record ☐ District Record ☐ Linear Feature Record ☐ Milling Station Record ☐ Rock Art Record

☐ Artifact Record ☐ Photograph Record ☐ Other (List):

BUILDING, STRUCTURE, AND OBJECT RECORD

Primary # _____

HRI # _____

*Resource Name or # (Assigned by recorder) 450 Toland Street

Page 2 of 8

*NRHP Status Code 6Z

B1. Historic Name: N/A

B2. Common Name: 450 Toland Street

B3. Original Use: Warehouse

B4. Present Use: Warehouse/Office

*B5. Architectural Style: Modern Utilitarian-Warehouse

*B6. Construction History: (Construction date, alterations, and date of alterations)

Built in 1969; office space was added in the same year. Interior alterations occurred in 1976, and a one-story addition was added on the south end of the building in 1987. Additional interior alterations occurred in 1988, 1989, 1996, and 2006.

*B7. Moved? ☒ No ☐ Yes ☐ Unknown Date: _____ Original Location: _____

*B8. Related Features: N/A

B9a. Architect: Cecil Wells, Jr. (Architect/Engineer)

b. Builder: Richard Holm

*B10. Significance: Theme Utilitarian-Warehouse Area San Francisco Bay Area

Period of Significance N/A Property Type Industrial

Applicable Criteria A-D

(Discuss importance in terms of historical or architectural context as defined by theme, period, and geographic scope. Also address integrity.)

The building located at 450 Toland Street has been evaluated against the National Register of Historic Places (NRHP) and California Register of Historical Resources (CRHR) Criterion A/1, B/2, C/3, and D/4. This property has also been evaluated in accordance with Section 15064.5(a)(2)-(3) of the California Environmental Quality Act (CEQA) Guidelines, using the criteria outlined in Section 5024.1 of the California Public Resources Code. The property is recommended ineligible for listing under any of the NRHP and CRHR criteria due to a lack of significant associations with important historical events, important persons, architectural significance, and information potential. For these reasons, the property would not be considered a historical resource for the purposes of CEQA. This evaluation is consistent with San Francisco Preservation Bulletin 5, "Landmark and Historic District Designation Procedures," which directs that historic resources be evaluated for local designation using the California Office of Historic Preservation Recordation Manual (as per San Francisco Landmarks Board Resolution No. 527, June 7, 2000). (See Continuation Sheet.)

B11. Additional Resource Attributes: (List attributes and codes)
HP8 – Industrial Building

*B12. References: See Continuation Sheet

B13. Remarks:

*B14. Evaluator: Eryn Brennan and Brad Brewster, ESA

*Date of Evaluation: 9/30/15

(Sketch Map with north arrow required.)

See Continuation Sheet

(This space reserved for official comments.)

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*Recorded by Eryn Brennan, ESA

*Date 9/30/15

*Resource Name or # (Assigned by recorder) 450 Toland Street

☒ Continuation ☐ Update

P3a. Description (continued):

The approximately 43,240-square-foot, 1- and 2-story, 18-foot-tall, flat-roofed warehouse is a tilt-up concrete structure set on a concrete foundation. The building is set back from Toland Street by approximately 60 feet, which allows semi-trucks to pull directly up to the 11 loading docks located along the west façade. A two-story office wing accessible from the sidewalk is located on the south end of the building. With the exception of the of the semi-truck parking area along Toland Street, the building occupies the entire portion of the lot.

The east façade of the original, northern portion of the building constructed in 1969 consists of two end bays flanking a large recessed central bay with four sub-bays, three of which contain two loading docks. The fourth sub-bay contains a trash area accessed via a flight of concrete steps and is fully enclosed with chain-link fencing. The northern end bay contains a loading dock, and the two-story southern end bay contains a group of four fixed, metal-frame windows above the ground floor. Centered above the windows are the words "Diana Supreme" above the logo for the domestic cheese business. Centered in the canopy above the recessed central bay are the words "Imported and Domestic Specialty Foods."

The east façade of the 1987 addition contains a north bay that is flush with the 1969 building, with five sub-bays. The four northernmost sub-bays each contain a loading dock, and the southern sub-bay contains a large, double-entrance metal door accessed via an ADA ramp and railing that extends to the sidewalk. A canopy that extends to the north façade of the office wing is located over the four southernmost sub-bays with the words "Domestic Cheese Co." in the center. The north façade of the office wing contains one wide and one narrow aluminum-frame sash window, both covered with security bars and flanking a double-door entrance that appears to be sealed on the first floor. The second floor contains two aluminum-frame sash windows, one located under the canopy and one located on the east end of the wing. The east (front) façade of the office wing contains an aluminum-frame entrance door with a transom accessed via a short flight of concrete steps. To the left of the entrance door are three large, fixed-sash, aluminum-frame windows with transoms. Similarly, the second floor contains four, aluminum-frame, fixed-sash windows with transoms. The windows, entrance door, and transoms extend across the full length of the narrow east façade of the office wing and are framed by piers that project above the roofline. The entrance and windows on the first floor are covered with security bars. A raised brick planter with a single large shrub is located adjacent to the entrance steps.

The south façade of the 1987 addition abuts a building and is not visible. The north façade and the west (rear) façade of the building have no openings.



View west of the east façade of the 1969 building.



View west of the east façade of the 1987 addition.

B10. Significance (continued):

Project Site History

The original approximately 15,000-square-foot warehouse was constructed in 1969 on previously undeveloped land in the City's industrial Bayview neighborhood adjacent to city-run operations, such as the Department of Public Work's Central Shops and Asphalt Plant. The warehouse was built at a cost of \$93,500 for the Domestic Cheese Company, which specializes in the distribution of wholesale dairy and meat products.¹ The owner of record listed on the building permit is Rene C. Grialou. The architect/engineer for the building was Cecil Wells, Jr., and the architect/engineer for construction was Richard Holm. The general contractor was Carl A. Holvick & Co. In the same year, the office space was added. The architect/engineer for this work was Howard A. York and the general contractor was LeCompte Construction Company. The owner of record is listed as Nick Georgatos with the Domestic Cheese Company. Following in 1976, interior alterations including extension of the coolers, a new freezer, and expansion of the office and storage space were undertaken by the architecture firm, Avanesian & Associates. In 1987, an approximately 28,000-square-foot addition was added on to the south end of the warehouse. The addition, also a tilt-up concrete structure set on a concrete foundation and designed by Avanesian & Associates, contained additional cold storage space and loading docks. Gilbert and John Dito are listed as the owners of Domestic Cheese.

Other minor alterations to the building involved the installation of fire sprinklers in 1988; applying a polyurethane coat to the roof in 1989; structural upgrades, the addition of two toilets on the second floor of the office wing, and relocation of the fire sprinklers in 1996; and reroofing the building in 2006.

¹ MacRae's Blue Book, "Domestic Cheese Co Inc," <http://www.macraesbluebook.com/search/company.cfm?company=583400>, accessed 9/30/15.

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*Recorded by Eryn Brennan, ESA

*Date 9/30/15

*Resource Name or # (Assigned by recorder) 450 Toland Street

☒ Continuation ☐ Update

Brief History of Tilt-Up Concrete Buildings

Although concrete has been used in construction since the Roman period, and precasting construction materials has been done throughout human history, the development of tilt-up concrete construction was predicated on the refinement of reinforced concrete technology in the early-twentieth century.² Tilt-up concrete construction consists of two steps. First, slabs of concrete are cast horizontally on a steel-framed tilt-table. Once these slabs have cured, they are lifted and tilted with a crane into place and become wall sections.³ Robert Aiken is considered the founder of tilt-up concrete when he developed this method of construction for designing reinforced concrete retaining walls at Camp Logan Rifle Range in Illinois at the turn of the twentieth century. Shortly thereafter he built a church in Zion City, Illinois near his farm in 1906, as well as a village of houses in Union, New Jersey in 1908 using this method of construction.⁴ Although tilt-up concrete construction did not become popular until after World War II when development of the mobile crane made lifting the concrete panels much easier, some early-Modern architects, such as Rudolph M. Schindler, employed this method of construction. Two fine examples designed by Schindler are the Lovell House in Newport Beach, CA built in 1926 and the Schindler House in West Hollywood, CA built in 1921-22.⁵ With the development of the mobile crane and ready-mix concrete, tilt-up concrete construction gained in popularity during the post-war building boom as an inexpensive and efficient way to erect large commercial and industrial structures. Several buildings, particularly in the industrial Bayview neighborhood, were built during this period using tilt-up concrete construction, including the Binks Manufacturing building located at 950 Newhall Street in 1953.⁶

Evaluation

NRHP/CRHR Criterion A/1 (Events). The structure located at 450 Toland Street was built on previously undeveloped land in 1969 and has been used continuously since its construction as a warehouse and office space. Constructed in an industrial area of the Bayview neighborhood, this utilitarian warehouse is surrounded by other similar structures in the area and would not be considered unique or rare in this context. The warehouse also is not associated with any events that have made a significant contribution to the broad patterns of local, regional, or national history. For this reason, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria A/1.

NRHP/CRHR Criterion B/2 (Important Persons). The structure located at 450 Toland Street is a privately-owned building that is not associated with the lives of any significant persons important to local, regional, or national history. For this reason, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria B/2.

NRHP/CRHR Criterion C/3 (Architecture/Design). The structure was built in 1969 and is a utilitarian, tilt-up concrete warehouse, which is a ubiquitous building type in the industrial Bayview neighborhood, as well as industrial areas of towns and cities throughout the state and country. The structure does not exhibit or embody any distinctive characteristics of a particular architectural style or period. Although the earliest tilt-up concrete buildings date to the early-twentieth century, the building at 450 Toland Street is a more typical post-war example of this building type and, therefore, is not significant in this context. The structure also does not exhibit the work of a master with regards to methods of construction, nor does it possess high artistic values. For these reasons, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria C/3.

² Concrete Contractor, "Tilt-Up Construction: History and Uses," <http://www.concretecontractor.com/tilt-up-concrete/construction-history/>, accessed 9/30/15.

³ Concrete Construction, "A Century of Tilt-Up," <http://www.concreteconstruction.net/concrete-construction/a-century-of-tilt-up.aspx>, accessed 9/30/15.

⁴ Concrete Contractor, "Tilt-Up Construction: History and Uses," <http://www.concretecontractor.com/tilt-up-concrete/construction-history/>, accessed 9/30/15. See also Tilt-Up Concrete Association, "The Construction of Tilt-Up," <http://tilt-up.org/tilt-uptoday/wp-content/uploads/2011/11/CTU-Final-web.pdf>, accessed 9/30/15.

⁵ Dell Upton, *Architecture in the United States*, (New York: Oxford University Press, 1998), 169. See also MAK Center, "Schindler House (1921-22)" <http://makcenter.org/sites/schindler-house/>, accessed 9/30/15.

⁶ Mary Brown, San Francisco Modern Architecture and Landscape Design, 1935-1970 Historic Context Statement (San Francisco City and County Planning Department, January 2011), 94.

NRHP/CRHR Criterion D/4 (Information Potential). The building located at 450 Toland Street is a typical utilitarian structure used for storage and light-industrial purposes and has little to no potential to reveal information important to local, regional, or national history. For these reasons, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria D/4.

References

Brown, Mary. *San Francisco Modern Architecture and Landscape Design, 1935-1970 Historic Context Statement*. San Francisco City and County Planning Department, January 2011.

City and County of San Francisco, San Francisco Property Information Map, 450 Toland Street, accessed online at <http://propertymap.sfplanning.org/> on September 30, 2015.

Concrete Construction, "A Century of Tilt-Up," <http://www.concreteconstruction.net/concrete-construction/a-century-of-tilt-up.aspx>, accessed 9/30/15.

Concrete Contractor, "Tilt-Up Construction: History and Uses," <http://www.concretecontractor.com/tilt-up-concrete/construction-history/>, accessed 9/30/15.

MacRae's Blue Book, "Domestic Cheese Co Inc," <http://www.macraesbluebook.com/search/company.cfm?company=583400>, accessed 9/30/15.

Tilt-Up Concrete Association, "The Construction of Tilt-Up," <http://tilt-up.org/tilt-uptoday/wp-content/uploads/2011/11/CTU-Final-web.pdf>, accessed 9/30/15.

Permits: Permit #355116, 3/28/68, construct 15,000-square-foot warehouse \$93,500, Permit #338971, 12/2/69, add office space in for \$2,500, Permit #415006, 7/29/76, extension of cooler, new freezer, expand storage for \$150,000, Permit #579304, 7/7/87, construct addition to existing facility for \$1,723,000, Permit #591531, 5/2/88, install fire sprinkler system for \$49,398, Permit #623600, 9/26/89, polyurethane roof for \$36,300, Permit #807556, 10/28/96, structural upgrades for \$2,000, Permit #814288, 11/7/96, add two toiles on the second floor for \$15,000, Permit #808728, 11/13/96, relocated fire sprinklers for \$1,000, Permit #1087083, 5/18/06, reroofing for \$70,000.

Upton, Dell. *Architecture in the United States*. New York: Oxford University Press, 1998.

State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
CONTINUATION SHEET

Primary # _____
HRI # _____
Trinomial _____

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*Resource Name or # (Assigned by recorder) 450 Toland Street

*Recorded by Eryn Brennan, ESA

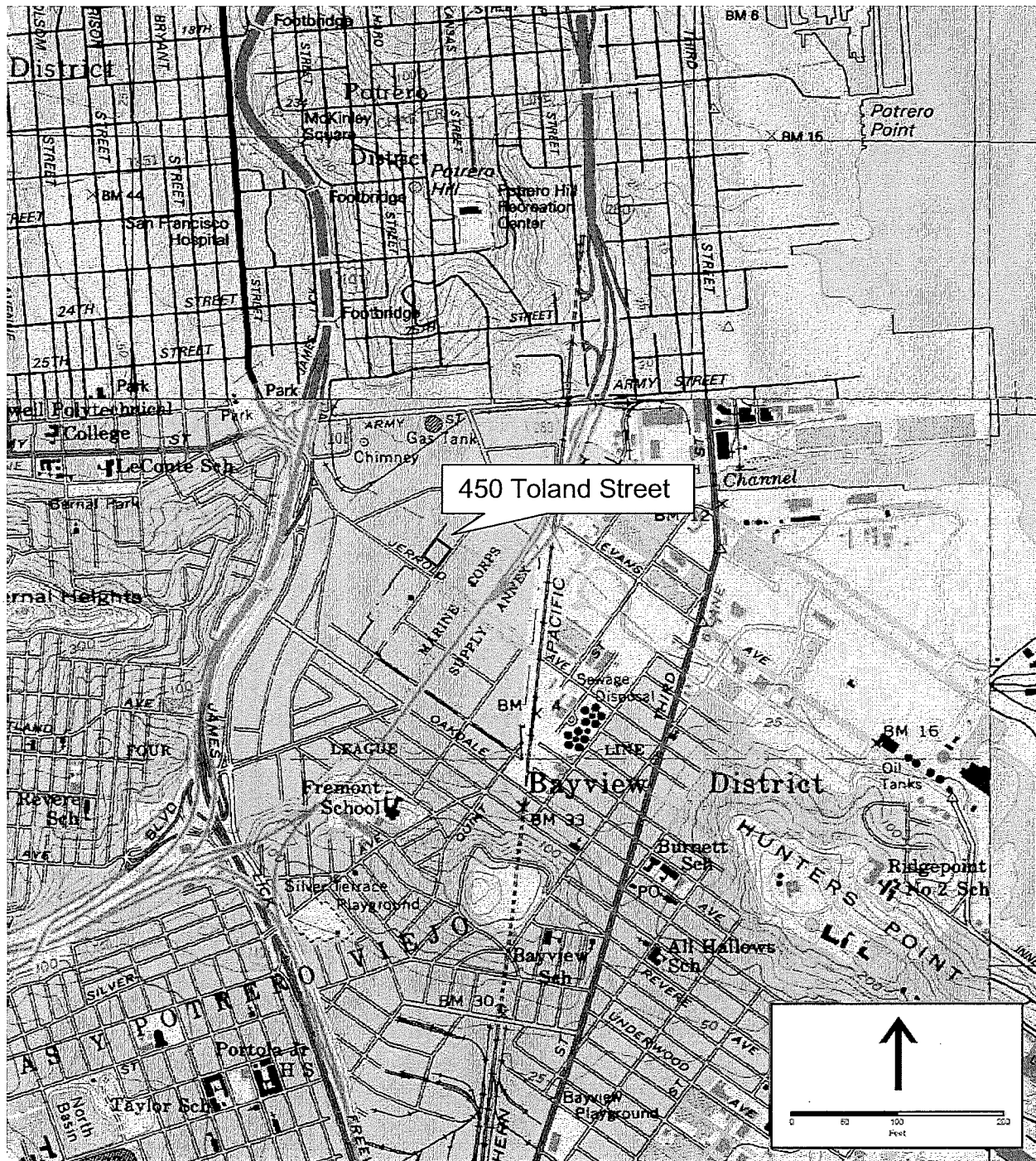
*Date 9/30/15

■ Continuation □ Update

*Location Map: USGS San Francisco South 7.5' Quadrangle

* Scale: *1:24,000

Date of Map: 1980



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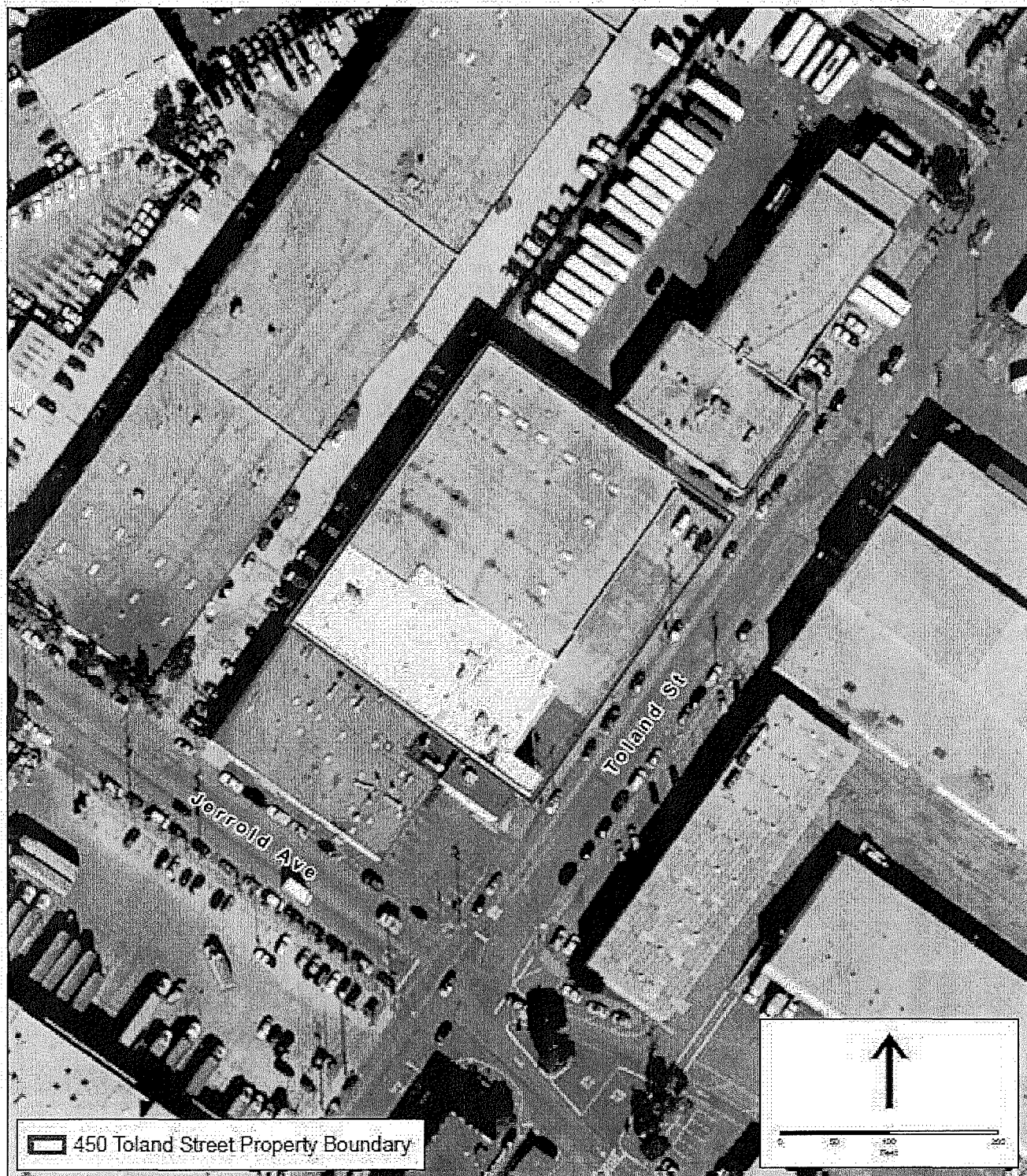
*Recorded by Eryn Brennan, ESA

*Date 9/30/15

*Resource Name or # (Assigned by recorder) 450 Toland Street

■ Continuation □ Update

Sketch Map: NAIP, 2014 Imagery





SAN FRANCISCO PLANNING DEPARTMENT

San Francisco Public Utilities Commission Preliminary Archeological Checklist (PAC)

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

A. PROJECT INFORMATION :

Date: 10/28/2015 SFPUC Archeological Reviewer: Sally S. Morgan

Central Shops Relocation and Land Transfer

Project name: _____ Case No: _____

Application type: ☐ EE ☒ CatEx

☒ In City ☐ Outside of City

Project address: new property 1975 Galvez, 555 Selby, 450 Toland; transfer 1800 Jerrold

EP planner: Tim Johnston EP Archeological Reviewer designee: _____

APN/Cross streets: 5250/ 15 and 16; 5230/18 OR City/ County San Francisco

1. PROJECT DESCRIPTION: (include description of construction methods, all potentially ground-disturbing activities including parking, staging, equipment and spoils storage, temporary and permanent work areas, utility lines)

SFPUC proposes to arrange for the transfer of the existing Central Shops facility at 1800 Jerrold from the SF General Services Agency (GSA) to SFPUC, purchase of existing facilities at 1975 Galvez and 555 Selby, and lease of the 450 Toland property, for development of a new Central Shops facility. The proposed project would demolish the existing warehouse buildings on 555 Selby Street and 1975 Galvez Avenue and construct a new 53,000-sf building that would straddle the two lots. Soils disturbance would include grading and excavation to depths of up to 5' and potentially micropilings to up to 90' depth. In addition, foundation and/or utility improvements would be made to the existing 450 Toland building that would entail ground disturbance to up to 3' deep in that parcel. Work at the abandoned Central Shops facility at 1800 Jerrold would consist of debris removal and fence installation with minor ground disturbance up to 2' deep.

SFPUC Preliminary Archeological Checklist

2. POTENTIAL GROUND DISTURBANCE

Yes	No	Project Component
<input type="checkbox"/>	<input type="checkbox"/>	Excavation (basement, elevator, utilities, seismic retrofit, remediation, underground vaults, septic tank system, culverts, etc.) Maximum depth: <u>overall, 5'; pilings, 90'</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Pipeline replacement or installation (specify cut and cover, directional drilling, pipe bursting, etc): minor utility installation, exc up to 3' wide X 3' deep cut and cover
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Tunnels, transport storage boxes
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Bore pits, test pits
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Shallow Building Foundation (Mat, Spread Footings, etc.) Depth: <u>potential slab 5'</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Piles, piers, micropiles, pilings, piling replacement
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Grading, scraping
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Demolition up to 5' to remove existing facilities
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Construction staging, spoils on unpaved area, fill
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Road construction
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Geotechnical trenching (dimensions) _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	New rip rap
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Wharf or seawall modification
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Other (specify): _____

Anticipated maximum extent of project ground disturbance:

Vertical 5' / 90' Horizontal 80,000 sf / 53,000 sf grid

APE Map Attached Y ☐ N ☒

3. PREVIOUS SOILS DISTURBANCE AT PROJECT SITE:

Has the project site been previously disturbed by any of the following?

Yes	No	Component of disturbance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Existing Basement --Depth: <u>5'</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Existing Foundation (footings, perimeter, piles, micropiles, etc.) Depth: <u>unknown</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Site remediation/UST installation or removal, other excavation. Depth: _____
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Site Grading
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Demolition
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Dredging
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Piling installation
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Riprap
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Seawall construction
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Other (specify): _____

4. Has the entire project area previously been disturbed to the maximum depth of proposed project disturbance? Y ☐ N ☒

(Attach documentary evidence, including plans and profiles of prior trenching, utility street occupancy, historic photos, specifications from prior projects, etc.)

List attachments: All 4 project parcels have been subject to past development; prior uses not well documented.

Relocation parcels are part of the area that was filled during Islais Creek reclamation project. Geoarchaeological testing also indicates fill up to 20-feet deep on the existing Central Shops parcel (FWARG 9/14/15).

SFPUC Preliminary Archeological Checklist

☐ Complete prior disturbance adequately documented, stop here: no further archeological assessment is required. Assessed by: _____

☒ Prior ground disturbance is unknown or cannot be adequately documented (continue to B.)

B. ARCHIVAL AND ARCHEOLOGICAL DATA ASSESSMENT

1. ARCHIVAL AND DATA REVIEW

Dates of review: 2/2015

Resources reviewed:

- ☒ Maher zone maps. Dates/ origin/ depth of fill if known _____
- ☒ Geotechnical data for project site and vicinity (Cite report FWARG 9/14/15 for existing site; Selby St: reported by PM)
- ☒ EP Archeo GIS maps (all layers or specify applicable layers) all layers

- ☐ Sanborn Insurance maps (1887-93, 1899-1900)
- ☒ Coast and Geodetic Survey maps (1853, 1857, 1869)
- ☐ Information Center archeological records search (attach request and response)
- ☐ USFS/ BLM/ NPS archeological files (upcounty projects)
- ☐ NAHC Sacred Lands File
- ☐ Native American/ Ethnic group consultation
- ☐ Other: _____

Findings:

- ☐ No previously documented resources present
- ☐ Archival research suggests resources are or may be present within the project soils disturbance area

If positive results, attach documentation and memo summarizing results.

2. ARCHEOLOGICAL FIELD INVENTORY

- ☐ Not warranted; no exposed ground surface in project area
- ☐ Results negative
- ☐ Results positive
- ☐ Results inconclusive

Archeologist/ Affiliation _____ Date of Survey _____

Attach Archeological Survey Report/Memo; may combine with results of archival review.

3. SUMMARY OF RESULTS

Site History/Formation:

All project parcels are classified by CCSF Maher mapping as "known fill areas not covered by Maher ordinance". The project sites lie within the Islais Creek marsh area, which was filled at various depths in the 1920s and '30s. Precise depth of fill is unknown, but the potential for historic-period resources at the project sites appears to be low because of this marsh setting. Recent modeling based on geoarchaeological testing at the Southeast Plant Bldg 521 suggests that this area also has low potential for prehistoric occupation based on the very low lying topography (~40'), except potentially during the earliest occupation of the bay shore (Far Western 2015: figures 7 and 8): the construction sites likely were submerged starting around 6,000-8,000 BP. Nonetheless, if construction requires pilings, a geoarchaeological coring program during project design, including preparation of an Archaeological Testing Plan, sampling program and sediment dating is recommended, to assess for the potential occurrence of early period prehistoric sites and, if evidence of such an occupation is present, to recover a sample of the material through additional coring.

SFPUC Preliminary Archeological Checklist

Recorded/documented archeological sites/ investigations on/in the vicinity of the project site:
No known sites in immediate vicinity. Historic "Butchertown" about 0.5 mi east;
suspected archaeological site noted in 1858 could be about 0.5 mi northwest;
SFR-15 and SFR-171 within 0.25-0.4 mi south

C. CONCLUSIONS AND RECOMMENDATIONS

1. NO EFFECTS TO ARCHEOLOGICAL RESOURCES EXPECTED:

- ☐ Project effects limited to previously-disturbed soils
- ☐ Project effects limited to culturally sterile soils
- ☐ Based on assessment under B, above, no potentially CEQA-significant archeological resources are expected within project-affected soils.

2. AVOIDANCE AND TREATMENT MEASURES NECESSARY TO AVOID SIGNIFICANT IMPACTS TO CRHR-ELIGIBLE ARCHEOLOGICAL RESOURCES:

- ☐ Low potential to adversely affect archeological resources may be avoided by implementation of SFPUC Standard Archeological Measure I (Discovery during Construction), with implementation of Standard Archeological Measures II (Monitoring) and/or III (Testing/ Data Recovery) in the event of a discovery during construction.
- ☐ The potential of the project to adversely affect archeological resources may be avoided by implementation of the SFPUC Standard Archeological Measure II (Archeological Monitoring) during construction.
- ☐ The potential of the project to adversely affect archeological resources may be avoided by implementation of the SFPUC Standard Archeological Measure III (Archeological Testing) ☒ prior to or ☐ during construction. Geoarchaeological testing plan, sampling and sediment dating if pile driving is required; data recovery, if warranted, could include addtl sampling through coring.
- ☐ CEQA evaluation of the project requires preparation and implementation of an archeological research design and treatment plan (ARDTP) by a qualified archeological consultant. See attached scope of work for the ARDTP.

D. EP ARCHEOLOGIST/ ERO-ARCHEOLOGICAL DESIGNEE REVIEW

- ☐ I concur with the conclusions and recommendations provided in Section C, above.
- ☐ Additional/ alternative measures recommended (detail):

- ☐ Meeting requested.

State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
PRIMARY RECORD

Primary # _____
HRI # _____
Trinomial _____
NRHP Status Code 6Z

Other Listings _____
Review Code _____ Reviewer _____ Date _____

Page 1 of 8

*Resource Name or # (Assigned by recorder) 450 Toland Street

P1. Other Identifier: N/A

***P2. Location:** ☐ Not for Publication ☒ Unrestricted

*a. County San Francisco and (P2b and P2c or P2d. Attach a Location Map as necessary.)

*b. USGS 7.5' Quad San Francisco South Date 1980 T ____; R ____; Sec ____; ____ B.M.

c. Address 450 Toland Street City San Francisco Zip 94124

d. UTM: (give more than one for large and/or linear resources) Zone ____; ____ mE/ ____ mN

e. Other Locational Data: (e.g., parcel #, directions to resource, elevation, etc., as appropriate)

Block 5230/Lot 18

***P3a. Description:** (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries)

The building located at 450 Toland Avenue in San Francisco's Bayview neighborhood sits on a 1.27 acre parcel bounded by Toland Street to the east, Jerrold Avenue to the south, and Napoleon Street to the west and north. A pedestrian entrance accessed from the sidewalk via three concrete steps and a landing is located in the office wing at the southeast corner of the building. A vehicular ingress and egress closed off by a chain-link fence topped with barbed wire is located at the northeast corner of the building. A six-foot-tall chain-link fence topped with barbed wire and razor wire encloses the loading area in front of the building along Toland Street. The land is owned by 450 Toland, LLC. Provided below is a brief description of the property (see Continuation Sheet).

***P3b. Resource Attributes:** (List attributes and codes) HP8 – Industrial Building

***P4. Resources Present:** ☒ Building ☐ Structure ☐ Object ☐ Site ☐ District ☐ Element of District ☐ Other (Isolates, etc.)

P5a. Photo or Drawing (Photo required for buildings, structures, and objects.)



P5b. Description of Photo: (View, date, accession #) View looking west from Toland Street, 9/30/15

***P6. Date Constructed/Age and Sources:**

☒ Historic ☐ Prehistoric ☐ Both

1969 (assessor's data) with alterations in 1969, 1976, 1987, 1988, 1989, 1996, and 2006 (permit data)

***P7. Owner and Address:**

450 Toland, LLC

16 Bien Venida

Orinda, CA 94563

***P8. Recorded by:** (Name, affiliation, address)

Eryn Brennan, ESA

550 Kearny Street, Ste. 800

San Francisco, CA 94102

***P9. Date Recorded:** 9/30/15

***P10. Survey Type:** (Describe) Intensive

***P11. Report Citation:** (Cite survey report and other sources, or enter "none.")

SFPUC, Central Shops Replacement Project, Categorical Exemption Request, October 8, 2015.

***Attachments:** ☐ NONE ☐ Location Map ☒ Sketch Map ☒ Continuation Sheet ☒ Building, Structure, and Object Record

☐ Archaeological Record ☐ District Record ☐ Linear Feature Record ☐ Milling Station Record ☐ Rock Art Record

☐ Artifact Record ☐ Photograph Record ☐ Other (List):

BUILDING, STRUCTURE, AND OBJECT RECORD

*Resource Name or # (Assigned by recorder) 450 Toland Street

Page 2 of 8

*NRHP Status Code 6Z

- B1. Historic Name: N/A
B2. Common Name: 450 Toland Street
B3. Original Use: Warehouse
B4. Present Use: Warehouse/Office
*B5. Architectural Style: Modern Utilitarian-Warehouse
*B6. Construction History: (Construction date, alterations, and date of alterations)

Built in 1969; office space was added in the same year. Interior alterations occurred in 1976, and a one-story addition was added on the south end of the building in 1987. Additional interior alterations occurred in 1988, 1989, 1996, and 2006.

*B7. Moved? ☒ No ☐ Yes ☐ Unknown Date: _____ Original Location: _____

*B8. Related Features: N/A

B9a. Architect: Cecil Wells, Jr. (Architect/Engineer) b. Builder: Richard Holm

*B10. Significance: Theme Utilitarian-Warehouse Area San Francisco Bay Area
Period of Significance N/A Property Type Industrial Applicable Criteria A-D
(Discuss importance in terms of historical or architectural context as defined by theme, period, and geographic scope. Also address integrity.)

The building located at 450 Toland Street has been evaluated against the National Register of Historic Places (NRHP) and California Register of Historical Resources (CRHR) Criteria A/1, B/2, C/3, and D/4. This property has also been evaluated in accordance with Section 15064.5(a)(2)-(3) of the California Environmental Quality Act (CEQA) Guidelines, using the criteria outlined in Section 5024.1 of the California Public Resources Code. The property is recommended ineligible for listing under any of the NRHP and CRHR criteria due to a lack of significant associations with important historical events, important persons, architectural significance, and information potential. For these reasons, the property would not be considered a historical resource for the purposes of CEQA. This evaluation is consistent with San Francisco Preservation Bulletin 5, "Landmark and Historic District Designation Procedures," which directs that historic resources be evaluated for local designation using the California Office of Historic Preservation Recordation Manual (as per San Francisco Landmarks Board Resolution No. 527, June 7, 2000). (See Continuation Sheet.)

B11. Additional Resource Attributes: (List attributes and codes)
HP8 – Industrial Building

*B12. References: See Continuation Sheet

B13. Remarks:

*B14. Evaluator: Eryn Brennan and Brad Brewster, ESA

*Date of Evaluation: 9/30/15

(Sketch Map with north arrow required.)

See Continuation Sheet

(This space reserved for official comments.)

Page 8 of 8

*Recorded by Eryn Brennan, ESA

*Date 9/30/15

*Resource Name or # (Assigned by recorder) 450 Toland Street

■ Continuation □ Update

P3a. Description (continued):

The approximately 43,240-square-foot, 1- and 2-story, 18-foot-tall, flat-roofed warehouse is a tilt-up concrete structure set on a concrete foundation. The building is set back from Toland Street by approximately 60 feet, which allows semi-trucks to pull directly up to the 11 loading docks located along the east façade. A two-story office wing accessible from the sidewalk is located on the south end of the building. With the exception of the of the semi-truck parking area along Toland Street, the building occupies the entire portion of the lot.

The east façade of the original, northern portion of the building constructed in 1969 consists of two end bays flanking a large recessed central bay with four sub-bays, three of which contain two loading docks. The fourth sub-bay contains a trash area accessed via a flight of concrete steps and is fully enclosed with chain-link fencing. The northern end bay contains a loading dock, and the two-story southern end bay contains a group of four fixed, metal-frame windows above the ground floor. Centered above the windows are the words "Diana Supreme" above the logo for the domestic cheese business. Centered in the canopy above the recessed central bay are the words "Imported and Domestic Specialty Foods."

The east façade of the 1987 addition contains a north bay that is flush with the 1969 building, with five sub-bays. The four northernmost sub-bays each contain a loading dock, and the southern sub-bay contains a large, double-entrance metal door accessed via an ADA ramp and railing that extends to the sidewalk. A canopy that extends to the north façade of the office wing is located over the four southernmost sub-bays with the words "Domestic Cheese Co." in the center. The north façade of the office wing contains one wide and one narrow aluminum-frame sash window, both covered with security bars and flanking a double-door entrance that appears to be sealed on the first floor. The second floor contains two aluminum-frame sash windows, one located under the canopy and one located on the east end of the wing. The east (front) façade of the office wing contains an aluminum-frame entrance door with a transom accessed via a short flight of concrete steps. To the left of the entrance door are three large, fixed-sash, aluminum-frame windows with transoms. Similarly, the second floor contains four, aluminum-frame, fixed-sash windows with transoms. The windows, entrance door, and transoms extend across the full length of the narrow east façade of the office wing and are framed by piers that project above the roofline. The entrance and windows on the first floor are covered with security bars. A raised brick planter with a single large shrub is located adjacent to the entrance steps.

The south façade of the 1987 addition abuts a building and is not visible. The north façade and the west (rear) façade of the building have no openings.



View west of the east façade of the 1987 addition.

B10. Significance (continued):

Project Site History

The original approximately 15,000-square-foot warehouse was constructed in 1969 on previously undeveloped land in the City's industrial Bayview neighborhood adjacent to city-run operations, such as the Department of Public Work's Central Shops and Asphalt Plant. The Bayview neighborhood developed as one of San Francisco's earliest industrial districts due in part to its proximity to Islais Creek, which provided water needed for various industrial and manufacturing processes, but also because the slaughterhouses formerly located in the South of Market neighborhood continued to be pushed further south into this area of the City beginning in the 1850s.¹ The warehouse was built at a cost of \$93,500 for the Domestic Cheese Company, which specializes in the distribution of wholesale dairy and meat products.² The owner of record listed on the building permit is Rene C. Grialou. The architect/engineer for the building was Cecil Wells, Jr., and the architect/engineer for construction was Richard Holm. The general contractor was Carl A. Holvick & Co. In the same year, the office space was added. The architect/engineer for this work was Howard A. York and the general contractor was LeCompte Construction Company. The owner of record is listed as Nick Georgatos with the Domestic Cheese Company. Following in 1976, interior alterations including extension of the coolers, a new freezer, and expansion of the office and storage space were undertaken by the architecture firm, Avanessian & Associates. In 1987, an approximately 28,000-square-foot addition was added on to the south end of the warehouse. The addition, also a tilt-up concrete structure set on a concrete foundation and designed by Avanessian & Associates, contained additional cold storage space and loading docks. Gilbert and John Dito are listed as the owners of Domestic Cheese.

Other minor alterations to the building involved the installation of fire sprinklers in 1988; applying a polyurethane coat to the roof in 1989; structural upgrades, the addition of two toilets on the second floor of the office wing, and relocation of the fire sprinklers in 1996; and reroofing the building in 2006.

Brief History of Tilt-Up Concrete Buildings

Although concrete has been used in construction since the Roman period, and precasting construction materials has been done throughout human history, the development of tilt-up concrete construction was predicated on the refinement of reinforced concrete technology in the early-twentieth century.³ Tilt-up concrete construction consists of two steps. First, slabs of concrete are cast horizontally on a steel-framed tilt-table. Once these slabs have cured, they are lifted and titled with a crane into place and become wall sections.⁴ Robert Aiken is considered the founder of tilt-up concrete when he developed this method of construction for designing reinforced concrete retaining walls at Camp Logan Rifle Range in Illinois at the turn of the twentieth century. Shortly thereafter he built a church in Zion City, Illinois near his farm in 1906, as well as a village of houses in Union, New Jersey in 1908 using this method of construction.⁵ Although tilt-up concrete construction did not become popular until after World War II when development of the mobile crane made lifting the concrete panels much easier, some early-Modern architects, such as Rudolph M. Schindler, employed this method of construction. Two fine examples designed by Schindler are the Lovell House in Newport Beach, CA built in 1926 and the Schindler House in West Hollywood, CA built in 1921-22.⁶ With the development of the mobile crane and ready-mix concrete, tilt-up concrete

¹ JRP Historical Consulting, LLC, "1800 Jerrold Avenue DPR 523 Form," August 2014.

² MacRae's Blue Book, "Domestic Cheese Co Inc," <http://www.macraesbluebook.com/search/company.cfm?company=583400>, accessed 9/30/15.

³ Concrete Contractor, "Tilt-Up Construction: History and Uses," <http://www.concretecontractor.com/tilt-up-concrete/construction-history/>, accessed 9/30/15.

⁴ Concrete Construction, "A Century of Tilt-Up," <http://www.concreteconstruction.net/concrete-construction/a-century-of-tilt-up.aspx>, accessed 9/30/15.

⁵ Concrete Contractor, "Tilt-Up Construction: History and Uses," <http://www.concretecontractor.com/tilt-up-concrete/construction-history/>, accessed 9/30/15. See also Tilt-Up Concrete Association, "The Construction of Tilt-Up," <http://tilt-up.org/tilt-uptoday/wp-content/uploads/2011/11/CTU-Final-web.pdf>, accessed 9/30/15.

⁶ Dell Upton, *Architecture in the United States*, (New York: Oxford University Press, 1998), 169. See also MAK Center, "Schindler House (1921-22)" <http://makcenter.org/sites/schindler-house/>, accessed 9/30/15.

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*Resource Name or # (Assigned by recorder) 450 Toland Street

*Recorded by Eryn Brennan, ESA

*Date 9/30/15

☒ Continuation ☐ Update

construction gained in popularity during the post-war building boom as an inexpensive and efficient way to erect large commercial and industrial structures. Several buildings, particularly in the industrial Bayview neighborhood, were built during this period using tilt-up concrete construction, including the Binks Manufacturing building located at 950 Newhall Street in 1953.⁷

Evaluation

NRHP/CRHR Criterion A/1 (Events). The structure located at 450 Toland Street was built on previously undeveloped land in 1969 and has been used continuously since its construction as a warehouse and office space. Constructed in an industrial area of the Bayview neighborhood, this utilitarian warehouse is surrounded by other similar structures in the area and would not be considered unique or rare in this context. The warehouse also is not associated with any events that have made a significant contribution to the broad patterns of local, regional, or national history. For this reason, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria A/1.

NRHP/CRHR Criterion B/2 (Important Persons). The structure located at 450 Toland Street is a privately-owned building that is not associated with the lives of any significant persons important to local, regional, or national history. For this reason, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria B/2.

NRHP/CRHR Criterion C/3 (Architecture/Design). The structure was built in 1969 and is a utilitarian, tilt-up concrete warehouse, which is a ubiquitous building type in the industrial Bayview neighborhood, as well as industrial areas of towns and cities throughout the state and country. The structure does not exhibit or embody any distinctive characteristics of a particular architectural style or period. Although the earliest tilt-up concrete buildings date to the early-twentieth century, the building at 450 Toland Street is a more typical post-war example of this building type and, therefore, is not significant in this context. The structure also does not exhibit the work of a master with regards to methods of construction, nor does it possess high artistic values. For these reasons, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria C/3.

NRHP/CRHR Criterion D/4 (Information Potential). The building located at 450 Toland Street is a typical utilitarian structure used for storage and light-industrial purposes and has little to no potential to reveal information important to local, regional, or national history. For these reasons, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria D/4.

References

Brown, Mary. *San Francisco Modern Architecture and Landscape Design, 1935-1970 Historic Context Statement*. San Francisco City and County Planning Department, January 2011.

City and County of San Francisco, San Francisco Property Information Map, *450 Toland Street*, accessed online at <http://propertymap.sfplanning.org/> on September 30, 2015.

Concrete Construction, "A Century of Tilt-Up," <http://www.concreteconstruction.net/concrete-construction/a-century-of-tilt-up.aspx>, accessed 9/30/15.

Concrete Contractor, "Tilt-Up Construction: History and Uses," <http://www.concretecontractor.com/tilt-up-concrete/construction-history/>, accessed 9/30/15.

JRP Historical Consulting, LLC. "1800 Jerrold Avenue DPR 523 Form." August 2014.

⁷ Mary Brown, *San Francisco Modern Architecture and Landscape Design, 1935-1970 Historic Context Statement* (San Francisco City and County Planning Department, January 2011), 94.

CONTINUATION SHEET

Primary # _____

HRI # _____

Trinomial _____

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*Resource Name or # (Assigned by recorder) 450 Toland Street

*Recorded by Eryn Brennan, ESA

*Date 9/30/15

☒ Continuation ☐ Update

MacRae's Blue Book, "Domestic Cheese Co Inc,"

<http://www.macraesbluebook.com/search/company.cfm?company=583400>, accessed 9/30/15.

Tilt-Up Concrete Association, "The Construction of Tilt-Up," <http://tilt-up.org/tilt-uptoday/wp-content/uploads/2011/11/CTU-Final-web.pdf>, accessed 9/30/15.

Permits: Permit #355116, 3/28/68, *construct 15,000-square-foot warehouse* \$93,500, Permit #338971, 12/2/69, *add office space in for* \$2,500, Permit 415006, 7/29/76, *extension of cooler, new freezer, expand storage for* \$150,000, Permit #579304, 7/7/87, *construct addition to existing facility for* \$1,723,000, Permit #591531, 5/2/88, *install fire sprinkler system for* \$49,398, Permit #623600, 9/26/89, *polyurethane roof for* \$36,300, Permit #807556, 10/28/96, *structural upgrades for* \$2,000, Permit #814288, 11/7/96, *add two toiles on the second floor for* \$15,000, Permit #808728, 11/13/96, *relocated fire sprinklers for* \$1,000, Permit #1087083, 5/18/06, *reroofing for* \$70,000.

Upton, Dell. *Architecture in the United States*. New York: Oxford University Press, 1998.

State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
CONTINUATION SHEET

Primary # _____
HRI # _____
Trinomial _____

Page 8 of 8

*Resource Name or # (Assigned by recorder) 450 Toland Street

*Recorded by Eryn Brennan, ESA

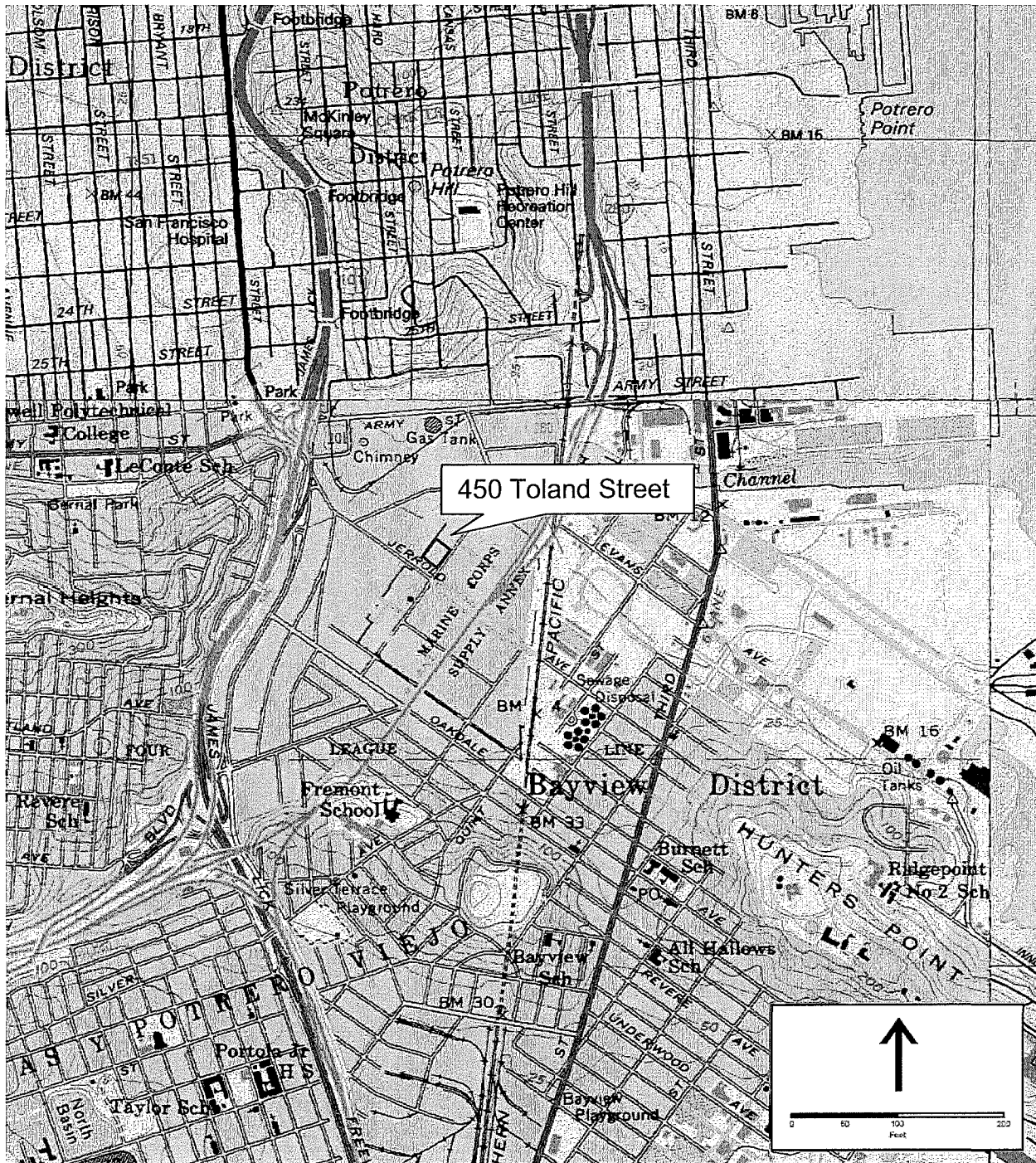
*Date 9/30/15

■ Continuation □ Update

*Location Map: USGS San Francisco South 7.5' Quadrangle

* Scale: *1:24,000

Date of Map: 1980



Page 8 of 8

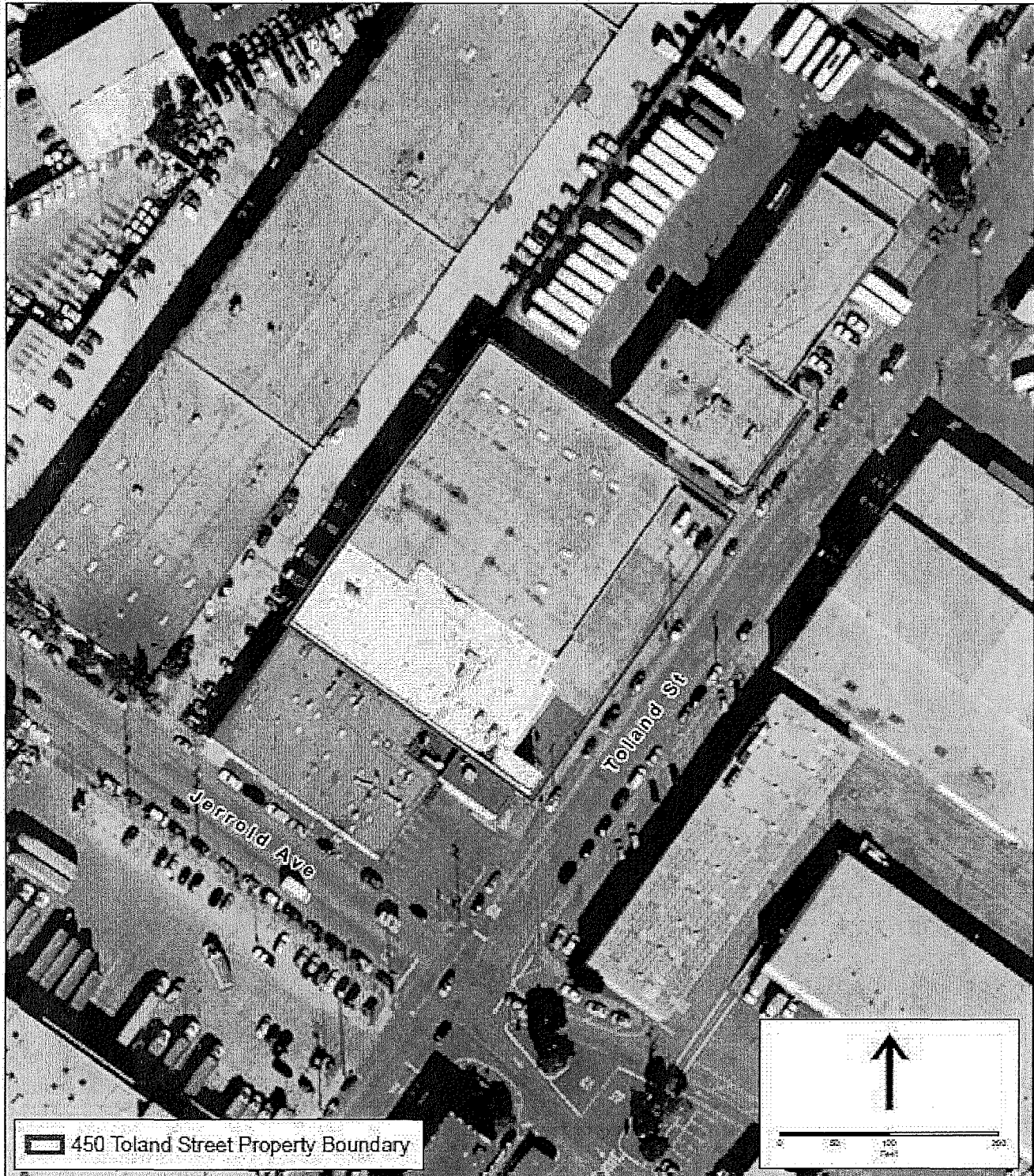
*Resource Name or # (Assigned by recorder) 450 Toland Street

*Recorded by Eryn Brennan, ESA

*Date 9/30/15

☒ Continuation ☐ Update

Sketch Map: NAIP, 2014 Imagery



State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
PRIMARY RECORD

Primary # _____
HRI # _____
Trinomial _____
NRHP Status Code 6Z

Other Listings _____
Review Code _____ Reviewer _____ Date _____

Page 1 of 7

*Resource Name or # (Assigned by recorder) 555 Selby Street

P1. Other Identifier: N/A

*P2. Location: ☐ Not for Publication ☒ Unrestricted

*a. County San Francisco and (P2b and P2c or P2d. Attach a Location Map as necessary.)

*b. USGS 7.5' Quad San Francisco South Date 1980 T _____; R _____; Sec _____; _____ B.M.

c. Address 555 Selby Street City San Francisco Zip 94124

d. UTM: (give more than one for large and/or linear resources) Zone _____; _____ mE/ _____ mN

e. Other Locational Data: (e.g., parcel #, directions to resource, elevation, etc., as appropriate)

Block 5250/Lot 15

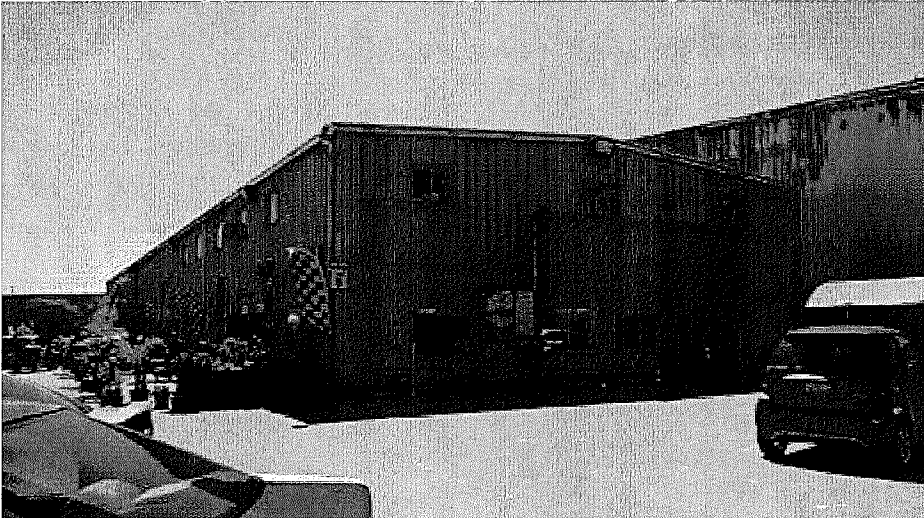
*P3a. Description: (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries)

The building located at 555 Selby Street in San Francisco's Bayview neighborhood sits on a 1.67 acre parcel on Selby Street between Galvez and Innes Avenues. An elevated off-ramp for Interstate 280 (I-280) runs along the west façade, approximately 35 feet east of the building. Access to the site is available from Selby Street. Two ingress and egress points are located off Selby Street. A six-foot-tall plywood fence topped with barbed wire is located along the western perimeter of the site and encloses a parking area for taxis associated with Flywheel (formerly DeSoto Cab Company), the business occupying 555 Selby Street. A six-foot-tall chain-link fence topped with barbed wire is located along the northern, southern, and eastern perimeters of the site. The land is owned by the Selby & Hudson Corporation. Provided below is a brief description of the structure and site (see Continuation Sheet).

*P3b. Resource Attributes: (List attributes and codes) HP8 – Industrial Building

*P4. Resources Present: ☒ Building ☐ Structure ☐ Object ☐ Site ☐ District ☐ Element of District ☐ Other (Isolates, etc.)

P5a. Photo or Drawing (Photo required for buildings, structures, and objects.)



P5b. Description of Photo: (View, date, accession #) View looking southeast from parking lot in front of structure, 9/4/15

*P6. Date Constructed/Age and Sources:

☒ Historic ☐ Prehistoric ☐ Both

1969 (assessor's data), with alterations in 1969, 1999, and 2002 (permit data)

*P7. Owner and Address:

Selby & Hudson Corporation

555 Selby Street

San Francisco, CA 94124

*P8. Recorded by: (Name, affiliation, address)

Eryn Brennan, ESA

550 Kearny Street, Ste. 800

San Francisco, CA 94102

*P9. Date Recorded: 9/4/15

*P10. Survey Type: (Describe) Intensive

*P11. Report Citation: (Cite survey report and other sources, or enter "none.")

SFPUC, Central Shops Replacement Project, Categorical Exemption Request, October 8, 2015.

*Attachments: ☐ NONE ☐ Location Map ☒ Sketch Map ☒ Continuation Sheet ☒ Building, Structure, and Object Record

☐ Archaeological Record ☐ District Record ☐ Linear Feature Record ☐ Milling Station Record ☐ Rock Art Record

☐ Artifact Record ☐ Photograph Record ☐ Other (List):

BUILDING, STRUCTURE, AND OBJECT RECORD

*Resource Name or # (Assigned by recorder) 555 Selby Street

Page 2 of 7

*NRHP Status Code 6Z

B1. Historic Name: N/A

B2. Common Name: 555 Selby Street

B3. Original Use: Warehouse

B4. Present Use: Office/Repair Shop

*B5. Architectural Style: Modern Utilitarian-Warehouse

*B6. Construction History: (Construction date, alterations, and date of alterations)

Built originally in 1969; office space and bathrooms were added in the same year. A shed addition was added to the rear circa 1984, and structural upgrades and expansion of the office space occurred in 1999. An attendant's shack was constructed on the site in 2002, and interior office was expanded.

*B7. Moved? ☒ No ☐ Yes ☐ Unknown Date: _____ Original Location: _____

*B8. Related Features: N/A

Elevated off-ramp for I-280 to the west and railroad tracks to the east.

B9a. Architect: James Park (Engineer)

b. Builder: Cob Construction

*B10. Significance: Theme Utilitarian-Warehouse Area San Francisco Bay Area

Period of Significance N/A Property Type Industrial Applicable Criteria A-D

(Discuss importance in terms of historical or architectural context as defined by theme, period, and geographic scope. Also address integrity.)

The building located at 555 Selby Street has been evaluated against the National Register of Historic Places (NRHP) and California Register of Historical Resources (CRHR) Criterion A/1, B/2, C/3, and D/4. This property has also been evaluated in accordance with Section 15064.5(a)(2)-(3) of the California Environmental Quality Act (CEQA) Guidelines, using the criteria outlined in Section 5024.1 of the California Public Resources Code. The property is recommended ineligible for listing under any of the NRHP and CRHR criteria due to a lack of significant associations with important historical events, important persons, architectural significance, and information potential. For these reasons, the property would not be considered a historical resource for the purposes of CEQA. This evaluation is consistent with San Francisco Preservation Bulletin 5, "Landmark and Historic District Designation Procedures," which directs that historic resources be evaluated for local designation using the California Office of Historic Preservation Recordation Manual (as per San Francisco Landmarks Board Resolution No. 527, June 7, 2000). (See Continuation Sheet.)

B11. Additional Resource Attributes: (List attributes and codes)
HP8 – Industrial Building

*B12. References: See Continuation Sheet

B13. Remarks:

*B14. Evaluator: Eryn Brennan and Brad Brewster, ESA

*Date of Evaluation: 9/21/15

(Sketch Map with north arrow required.)

See Continuation Sheet

(This space reserved for official comments.)

P3a. Description (continued):

The approximately 200-foot-long by 50-foot-wide, 22-foot-tall, 1- to 2-story building is a metal-frame structure clad in standing seam steel metal roof and wall panels. The steel cladding utilizes a locking system where each sheet is joined together to prevent water from entering through the sidelaps, and the trapezoidal ribs are designed to shed water more efficiently and requires less purlins to support the roof because they provide greater strength and rigidity.¹ The building sits on a concrete foundation, and one-third of the western end of the structure is two stories in height, while the rest of the building is one-story in height. The structure has a shallow side-gabled roof.

The first floor of the western bay of the north façade has one large, aluminum-frame fixed window on the north end and two sliding sash windows with aluminum frames centered under the gable. Three smaller sliding sash windows are spaced evenly under a gable roof on the second floor. The first floor of the north façade of the two-story portion of the structure has two entrances to access the office and garage areas and a sliding sash aluminum-frame window to the right of the western entrance. The entrance to the garage area is located approximately twenty-five feet east of the office entrance. The second floor of this portion of the building contains five sliding sash windows with aluminum frames spaced evenly above the two entrances. One large, double-height opening with steel roll-up security doors is centered in both the central and eastern bays of the north façade of the structure. The openings provide access to the garage and repair shop areas.

A one-story, flat-roofed addition enclosed on three sides is located on the east end of the building. The plywood addition, constructed circa 1984, is used for storage. The south side of the building abuts structures located at 1970 and 1976 Innes Avenue and is not visible.

The site is completely paved, and a small attendant's shack is located approximately 40 feet north of the western bay of the structure. A fuel storage tank is located approximately 30 feet north of the eastern bay of the building. The approximately 1.45 acre parking lot is filled with Flywheel cars.



View southeast of the north façade.



View south of the one-story storage addition.

¹ Tata Steel, "Materials used in cladding," <http://www.tatasteelconstruction.com/en/reference/teaching-resources/architectural-teaching-resource/cladding/metal-cladding/materials-used-in-cladding>, accessed 9/21/15.

Page 6 of 7

*Recorded by Eryn Brennan, ESA

*Date 9/21/15

*Resource Name or # (Assigned by recorder) 555 Selby Street

☒ Continuation ☐ Update

B10. Significance (continued):

Project Site History

The building was originally constructed in 1969 on previously undeveloped land purchased by Ralph Hewett in the City's industrial Bayview neighborhood adjacent to city-run operations, such as the Department of Public Work's Central Shops and Asphalt Plant. The Bayview neighborhood developed as one of San Francisco's earliest industrial districts due in part to its proximity to Islais Creek, which provided water needed for various industrial and manufacturing processes, but also because the slaughterhouses formerly located in the South of Market neighborhood continued to be pushed further south into this area of the City beginning in the 1850s.² The engineer of record is James Park, and Cob Construction is listed as the general contractor on the original building permit. Research revealed no additional information about James Park or Ralph Hewitt. The approximately 9,600-square-foot building was built as a warehouse with future office space noted in the building permit. In the same year, the office space and a bathroom was added in the building. In 1999, likely the year when the DeSoto Cab Company (now Flywheel) purchased the building, an exterior gas tank canopy was added, which appears to have been subsequently removed, and the interior office space was expanded. The architect for this work was Douglas W. Fong with Design + Build. Structural upgrades were also made to the structure in 1999. In 2002 Flory Construction built the attendant shack on the site, as well as new additional office space, restrooms, and a repair shop in the building.

Brief History of Pre-Fabricated Metal Warehouses

Although patented as early as 1903, steel siding was rarely used in residential or commercial construction due to its susceptibility to water infiltration and rust. In 1939, Frank Hoess patented an advanced interlocking system that prevented water penetration and applied his steel siding on a small residential development in Chicago.³ However, with the onset of World War II, manufacturing steel and aluminum for any purpose other than that which supported the war effort came to a halt. As the primary building material for war materials, the production of aluminum and steel escalated during the war. The development and popularity of the Quonset Hut, a corrugated steel, pre-fabricated structure with a semi-circular cross section, further promoted the benefits of pre-fabricated metal structures. Initially developed by the US military to meet the needs of a lightweight, pre-fabricated building that could be used for any purpose, shipped anywhere, and quickly assembled with unskilled labor, the original T-Rib Quonset hut was modeled on the Nissen Hut developed by the British during World War I.⁴ A redesign of the structure by Otto Brandenberger to make it lighter weight and easier to assemble was approved by the government in 1941, after which it was mass-produced to support the war effort.⁵ Other industrialists and manufacturers quickly jumped at the opportunity to design and develop their own version of the Quonset Hut, including Emanuel Norquist with the Butler Manufacturing Company, the largest manufacturer of sheet metal (particularly used for grain silos) in the United States at the time.⁶ Norquist had collaborated with Buckminster Fuller to develop the Dymaxion Deployment Unit, a low-cost, pre-fabricated metal house. However, even with government approval to build 1,000 units daily, not enough steel could be diverted from the war effort and only a few hundred units were produced for the army.⁷ Nonetheless, after the war, an abundance of aluminum and steel led to a plunge in price and an opportunity for architects, manufacturers, and engineers to find new applications for the material.⁸ The Butler Manufacturing Company, although having abandoned further development of their own version of the Quonset Hut, called the Butler Hut, shortly after the war, they launched production of their rigid frame design building developed before the onset of the war and remain one of the largest producers of pre-fabricated metal buildings

² JRP Historical Consulting, LLC, "1800 Jerrold Avenue DPR 523 Form," August 2014.

³ Richa Wilson and Kathleen Snodgrass, "Early 20th-Century Building Materials: Siding and Roofing," *Facilities Tech Tips, United States Department of Agriculture Forest Service* (February 2008): 6-7.

⁴ Julie Decker and Chris Chiel, *Quonset Hut: Metal Living for a Modern Age* (New York: Princeton Architectural Press, 2005), 4.

⁵ *Ibid.*, 19.

⁶ Julie Decker and Chris Chiel, *Quonset Hut: Metal Living for a Modern Age*, 52-3.

⁷ *Ibid.* See also, "Butler Manufacturing Company," http://www.butlermfg.com/about_us, accessed 10/17/15.

⁸ Bruce S. Kaskel, "The Metal and Glass Curtain Wall," *Cultural Resources Management* 18, no. 8 (1995): 23-24.

Page 6 of 7

*Resource Name or # (Assigned by recorder) 555 Selby Street

*Recorded by Eryn Brennan, ESA

*Date 9/21/15

☒ Continuation ☐ Update

today.⁹ Because of its flexibility and resistance to corrosion, aluminum rather than steel became the preferred siding material for residential structures, until vinyl siding was introduced in the 1950s.¹⁰ However, further advances in the exterior treatment of steel to resist corrosion, combined with its greater strength and fire resistance and lower cost, led to the preference of steel cladding over aluminum for large industrial warehouses, such as the one at 555 Selby Street.¹¹

Evaluation

NRHP/CRHR Criterion A/1 (Events). The structure located at 555 Selby Street was built on previously undeveloped land in 1969 and has been used continuously since its construction as a warehouse and office space, and later a vehicle repair shop. The structure was built by engineer, James Park, and Cob Construction at the behest of the property owner, Ralph Hewett. Constructed in an industrial area of the Bayview neighborhood, this utilitarian warehouse is surrounded by other similar structures and would not be considered unique or rare in this context. The warehouse also is not associated with any events that have made a significant contribution to the broad patterns of local, regional, or national history. For this reason, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria A/1.

NRHP/CRHR Criterion B/2 (Important Persons). The structure located at 555 Selby Street is a privately-owned building that is not associated with the lives of any significant persons important to local, regional, or national history. For this reason, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria B/2.

NRHP/CRHR Criterion C/3 (Architecture/Design). The structure was built in 1969 and is a utilitarian, metal-frame, steel-clad warehouse, which is a ubiquitous building type in the industrial Bayview neighborhood, as well as industrial areas of towns and cities throughout the state and country. The structure does not exhibit or embody any distinctive characteristics of a particular architectural style or period. Although the earliest pre-fabricated metal warehouses date to the turn of the twentieth century, the building at 555 Selby Street is a more typical post-World War II example of this building type and, therefore, is not significant in this context. The structure also does not exhibit the work of a master with regards to methods of construction, nor does it possess high artistic values. For these reasons, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria C/3.

NRHP/CRHR Criterion D/4 (Information Potential). The building located at 555 Selby Street is a typical utilitarian structure used for storage and light-industrial purposes and has little to no potential to reveal information important to local, regional, or national history. For these reasons, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria D/4.

References

Butler Manufacturing Company, "About Us," http://www.butlermfg.com/about_us, accessed 10/17/15.

City and County of San Francisco, San Francisco Property Information Map, *555 Selby Street*, accessed online at <http://propertymap.sfplanning.org/> on September 16, 2015.

Decker, Julie and Chris Chiel. *Quonset Hut: Metal Living for a Modern Age*. New York: Princeton Architectural Press, 2005.

JRP Historical Consulting, LLC. "1800 Jerrold Avenue DPR 523 Form." August 2014.

Kaskel, Bruce S. "The Metal and Glass Curtain Wall." *Cultural Resources Management* 18, no. 8 (1995): 23-27.

Permits: Permit #325980, 9/4/68, *erect one-story, 9,600-square-foot warehouse with future office space*, Permit #331054, 4/11/69, *addition of office space and two toilets*, Permit #884960, 2/3/99, *exterior gas tank canopy and expansion of interior office space*, Permit #893132, 8/30/99, *structural revision to exterior slabs and canopy and revisions to interior lateral resistance*

⁹ Butler Manufacturing Company, "About Us," http://www.butlermfg.com/about_us, accessed 10/17/15.

¹⁰ Wilson and Snodgrass, "Early 20th-Century Building Materials: Siding and Roofing," 7.

¹¹ Tata Steel, "Materials used in cladding," accessed 9/21/15.

CONTINUATION SHEET

Primary # _____

HRI # _____

Trinomial _____

Page 6 of 7

*Recorded by Eryn Brennan, ESA

*Date 9/21/15

*Resource Name or # (Assigned by recorder) 555 Selby Street

■ Continuation ☐ Update

system, Permit #985845, 3/19/02, exterior and interior improvements, addition of parking striping, construction of new attendant shack.

Tata Steel, "Materials used in cladding," <http://www.tatasteelconstruction.com/en/reference/teaching-resources/architectural-teaching-resource/cladding/metal-cladding/materials-used-in-cladding>, accessed 9/21/15.

Wilson, Richa and Kathleen Snodgrass. "Early 20th-Century Building Materials: Siding and Roofing." *Facilities Tech Tips*, United States Department of Agriculture Forest Service (February 2008).

State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
CONTINUATION SHEET

Primary # _____
HRI # _____
Trinomial _____

Page 6 of 7

*Recorded by Eryn Brennan, ESA

*Date 9/21/15

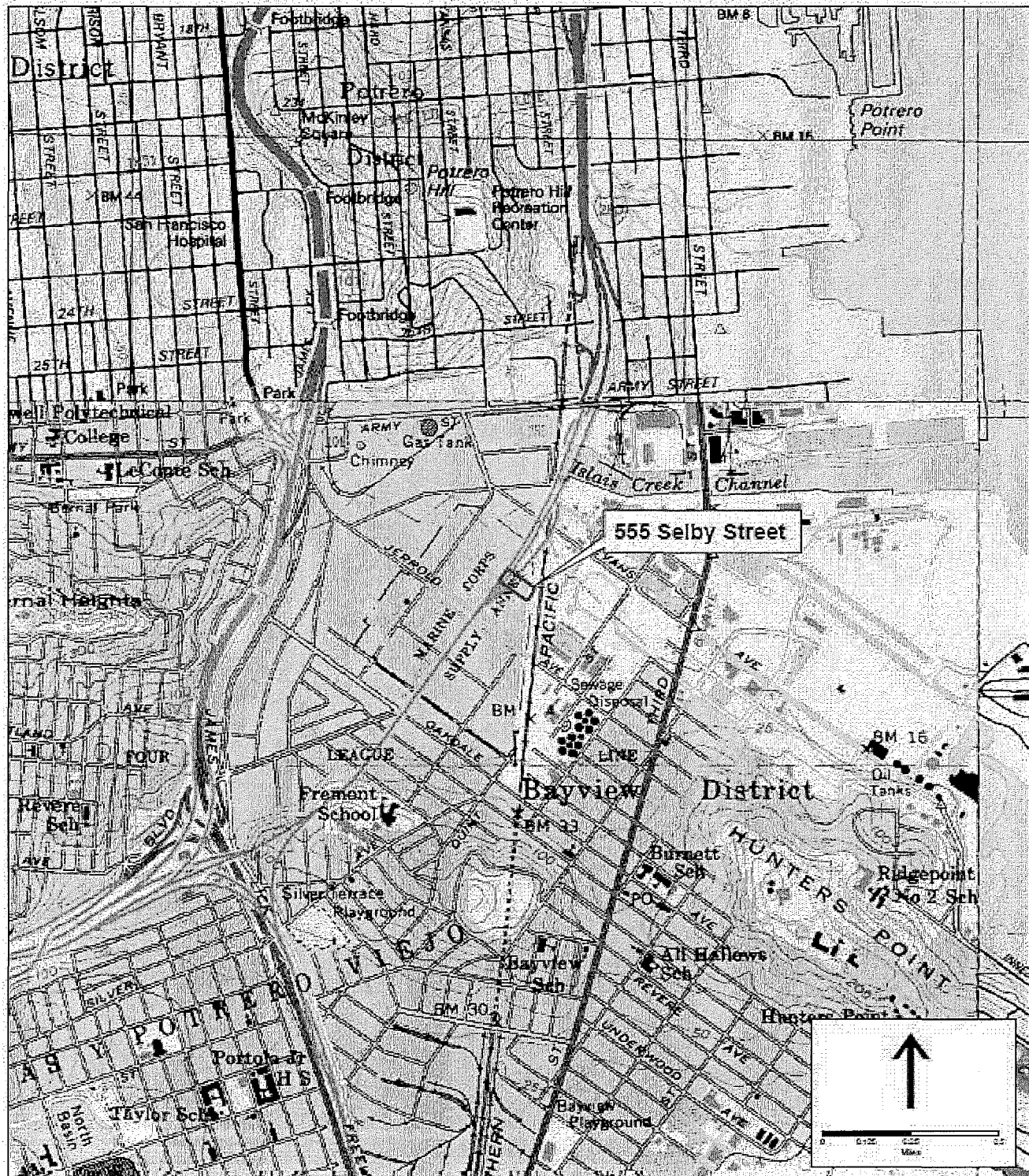
*Resource Name or # (Assigned by recorder) 555 Selby Street

■ Continuation □ Update

*Location Map: USGS San Francisco South 7.5' Quadrangle

* Scale: *1:24,000

Date of Map: 1980



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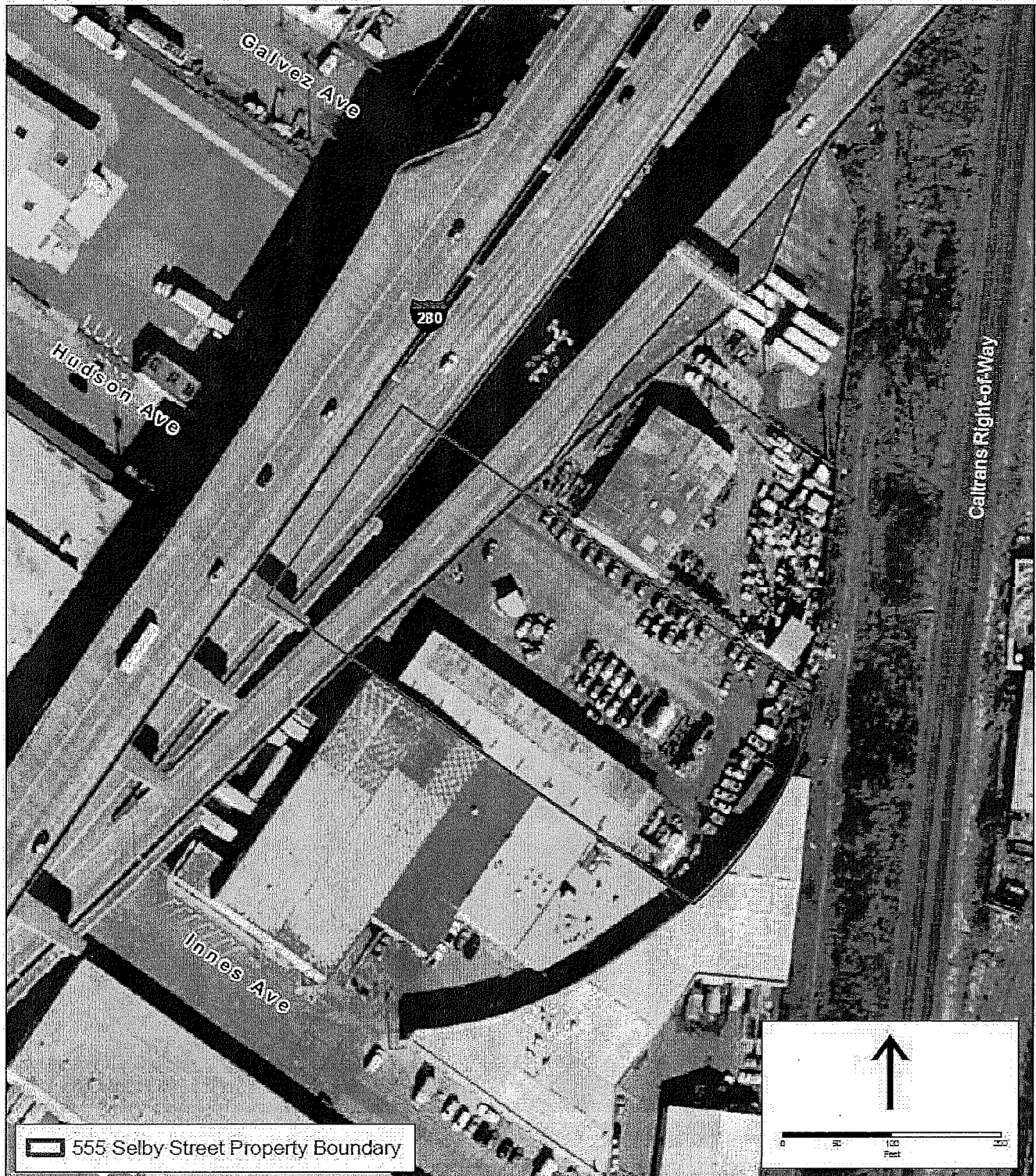
*Recorded by Eryn Brennan, ESA

*Date 9/21/15

*Resource Name or # (Assigned by recorder) 555 Selby Street

■ Continuation □ Update

Sketch Map: NAIP, 2014 Imagery



PRIMARY RECORD

Primary # _____

HRI # _____

Trinomial _____

NRHP Status Code _____

6Z

Other Listings _____

Review Code _____

Reviewer _____

Date _____

Page 1 of 7

*Resource Name or # (Assigned by recorder) 1975 Galvez Avenue

P1. Other Identifier: N/A

***P2. Location:** ☐ Not for Publication ☒ Unrestricted

*a. County San Francisco and (P2b and P2c or P2d. Attach a Location Map as necessary.)

*b. USGS 7.5' Quad San Francisco South Date 1980 T ____; R ____; Sec ____; ____ B.M.

c. Address 1975 Galvez Avenue City San Francisco Zip 94124

d. UTM: (give more than one for large and/or linear resources) Zone ____; ____ mE/ ____ mN

e. Other Locational Data: (e.g., parcel #, directions to resource, elevation, etc., as appropriate)

Block 5250/Lot 16

***P3a. Description:** (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries)

The building located at 1975 Galvez Avenue in San Francisco's Bayview neighborhood sits on a 1.11 acre parcel bounded by Galvez Avenue to the north, Selby Street to the west, Hudson Avenue to the south, and a railroad right-of-way to the east containing two sets of parallel railroad tracks, one of which is the Caltrain railroad track. An elevated off-ramp for Interstate 280 (I-280) runs along the west façade, approximately 50 feet east of the building. Access to the site is available from Galvez Avenue. A chain-link fence topped with barbed wire in front of a corrugated aluminum fence and a movable, metal gate are located along the western, northern, and eastern perimeters of the site. A chain-link fence topped with barbed wire and the south façade of the building form the southern perimeter of the site. The fencing encloses a parking area for vehicles and construction equipment associated with BlueLine Rental, the construction equipment rental business occupying the building. The land is owned by WYL Five Star Service Industrial. Provided below is a brief description of the structure and site (see Continuation Sheet).

***P3b. Resource Attributes:** (List attributes and codes) HP8 – Industrial Building

***P4. Resources Present:** ☒ Building ☐ Structure ☐ Object ☐ Site ☐ District ☐ Element of District ☐ Other (Isolates, etc.)

P5a. Photo or Drawing (Photo required for buildings, structures, and objects.)



P5b. Description of Photo: (View, date, accession #) View looking northeast from parking lot adjacent to structure, 9/4/15

***P6. Date Constructed/Age and Sources:**

☒ Historic ☐ Prehistoric ☐ Both

1964 (assessor's data) with alterations in 1972 and 1983 (permit data)

***P7. Owner and Address:**

WYL Five Star Service Industrial

P.O. Box 27025

San Francisco, CA 9412

***P8. Recorded by:** (Name, affiliation, address)

Eryn Brennan, ESA

550 Kearny Street, Ste. 800

San Francisco, CA 94102

***P9. Date Recorded:** 9/4/15

***P10. Survey Type:** (Describe) Intensive

***P11. Report Citation:** (Cite survey report and other sources, or enter "none.")

SFPUC, Central Shops Replacement Project, Categorical Exemption Request, October 8, 2015.

***Attachments:** ☐ NONE ☐ Location Map ☒ Sketch Map ☒ Continuation Sheet ☒ Building, Structure, and Object Record

☐ Archaeological Record ☐ District Record ☐ Linear Feature Record ☐ Milling Station Record ☐ Rock Art Record

☐ Artifact Record ☐ Photograph Record ☐ Other (List):

BUILDING, STRUCTURE, AND OBJECT RECORD

*Resource Name or # (Assigned by recorder) 1975 Galvez Avenue

Page 2 of 7

*NRHP Status Code 6Z

- B1. Historic Name: N/A
B2. Common Name: 1975 Galvez Avenue
B3. Original Use: Construction Equipment Rental Business
B4. Present Use: Office/Repair Shop
*B5. Architectural Style: Modern Utilitarian-Warehouse
*B6. Construction History: (Construction date, alterations, and date of alterations)

Built originally in 1964, with alterations in 1972 and 1983.

*B7. Moved? ☒ No ☐ Yes ☐ Unknown Date: _____ Original Location: _____

*B8. Related Features: N/A

Elevated off-ramp for I-280 to the west and railroad tracks to the east.

B9a. Architect: Unknown

b. Builder: Unknown

*B10. Significance: Theme Utilitarian-Warehouse Area San Francisco Bay Area

Period of Significance N/A Property Type Industrial Applicable Criteria A-D

(Discuss importance in terms of historical or architectural context as defined by theme, period, and geographic scope. Also address integrity.)

The building located at 1975 Galvez Street has been evaluated against the National Register of Historic Places (NRHP) and California Register of Historical Resources (CRHR) Criteria A/1, B/2, C/3, and D/4. This property has also been evaluated in accordance with Section 15064.5(a)(2)-(3) of the California Environmental Quality Act (CEQA) Guidelines, using the criteria outlined in Section 5024.1 of the California Public Resources Code. The property is recommended ineligible for listing under any of the NRHP and CRHR criteria due to a lack of significant associations with important historical events, important persons, architectural significance, and information potential. For these reasons, the property would not be considered a historical resource for the purposes of CEQA. This evaluation is consistent with San Francisco Preservation Bulletin 5, "Landmark and Historic District Designation Procedures," which directs that historic resources be evaluated for local designation using the California Office of Historic Preservation Recordation Manual (as per San Francisco Landmarks Board Resolution No. 527, June 7, 2000). (See Continuation Sheet.)

B11. Additional Resource Attributes: (List attributes and codes)
HP8 – Industrial Building

*B12. References: See Continuation Sheet

B13. Remarks:

*B14. Evaluator: Eryn Brennan and Brad Brewster, ESA

*Date of Evaluation: 9/21/15

(Sketch Map with north arrow required.)

See Continuation Sheet

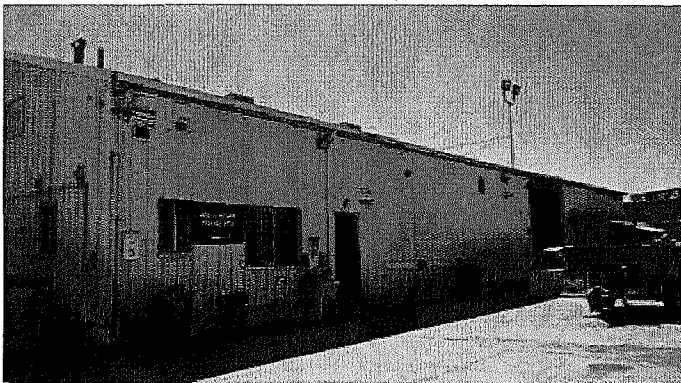
(This space reserved for official comments.)

P3a. Description (continued):

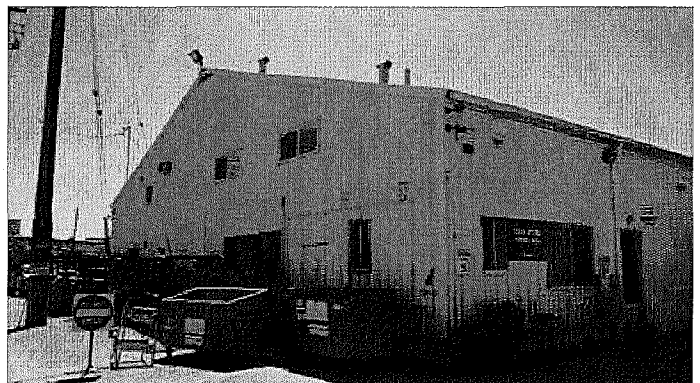
The approximately 100-foot-long by 70-foot-wide, 1- to 2-story warehouse is a metal-frame structure clad in standing seam steel metal roof and wall panels. The steel cladding utilizes a locking system where each sheet is joined together to prevent water from entering through the sidelaps, and the trapezoidal ribs are designed to shed water more efficiently and requires less purlins to support the roof because they provide greater strength and rigidity.¹ The building sits on a concrete foundation, and one-third of the northern end of the structure is two stories in height, while the rest of the building is one-story in height. The structure has a shallow side-gabled roof.

The southern end of the west (front) façade of the structure contains a large, double-height opening that provides access to the storage area of the warehouse. The northern end of the west façade contains an entrance into the office area accessed via two concrete steps, and one large aluminum-frame, sliding sash window and one small and narrow aluminum-frame, sliding sash window, both of which are covered with security bars and have metal sills. A downpipe extends from the gutter to an outdoor sink to the left of the entrance. The first floor of the north façade contains a small and narrow aluminum-frame, sliding sash window on each end of the building, and a pair of large aluminum-frame sliding sash windows center-right under the gable. The second floor of the north façade contains three sliding sash windows with aluminum frames spaced evenly under the gable roof. The east (rear) façade of the structure has only a large, double-height opening that aligns with the opening on the west façade to allow large vehicles to drive through the building to the rear portion of the lot. The south façade of the structure forms the southern perimeter of the site and has no openings.

The site is completely paved, and the approximately 0.95 acre parking lot is filled with construction equipment and vehicles.



View southeast of the west façade.



View southeast of the north façade.

¹ Tata Steel, "Materials used in cladding," <http://www.tatasteelconstruction.com/en/reference/teaching-resources/architectural-teaching-resource/cladding/metal-cladding/materials-used-in-cladding>, accessed 9/21/15.

Page 6 of 7

*Recorded by Eryn Brennan, ESA

*Date 9/21/15

*Resource Name or # (Assigned by recorder) 1975 Galvez Avenue

☒ Continuation ☐ Update

B10. Significance (continued):

Project Site History

The building was originally constructed in 1964 on previously undeveloped land in the City's industrial Bayview neighborhood adjacent to city-run operations, such as the Department of Public Work's Central Shops and Asphalt Plant. The Bayview neighborhood developed as one of San Francisco's earliest industrial districts due in part to its proximity to Islais Creek, which provided water needed for various industrial and manufacturing processes, but also because the slaughterhouses formerly located in the South of Market neighborhood continued to be pushed further south into this area of the City beginning in the 1850s.² As the original building permit is no longer on file at the Department of Building Inspection's Records Management Division, the original owner and builder of the structure is not known. A review of city phone directories from 1964 to 1973 yielded no information about this property. Presumably, the approximately 7,050-square-foot building was built as a warehouse, possibly with office space. A 1972 building permit for alterations to the structure identifies the owner as Green Glen Dairy. The alterations included raising the building floor, adding three walk-in refrigerators, adding a loading dock and processing room, and altering the existing office. The permit notes the building was vacant at the time the application was submitted, and the work was conducted by engineer, Howard A. York, for \$80,000. In 1983, the owner of record, Patent Scaffolding Company, extended the existing office space into the warehouse to accommodate a computer room.

Brief History of Pre-Fabricated Metal Warehouses

Although patented as early as 1903, steel siding was rarely used in residential or commercial construction due to its susceptibility to water infiltration and rust. In 1939, Frank Hoess patented an advanced interlocking system that prevented water penetration and applied his steel siding on a small residential development in Chicago.³ However, with the onset of World War II, manufacturing steel and aluminum for any purpose other than that which supported the war effort came to a halt. As the primary building material for war materials, the production of aluminum and steel escalated during the war. The development and popularity of the Quonset Hut, a corrugated steel, pre-fabricated structure with a semi-circular cross section, further promoted the benefits of pre-fabricated metal structures. Initially developed by the US military to meet the needs of a lightweight, pre-fabricated building that could be used for any purpose, shipped anywhere, and quickly assembled with unskilled labor, the original T-Rib Quonset hut was modeled on the Nissen Hut developed by the British during World War I.⁴ A redesign of the structure by Otto Brandenberger to make it lighter weight and easier to assemble was approved by the government in 1941, after which it was mass-produced to support the war effort.⁵ Other industrialists and manufacturers quickly jumped at the opportunity to design and develop their own version of the Quonset Hut, including Emanuel Norquist with the Butler Manufacturing Company, the largest manufacturer of sheet metal (particularly used for grain silos) in the United States at the time.⁶ Norquist had collaborated with Buckminster Fuller to develop the Dymaxion Deployment Unit, a low-cost, pre-fabricated metal house. However, even with government approval to build 1,000 units daily, not enough steel could be diverted from the war effort and only a few hundred units were produced for the army.⁷ Nonetheless, after the war, an abundance of aluminum and steel led to a plunge in price and an opportunity for architects, manufacturers, and engineers to find new applications for the material.⁸ The Butler Manufacturing Company, although having abandoned further development of their own version of the Quonset Hut, called the Butler Hut, shortly after the war, they launched production of their rigid frame design

² JRP Historical Consulting, LLC, "1800 Jerrold Avenue DPR 523 Form," August 2014.

³ Richa Wilson and Kathleen Snodgrass, "Early 20th-Century Building Materials: Siding and Roofing," *Facilities Tech Tips, United States Department of Agriculture Forest Service* (February 2008): 6-7.

⁴ Julie Decker and Chris Chiel, *Quonset Hut: Metal Living for a Modern Age* (New York: Princeton Architectural Press, 2005), 4.

⁵ *Ibid.*, 19.

⁶ Julie Decker and Chris Chiel, *Quonset Hut: Metal Living for a Modern Age*, 52-3.

⁷ *Ibid.* See also, "Butler Manufacturing Company," http://www.butlermfg.com/about_us, accessed 10/17/15.

⁸ Bruce S. Kaskel, "The Metal and Glass Curtain Wall," *Cultural Resources Management* 18, no. 8 (1995): 23-24.

Page 6 of 7

*Recorded by Eryn Brennan, ESA

*Date 9/21/15

*Resource Name or # (Assigned by recorder) 1975 Galvez Avenue

■ Continuation □ Update

building developed before the onset of the war and remain one of the largest producers of pre-fabricated metal buildings today.⁹ Because of its flexibility and resistance to corrosion, aluminum rather than steel became the preferred siding material for residential structures, until vinyl siding was introduced in the 1950s.¹⁰ However, further advances in the exterior treatment of steel to resist corrosion, combined with its greater strength and fire resistance and lower cost, led to the preference of steel cladding over aluminum for large industrial warehouses, such as the one at 1975 Galvez Avenue.¹¹

Evaluation

NRHP/CRHR Criterion A/1 (Events). The structure located at 1975 Galvez Avenue was built on previously undeveloped land in 1964 and has been used continuously since its construction as a warehouse and possibly as an office space. Constructed in an industrial area of the Bayview neighborhood, this utilitarian warehouse is surrounded by other similar structures and would not be considered unique or rare in this context. The warehouse also is not associated with any events that have made a significant contribution to the broad patterns of local, regional, or national history. For this reason, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria A/1.

NRHP/CRHR Criterion B/2 (Important Persons). The building located at 1975 Galvez Avenue is a privately-owned property that is not associated with the lives of any significant persons important to local, regional, or national history. For this reason, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria B/2.

NRHP/CRHR Criterion C/3 (Architecture/Design). The structure was built in 1964 and is a utilitarian, metal-frame, steel-clad warehouse, which is a ubiquitous building type in the industrial Bayview neighborhood, as well as industrial areas of towns and cities throughout the state and country. The structure does not exhibit or embody any distinctive characteristics of a particular architectural style or period. Although the earliest pre-fabricated metal warehouses date to the turn of the twentieth century, the building at 1975 Galvez Avenue is a more typical post- World War II example of this building type and, therefore, is not significant in this context. The structure also does not exhibit the work of a master with regards to methods of construction, nor does it possess high artistic values. For these reasons, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria C/3.

NRHP/CRHR Criterion D/4 (Information Potential). The building located at 1975 Galvez Avenue is a typical utilitarian structure used for storage and light-industrial purposes and has little to no potential to reveal information important to local, regional, or national history. For these reasons, the property is recommended ineligible for listing in the NRHP and CRHR under Criteria D/4.

References

Butler Manufacturing Company, "About Us," http://www.buttermfg.com/about_us, accessed 10/17/15.

City and County of San Francisco, San Francisco Property Information Map, 555 Selby Street, accessed online at <http://propertymap.sfplanning.org/> on September 16, 2015.

Decker, Julie and Chris Chiel. *Quonset Hut: Metal Living for a Modern Age*. New York: Princeton Architectural Press, 2005.

JRP Historical Consulting, LLC. "1800 Jerrold Avenue DPR 523 Form." August 2014.

Kaskel, Bruce S. "The Metal and Glass Curtain Wall." *Cultural Resources Management* 18, no. 8 (1995): 23-27.

Permits: Permit #325980, 9/4/68, erect one-story, 9,600-square-foot warehouse with future office space, Permit #331054, 4/11/69, addition of office space and two toilets, Permit #884960, 2/3/99, exterior gas tank canopy and expansion of interior office space, Permit #893132, 8/30/99, structural revision to exterior slabs and canopy and revisions to interior lateral resistance

⁹ Butler Manufacturing Company, "About Us," http://www.buttermfg.com/about_us, accessed 10/17/15.

¹⁰ Wilson and Snodgrass, "Early 20th-Century Building Materials: Siding and Roofing," 7.

¹¹ Tata Steel, "Materials used in cladding," accessed 9/21/15.

CONTINUATION SHEET

Primary # _____

HRI # _____

Trinomial _____

Page 6 of 7

*Recorded by Eryn Brennan, ESA

*Date 9/21/15

*Resource Name or # (Assigned by recorder) 1975 Galvez Avenue

■ Continuation □ Update

system, Permit #985845, 3/19/02, exterior and interior improvements, addition of parking striping, construction of new attendant shack.

Tata Steel, "Materials used in cladding," <http://www.tatasteelconstruction.com/en/reference/teaching-resources/architectural-teaching-resource/cladding/metal-cladding/materials-used-in-cladding>, accessed 9/21/15.

Wilson, Richa and Kathleen Snodgrass. "Early 20th-Century Building Materials: Siding and Roofing." *Facilities Tech Tips*, United States Department of Agriculture Forest Service (February 2008).

State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
CONTINUATION SHEET

Primary # _____
HRI # _____
Trinomial _____

Page 6 of 7

*Recorded by Eryn Brennan, ESA

*Date 9/21/15

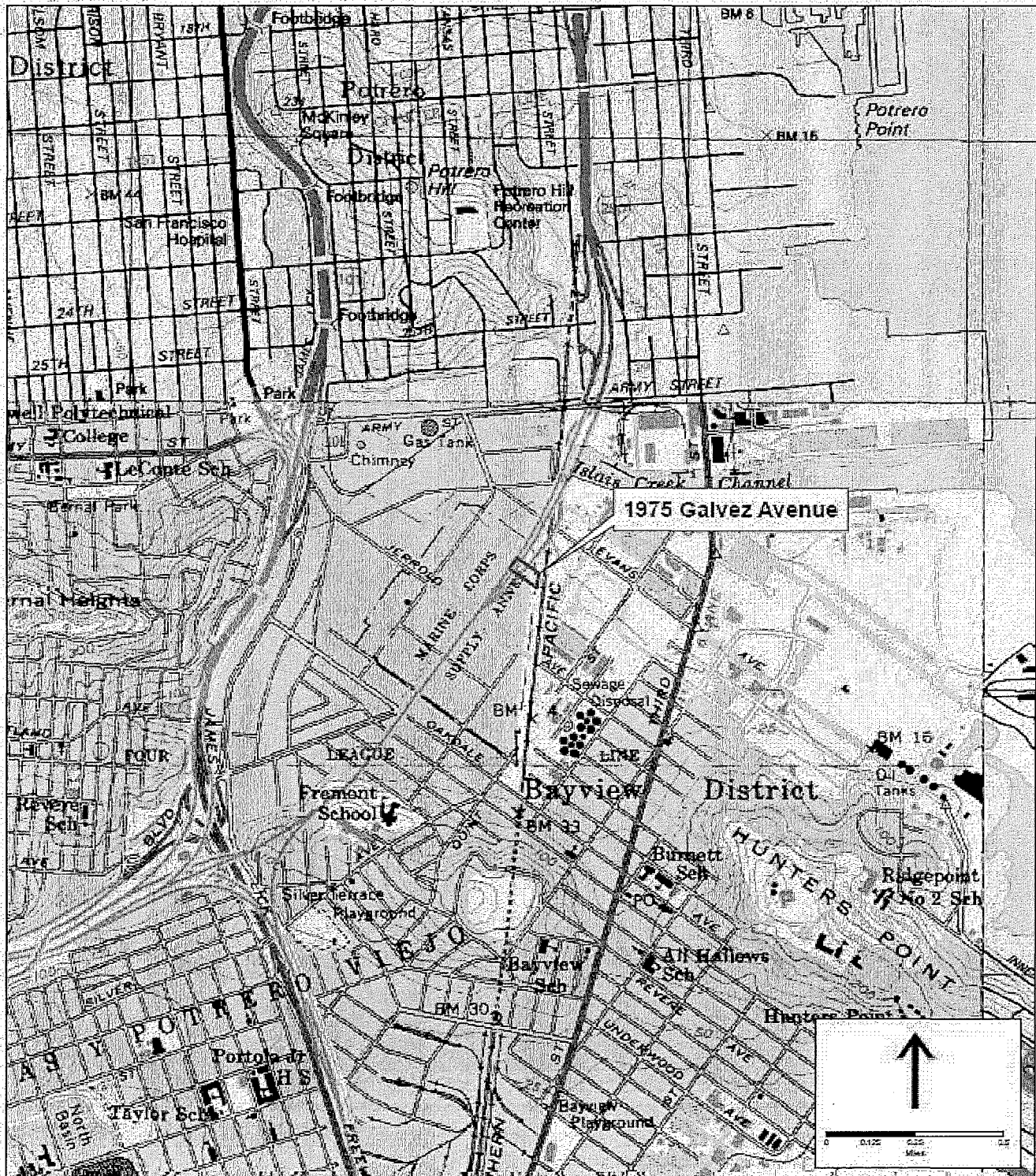
*Resource Name or # (Assigned by recorder) 1975 Galvez Avenue

■ Continuation □ Update

*Location Map: USGS San Francisco South 7.5' Quadrangle

* Scale: *1:24,000

Date of Map: 1980



State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
CONTINUATION SHEET

Primary # _____
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Page 6 of 7

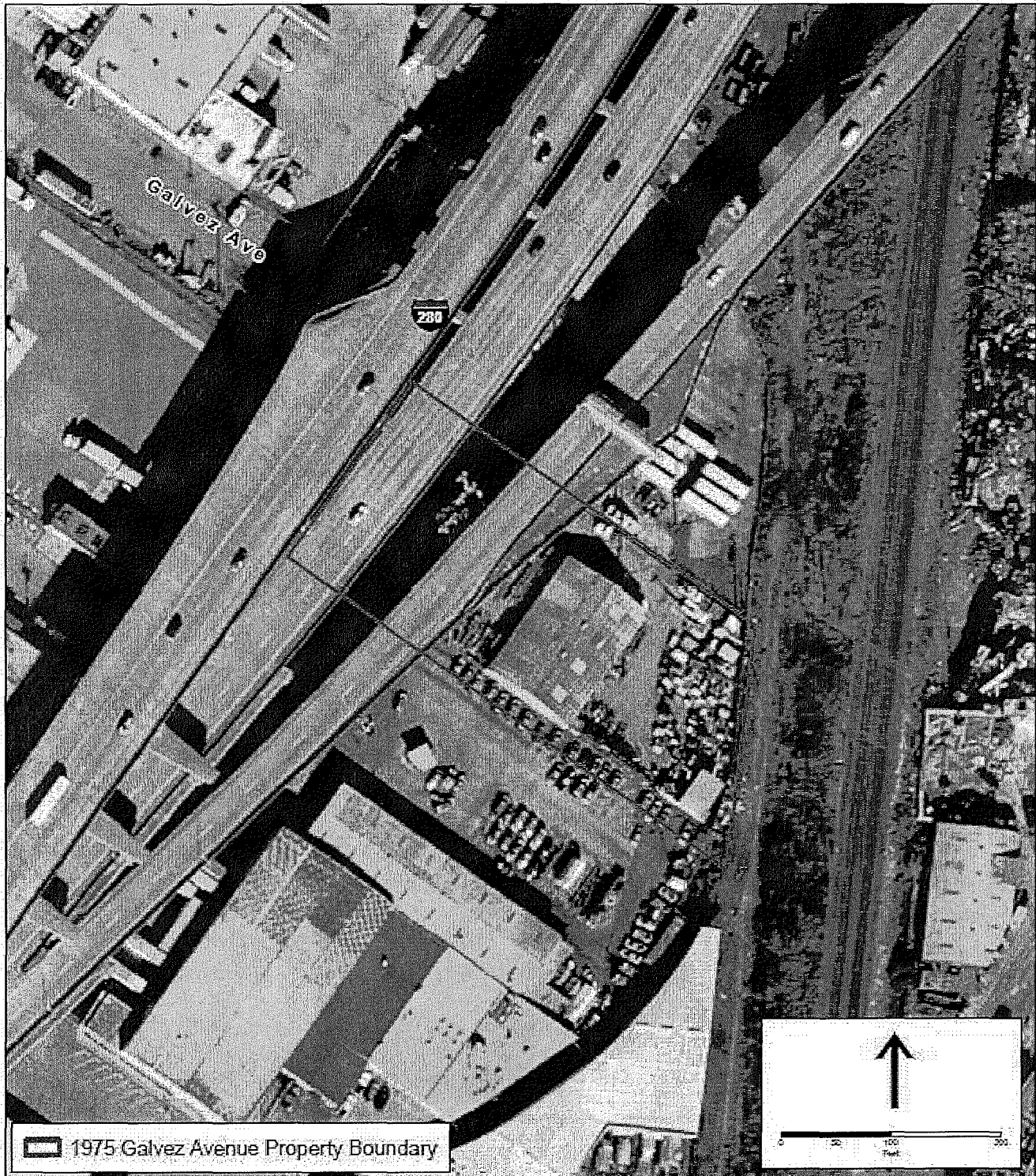
*Recorded by Eryn Brennan, ESA

*Date 9/21/15

*Resource Name or # (Assigned by recorder) 1975 Galvez Avenue

■ Continuation □ Update

Sketch Map: NAIP, 2014 Imagery



Suess, Jeff (ADM)

From: Johnston, Timothy (PUC)
Sent: Wednesday, November 09, 2016 3:27 PM
To: Suess, Jeff (ADM)
Subject: RE: Planning question
Attachments: 2015-004781ENV.pdf

Hi Jeff,

In reference to the attached Categorical Exemption for the Central Shops Relocation and Land Transfer Project, the necessary lease termination that you described in your voice mail to me today would not constitute a "physical change to the environment." As a result, that action would not be viewed as a "project" under CEQA, and therefore would not require any additional review by the Planning Department.

Please let me know if you have any additional questions.

Many thanks,

Timothy Johnston, MP
Environmental Planner

Planning Department, City and County of San Francisco
1650 Mission Street, Suite 400, San Francisco, CA 94103

Direct: 415-575-9035 **Fax:** 415-558-6409

Email: Timothy.Johnston@sfgov.org

Web: www.sfplanning.org





SAN FRANCISCO PLANNING DEPARTMENT

General Plan Referral

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date: November 5, 2015
Case No. 2015-013598GPR
SFPUC Central Shops Relocation and Land Transfer Project
(1975 Galvez Avenue, 555 Selby Street, 450 Toland Street)

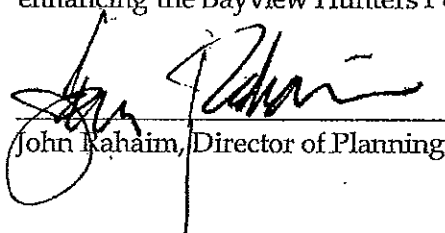
Block/Lot No.: 5250/016
Project Sponsor: Yinlan Zhang
San Francisco Public Utilities Commission
525 Golden Gate Avenue, 6th Floor
San Francisco, CA 94102

Applicant: Same as Above

Staff Contact: Lisa Fisher – (415) 558-6308
lisa.fisher@sfgov.org

Recommendation: Finding the project, on balance, is in conformity with
the General Plan, with three main areas for further
enhancing the Bayview Hunters Point Area Plan

Recommended
By:


John Rahaim, Director of Planning

PROJECT DESCRIPTION

The proposed Project involves the relocation of the City's General Services Administration (GSA)'s Central Fleet Maintenance Shop (Central Shops) from 1800 Jerrold Avenue, to help meet the San Francisco Public Utilities Commission's need for additional space to support its adjacent Southeast Water Pollution Control Plan (SEP). The two entities have agreed to a jurisdictional transfer of the 1800 Jerrold Street to the SFPUC and the relocation of Central Shops to two sites: 1975 Galvez / 555 Selby Street (to be purchased) and a 10-year lease of 450 Toland Street by GSA using SFPUC funds.

The project at 1975 Galvez / 555 Selby Street will include the demolition of existing structures and the development of a new building for GSA's heavy equipment repair. The lease of Toland Street will include improvements to existing structures to use for GSA's lighter equipment repair. Public Works has prepared a preliminary design that prescribes the limits of the proposed Central Shops in terms of maximum dimensions, bulk, height, and usable

space. Once the purchase agreements, construction agreements, and lease have been approved by the Board of Supervisors, a developer engaged by GSA would carry out the design and construction without exceeding the limits.

The submittal is for a General Plan Referral to recommend whether the Project is in conformity with the General Plan, pursuant to Section 4.105 of the Charter, and Section 2A.52 and 2A.53 of the Administrative Code.

ENVIRONMENTAL REVIEW

The project was determined to be categorically exempt under CEQA Guidelines Section 15332 on 10/28/15 (Planning Record No. 2015-004781ENV).

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

The Project is the City's proposed jurisdictional transfer, lease, and redevelopment of three total sites to be used as its Central Shops. The Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 from the City's General Plan, as well as other specific policies, all of which are described in the body of this letter. It is also mainly on balance and in conformity with the Bayview Hunters Point Area Plan. Several of its key objectives and policies are highlighted below, some of which are set to be met by the current Project and some of which will require further attention in the next stages of the project development. The entire Area Plan may be accessed on the Planning Department website:

http://www.sf-planning.org/ftp/general_plan/Bayview_Hunters_Point.htm#BHP_LUS_1_5

CITY OF SAN FRANCISCO GENERAL PLAN, COMMERCE AND INDUSTRY ELEMENT

http://www.sf-planning.org/ftp/General_Plan/I2_Commerce_and_Industry.htm#CAI_IND_4_10

POLICY 2.1: Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

The proposed project is retaining its current industrial use and employment numbers as it relocates within the same neighborhood PDR zone, which is called for in the General Plan. The Plan seeks for new development to help achieve better transportation access, parking, room for expansion, security and a pleasant neighborhood environment for employees to work in.

POLICY 4.7: Improve public and private transportation to and from industrial areas.

It is important that industrial job centers are accessible by a wide range of suitable employees via public transportation services. Currently many industrial areas are inadequately served by public transportation

routes and transit times from surrounding residential areas are prohibitive. Improved transit service would reduce pressure for private vehicle ownership and parking problems around the project.

POLICY 4.10: Enhance the working environment within industrial areas.

Public efforts to enhance the environment of industrial areas should also be pursued to influence the attractiveness and appeal of industrial neighborhoods. The promotion of a limited number of small retail areas, restaurants, small parks, and pleasant sidewalks would serve to improve the environment of many dreary industrial areas. The current development at 555 Selby provides an outdoor seating and dining area for employees with potted plants and trees, all of which should be considered along with the new facility.

POLICY 6.1: Encourage emission reduction through energy conservation to improve air quality.

Any form of energy consumption ranging from using electricity to operating an automobile uses energy which, in the process of generation or consumption, usually creates some air pollution. Encouraging conservation of energy facilitates improvements in air quality. The Bayview Hunters Point neighborhood, especially along the I-280 corridor has some of the poorest air quality and highest rates of asthma and other respiratory health impacts in the city. New development should seek ways to help improve local air quality issues. Given this, as well as the building's sizeable flat roof and location alongside the I-280 gateway corridor into San Francisco make it a key opportunity for the inclusion of a living roof. The Planning Department's Living Roof Program <<http://www.sf-planning.org/livingroof>> supports new development in achieving a long list of co benefits, including energy efficiency, stormwater management, air quality improvements, ecological benefits, and usable open space.

BAYVIEW HUNTERS POINT AREA PLAN

INDUSTRIAL LAND USE

Policy 1.5: Encourage a wider variety of light industrial uses throughout the Bayview by maintaining the newly established Production, Distribution and Repair zoning, by more efficient use of industrial space, and by more attractive building design.

Policy 8.1: Maintain industrial zones for production, distribution, and repair activities in the Northern Gateway, South Basin, Oakinba, and India Basin Industrial Park subdistricts.

The Project helps maintain PDR and related industrial uses in the Bayview. It relocates and maintains its current range and intensity of light industrial uses, mainly the repair and maintenance of City vehicles, including lighter vehicles (police, fire-related automobiles and pick-up trucks) and heavier service vehicles (dump trucks, fire engines, street cleaning). The new locations are adjacent to and in close proximity to other complementary light industrial uses in a larger PDR zone.

MOBILITY

Policy 4.2: Develop the necessary improvements in public transit to move people efficiently and comfortably between different neighborhoods of Bayview Hunters Point, to and from Candlestick Park Point, and to and from Downtown and other parts of the region.

Policy 4.5: Create a comprehensive system for pedestrian and bicycle circulation.

Policy 11.2: Increase awareness and use of the pedestrian/bicycle trail system that links subareas in Bayview Hunters Point with the rest of the City.

The Plan encourages the City to continue to refine and give special attention to the bicycle and pedestrian needs of Bayview Hunters Point. Special attention should be given to pedestrian and bicycle linkages across physical barriers created by elevated highways, rail corridors, and large lots. Given the topography and existing built environment conditions, bicycling is often a convenient alternative to walking. The project should support the development of safe bicycle routes that connect to Project to the existing surrounding bicycle routes on Evans, Oakdale, and Barneveld. There may be an opportunity to extend the City's Bicycle Plan through the area with the use of abandoned rail lines. The Project should also consider enhanced pedestrian connections to proximate MUNI service.

ENERGY CONSERVATION

Policy 17.1: Promote the Bayview as an area for implementing energy conservation and alternative energy supply initiatives.

Policy 17.2: Strengthen linkages between district energy planning efforts and overall community development goals and objectives.

Policy 18.3: Promote effective energy management practices in new and existing commercial and industrial facilities to increase energy efficiency and maintain the economic viability of businesses.

Per the Area Plan, every attempt should be made to integrate energy planning with other community goals and revitalization efforts. Especially within the industrial / PDR sectors, which use substantial amounts of electricity for lighting, air conditioning, industrial operations such as welding and painting. The greatest energy savings can be achieved through improved design, management and maintenance of lighting, heating, ventilation and air conditioning (HVAC) systems. The ideal time to address energy use in existing buildings, for example, is during major rehabilitation. Energy efficiency can help minimize operating costs, reduce GHG emissions to improve air quality, and upgrade existing public facilities by implementing energy saving programs and capital improvements, thereby expanding the power of tax dollars and improving the comfort and aesthetics of facilities. Onsite renewable electricity production is a priority of the City and State, and the Project site location and building design are ideal for hosting

significant rooftop solar (Photo Voltaic, PV) use. Furthermore, conservation and renewable energy technologies can also provide opportunities for addressing job training and employment needs. Community talents, resources and businesses can be brought together in a coordinated effort to both establish new job opportunities and train workers in skills that will help bring about community energy savings.

PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project, demolition and replacement of the Chinese Recreation Center, is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

Eight Priority Policies Findings

The proposed project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

There are no existing neighborhood-serving retail uses within the proposed project area and the project would not affect any existing neighborhood-serving retail uses. The proposed project would be carried out on PDR-zoned land in an industrial area of the Bayview neighborhood, consistent with the character of other surrounding PDR zoned uses.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

The proposed project would not affect existing housing, as it is located on PDR zoned land surrounded by other PDR zoned land, where Residential use is prohibited. The project is designed in context with its industrial neighborhood, similar to other proximate, large, utilitarian, warehouse structures in the area. The project would be subject to Civic Design Review at the Arts Commission, which will ensure the neighborhood character is conserved and protected.

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

The proposed project is located in a PDR-zoned area, which does not permit residential uses. Retaining space for the storage and maintenance of the City's vehicle fleet and the wastewater treatment plant in its current neighborhood helps maintain space for new affordable housing to be constructed in other more appropriate areas.

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

The proposed project would not generate additional commuter traffic as the project would not expand the use of Central Shops but would simply relocate the use to sites nearby. The project is located on the route of the MUNI bus number 23. The project would implement a traffic control plan during construction to ensure that the MUNI transit service is not affected. After construction there would be adequate off-street parking to serve the Central Shops employees during work hours. Because the project is located in an area of the City zoned for production, distribution and repair where residential uses are not permitted, neighborhood parking is not an issue. As discussed above, the project would also need to ensure safe bicycle and pedestrian access.

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 residential employment and ownership in these sectors be enhanced.

The proposed project maintains industrial uses in the current neighborhood, as zoned, and does not include commercial office space. The Central Shops would relocate and maintain current employees in the production, distribution and repair sector, supporting the City's diverse economic base.

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

The proposed project would be constructed in compliance with the City's building codes and seismic safety requirements. The new Central Shops facility would allow GSA to better serve the City's emergency services vehicles, including fire trucks, ambulances, and police cars, and ensure they are ready for use during an earthquake or other emergency response.

7. That landmarks and historic buildings be preserved.

The proposed project would not affect designated landmarks or architecturally significant buildings. None of the industrial warehouse buildings that would be demolished or renovated are considered eligible for designation as a City landmark building.

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

The proposed project would not affect any existing parks or open space. It is located in a PDR-zoned area with no parks or open space in its vicinity. As mentioned above, the project would be encouraged to provide outdoor space for its employees and those from the surrounding area.

RECOMMENDATION:

**Finding the Project, on balance, in-conformity
with the General Plan**

Suess, Jeff (ADM)

From: Leong, David (CPC)
Sent: Friday, October 28, 2016 4:30 PM
To: Suess, Jeff (ADM)
Subject: RE: GPR for 1975 Galvez

Hi Jeff,

Sorry for the delay. The City Attorney got back to us today.

The Administrative Code does not expressly require a GPR for condemnation actions, but that 2015-013598GPR analyzed and found that the acquisition, demolition, and redevelopment of the 1975 Galvez property for purposes of relocating the Central Shops was, on balance, in conformity with the General Plan. Because the current proposal is within the scope of the project considered in 2015-013598GPR -- indeed, an element of that project -- no further General Plan referral is required.

Hope this helps.

Thank you,

David Leong, BSCR
Planner Technician // Citywide Division
Planning Department | City and County of San Francisco
1650 Mission Street, Suite 400, San Francisco, CA 94103
Direct: 415-575-8716



SAN FRANCISCO PLANNING DEPARTMENT

November 2, 2016

NOTE TO FILE

CASE NO. 2015-013598GPR

SFPUC CENTRAL SHOPS RELOCATION AND LAND TRANSFER PROJECT (1975 GALVEZ AVENUE, 555 SELBY STREET, 450 TOLAND STREET)

On November 5, 2015, the Planning Department completed a General Plan Referral on the San Francisco Public Utilities Commission's purchase of two parcels (1975 Galvez Avenue and 555 Selby Street) for use by the San Francisco General Services Agency (GSA) and the GSA leasing one parcel (450 Toland Street) for the site of the new Central Shops and tenant improvements. The project would not result in any direct or indirect physical change in the environment and is therefore Categorically Exempt from Environmental Review under CEQA Guidelines Section 15332

Since the release of this General Plan Referral, on October 14, 2016, the San Francisco Real Estate Division specified that the scope of work for the project was to include condemnation and eminent domain of the Leasehold interest for 1975 Galvez. This change in extent does not affect its CEQA status.

This Note to the File clarifies that Case No. 2015-013598GPR considered the current project description, and that its finding of conformance with the General Plan still stands in light of the refined project description.

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

AMENDED IN COMMITTEE

12/9/15

FILE NO. 151215

RESOLUTION NO. 525-15

[Real Property Lease - 450 Toland Street - Four Fifty Toland, LLC - \$735,600 per Year - Purchase and Sale Agreements - 555 Selby Street, and 1975 Galvez Avenue - Selby and Hudson Corporation, W.Y.L. Five Star Service Industries - \$6,300,000 and \$5,000,000]

Resolution authorizing the execution and acceptance of a Lease by and between the City and County of San Francisco and Four Fifty Toland, LLC, a California Limited Liability Company, for the real property located at 450 Toland Street with an initial lease amount of \$735,600 per year; the execution and acceptance of a Purchase and Sale Agreement by and between City and Selby and Hudson Corporation, a California corporation, for the real property located at 555 Selby Street for \$6,300,000; the execution and acceptance of a Purchase and Sale Agreement by and between the City and W.Y.L. Five Star Service Industries, Inc., a California corporation, for the real property located at 1975 Galvez Avenue for \$5,000,000; and finding the proposed transactions are in conformance with the City's General Plan, and the eight priority policies of Planning Code, Section 101.1.

WHEREAS, The SFPUC now seeks to secure land necessary to support its current and future obligation to provide essential utility services, and there is a very limited supply of such available land in the vicinity of its existing facilities; and

WHEREAS, The Real Estate Division has identified, through both leasing and purchase, of three separate properties, consisting of the purchases of 555 Selby Street and 1975 Galvez Avenue ("Acquisition Sites") and a long-term lease of 450 Toland Street ("Leased Site"); and

WHEREAS, On October 28, 2015, The Planning Department's CEQA Coordinator Timothy Johnston issued a notice that this project is categorically exempt

1 under California Environmental Quality Act (CEQA) Guidelines Section 15332 (Infill
2 Development, Class 32); and

3 WHEREAS, The Planning Department, through General Plan Referral letter
4 dated November 5, 2015, ("Planning Letter"), which is on file with the Clerk of the
5 Board of Supervisors under File No. 151215, has verified that the City's acquisition of
6 1975 Galvez Avenue and 555 Selby Street, and lease of 450 Toland Street are all
7 consistent with the General Plan, and the eight priority policies under Planning Code,
8 Section 101.1; and

9 WHEREAS, The Director of Property, in consultation with the SFPUC,
10 negotiated a proposed Purchase and Sale Agreement for 555 Selby Street
11 (Assessor's Block No. 5250, Lot No. 015), which is on file with the Clerk of the Board
12 of Supervisors under File No. 151215 ("Selby Agreement"), with a purchase price of
13 \$6,300,000; and

14 WHEREAS, The Director of Property, in consultation with the SFPUC,
15 negotiated a proposed Purchase and Sale Agreement for 1975 Galvez Avenue
16 (Assessor's Block No. 5250, Lot No. 016), which is on file with the Clerk of the Board
17 of Supervisors under File No. 151215 ("Galvez Agreement"), with a purchase price of
18 \$5,000,000; and

19 WHEREAS, The Director of Property, pursuant to review of an independent
20 third party appraisal of 555 Selby Street, considering adjustments for time of sale,
21 determined that the proposed purchase prices in the Selby Agreement and Galvez
22 Agreement are reasonable and represent fair market value for the respective
23 properties to be acquired; and

24 WHEREAS, The Director of Property, in consultation with the SFPUC,
25 negotiated a proposed ten-year Lease Agreement for 450 Toland Street (Assessor's

1 Block No. 5230, Lot No. 018), which is on file with the Clerk of the Board of
2 Supervisors under File No. 1215 ("Toland Agreement"), with an initial year base lease
3 rate of \$735,600 per year, increasing 3% per year with two (2) additional five-year
4 renewal option terms; and

5 WHEREAS, The Director of Property, pursuant to review of available leasing
6 data in the Bayview submarket, determined that the proposed lease rate and terms in
7 the Toland Agreement are reasonable and represent fair market rental value for the
8 property to be leased; now, therefore, be it

9 RESOLVED, That the Board of Supervisors hereby finds that the acquisition of
10 555 Selby Street and 1975 Galvez Avenue, and lease of 450 Toland Street is
11 consistent with the City's General Plan and Eight Priority Policies of Planning Code
12 Section 101.1 and hereby incorporates such findings by reference as though fully set
13 forth in this Resolution; and, be it

14 FURTHER RESOLVED, That in accordance with the recommendation of the
15 Directors of Property, and the SFPUC General Manager, the jurisdiction of the
16 Acquisition Sites be assigned upon close of escrow to the SFPUC; and, be it

17 FURTHER RESOLVED, That the execution, delivery and performance of the
18 Lease is hereby approved and the Director of Property (or his designee) and the
19 Controller (or his designee) are hereby authorized to execute the Lease, in
20 substantially the form of Lease referenced herein, on behalf of the City and any such
21 other documents that are necessary or advisable to complete the transaction
22 contemplated by the Lease and effectuate the purpose and intent of this Resolution;
23 and, be it

24 FURTHER RESOLVED, That the execution, delivery and performance of the
25 Selby Agreement and Galvez Agreement is hereby approved and the Director of

1 Property (or his designee) and the Controller (or his designee) are hereby authorized
2 to execute the appropriate Purchase and Sale Agreements, in substantially the form
3 of Agreement referenced herein, on behalf of the City and any such other documents
4 that are necessary or advisable to complete the transaction contemplated by the
5 Agreement and effectuate the purpose and intent of this Resolution; and, be it

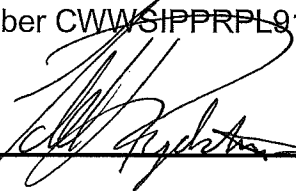
6 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director
7 of Property (or his designee), in consultation with the City Attorney, and with the
8 approval of the Controller, to enter into any additions, amendments or other
9 modifications to the Lease and Purchase Agreements and any other documents or
10 instruments necessary in connection therewith, that the Director of Property
11 determines are in the best interests of the City, do not materially decrease the
12 benefits to the City with respect to the Property, do not materially increase the
13 obligations or liabilities of the City, and are necessary or advisable to complete the
14 transaction contemplated in the Lease and Purchase Agreements and that effectuate
15 the purpose and intent of this Resolution, such determination to be conclusively
16 evidenced by the execution and delivery by the Director of Property (or his designee)
17 of any such additions, amendments, or other modifications; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors authorizes and directs
19 the Clerk of the Board of Supervisors, the Director of Property, the Controller, and the
20 SFPUC General Manager, and any other officer of the City involved in the
21 jurisdictional transfer to take all action necessary or appropriate to effectuate the
22 purpose of this Resolution; and, be it

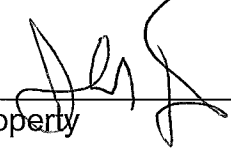
23 FURTHER RESOLVED, That all actions authorized and directed by this
24 Resolution and heretofore taken are hereby ratified, approved and confirmed by this
25 Board of Supervisors; and, be it

1 FURTHER RESOLVED, That the Director of Property shall provide the Clerk
2 of the Board of Supervisors a fully executed copy of the Lease and two Purchase and
3 Sale Agreements within thirty (30) days of signature of same.
4
5

6 \$11,698,150 Available
7 Project Number CWWGIPRPL91

8 
9 Controller
10 Availability of funds for future fiscal years
11 subject to the enactment of the annual
12 appropriation ordinance.

13 RECOMMENDED:

14 
15 Director of Property

16 
17 General Manager
18 San Francisco Public Utilities Commission
19
20
21
22
23
24
25



City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 151215

Date Passed: December 15, 2015

Resolution authorizing the execution and acceptance of a Lease by and between the City and County of San Francisco and Four Fifty Toland, LLC, a California Limited Liability Company, for the real property located at 450 Toland Street with an initial lease amount of \$735,600 per year; the execution and acceptance of a Purchase and Sale Agreement by and between City and Selby and Hudson Corporation, a California corporation, for the real property located at 555 Selby Street for \$6,300,000; the execution and acceptance of a Purchase and Sale Agreement by and between the City and W.Y.L. Five Star Service Industries, Inc., a California corporation, for the real property located at 1975 Galvez Avenue for \$5,000,000; and finding the proposed transactions are in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

December 09, 2015 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

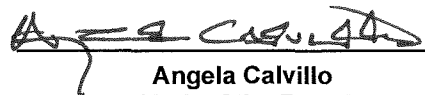
December 09, 2015 Budget and Finance Committee - RECOMMENDED AS AMENDED

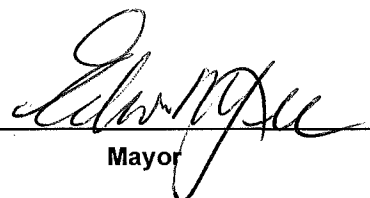
December 15, 2015 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 151215

**I hereby certify that the foregoing
Resolution was ADOPTED on 12/15/2015
by the Board of Supervisors of the City and
County of San Francisco.**


Angela Calvillo
Clerk of the Board


Mayor

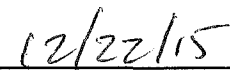

Date Approved

EXHIBIT H

TENANT'S ESTOPPEL CERTIFICATE

DATE: 2/29/16

TENANT:

BlueLine Rental, LLC

PREMISES:

1975 Galvez Ave. San Francisco

APN 5250-016

LEASE DATE:

Sept. 25, 2012

COMMENCEMENT DATE:

Oct. 1, 2012

EXPIRATION DATE:

Sept. 30, 2017

TERM IN MONTHS:

60 months

DATE RENT AND OPERATING EXPENSE
PARKING:

PAYMENTS ARE DUE:

1st of month

OPTIONS: Check if you have any of these
options or rights, and provide details in
Sections 5 or 9 below.

☒ Extension Option

☐ Termination Option

☐ Expansion Option

☐ Purchase Option

CURRENT MONTHLY PAYMENTS:

\$14,220.19

BASE RENTAL:

\$13,400.00

TAXES:

fiscal year 7/1/15 - 6/30/16 \$14,368.06

OP. EXP. CAP:

☒ Check here if you have rental escalations and provide details in Section 6 below:

SECURITY DEPOSIT:

\$13,400

THE UNDERSIGNED, AS TENANT OF THE ABOVE REFERENCED PREMISES
("PREMISES") UNDER THE LEASE DATED AS OF THE ABOVE-REFERENCED LEASE
DATE, BETWEEN W.Y.L. Five Star Industries, Inc.
("LANDLORD") AND TENANT, HEREBY CERTIFIES, ACKNOWLEDGES AND AGREES

FOR THE BENEFIT OF THE CITY AND COUNTY OF SAN FRANCISCO ("CITY"), AND ITS ASSIGNEES, AS FOLLOWS:

1. Accuracy. All of the information specified above and elsewhere in this Certificate is accurate as of the date hereof.

2. Lease. The copy of the Lease attached hereto as Exhibit A is a true and correct copy of the Lease. The Lease is valid and in full force and effect. The Lease contains all of the understandings and agreements between Landlord and Tenant and has not been amended, supplemented or changed by letter agreement or otherwise, except as follows (if none, indicate so by writing "NONE" below):

3. Premises. The Premises consist of 1975 Galvez Ave & all improvements, and Tenant does not have any options to expand the Premises except as follows (if none, indicate so by writing "NONE" below):

4. Acceptance of Premises. Tenant has accepted possession of the Premises and is currently occupying the Premises. There are no unreimbursed expenses due Tenant including, but not limited to, capital expense reimbursements.

5. Lease Term. The term of the Lease commenced and will expire on the dates specified above, subject to the following options to renew or unconditional rights to terminate the Lease (if none, indicate so by writing "NONE" below): 2 options to renew for 5 years each

6. No Defaults/Claims. To Tenant's knowledge, Landlord is not in default under any terms of the Lease, nor has any event occurred which with the passage of time (after notice, if any, required under the Lease) would become an event of default of Landlord under the Lease. To Tenant's knowledge, Tenant has no claims, counterclaims, defenses or setoffs against Landlord arising from the Lease, except those listed below (if none, indicate so by writing "NONE" below): See attached. Tenant is not entitled to any concession, rebate, allowance or free rent for any period after this certification, except those listed below (if none, indicate so by writing "NONE" below): none.

7. No Advance Payments. No rent has been paid in advance by Tenant except for the current month's rent.

8. No Purchase Rights. Tenant has no option to purchase, or right of first refusal to purchase, the Premises, the Property or any portion thereof (if none, indicate so by writing "NONE" below): none.

9. Notification by Tenant. From the date of this Certificate and continuing until, Tenant agrees to notify City immediately of the occurrence of any event or the discovery of any fact that would make any representation contained in this Certificate inaccurate as of the date hereof or as of any future date.

10. No Sublease/Assignment. Tenant has not entered into any sublease, assignment or any other agreement transferring any of its interest in the Lease or the Premises, except those listed below (if none, indicate so by writing "NONE" below): none.

11. No Notice. Tenant has not received notice of any assignment, hypothecation, mortgage, or pledge of Landlord's interest in the Lease or the rents or other payments payable thereunder, except those listed below (if none, indicate so by writing "NONE" below): See attached.

12. Hazardous Materials. Tenant has not used, treated, stored, disposed of or released any Hazardous Materials on or about the Premises or the Property. Tenant does not have any permits, registrations or identification numbers issued by the United States Environmental Protection Agency or by any state, county, municipal or administrative agencies with respect to its operation on the Premises, except for any stated below, and except as stated below no such governmental permits, registrations or identification numbers are required with respect to Tenant's operations on the Premises. For the purposes hereof, the term "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 pursuant to Section 25316 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; and 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 1985, 42 U.S.C. Section 3011 et seq.

13. Reliance. Tenant recognizes and acknowledges it is making these representations to City with the intent that City, and any of its assigns, will fully rely on Tenant's representations.

14. Binding. The provisions hereof shall be binding upon and inure to the benefit of the successors, assigns, personal representatives and heirs of Tenant and City.

15. Due Execution and Authorization. The undersigned, and the person(s) executing this Certificate on behalf of the undersigned, represent and warrant that they are duly authorized to execute this Certificate on behalf of Tenant and to bind Tenant hereto.

EXECUTED BY TENANT AS OF THIS _____ DAY OF _____, 20____.

By:



[NAME]

VP + General Counsel

[TITLE]

By:

[NAME]

[TITLE]



ATTACHMENT TO TENANT'S ESTOPPEL CERTIFICATE

Item 6. No Defaults/Claims. It is the belief of Tenant that there might be a default pending as we have become aware that the Landlord has entered into negotiations to sell the Premises to the City of San Francisco and if so, the LL will have defaulted on its obligation to allow us to renew the term for two (2) optional five (5) year terms, as provided to us in Section 4 of the Original Lease.

Section 11. No Notice. Tenant has received notice of an intended sale or assignment of Landlord's interest in the Lease to the City of San Francisco.



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

March 7th 2016

W.Y.L. Five Star Se e Industries
c/o Santino DeRose
466 Green Street, St #203
San Francisco, CA 9 3

San Francisco, California 94102

Re: Assignment and Assumption of Lease

Dear Sirs:

Please accept this letter as clarification that upon closing of escrow for the property co ionly known at 1975 Galvez Avenue, Block 5250 Lot 016, the City will assume all of the Landlords prospective rights and obligations under the lease as set forth in the assignment of leases and the city understands that the tenant has two (2) five year options to extend the term as set forth in the Lease.

If you have any questions in this regard, please contact Jeff Suess of my staff at 554-9873..

Respectfully,

John Updike
Director of Property

Attachments

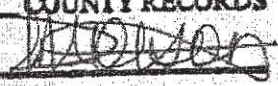
cc: Charles Sullivan, Hazel Brandt

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)

CERTIFIED TO BE A TRUE AND CORRECT COPY OF THE
ORIGINAL DOCUMENT RECORDED ON 3-14-2016
UNDER RECORDER'S SERIES NO. 2016-K214840
SAN FRANCISCO COUNTY RECORDS
STEWART TITLE GUARANTY CO.
BY: 

1975 Galvez Avenue
Block 5250, Lot 016

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

GRANT DEED

(Assessor's Parcel No. 5250-016)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
W.Y.L. Five Star Service Industries, Inc., a California Corporation ("Grantor"), 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 rights, 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 11th day of March, 2016.

GRANTOR:

W.Y.L. Five Star Service Industries, Inc. a
California Corporation

By: 

Luke Wong

Its: CEO

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.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California)
) ss
County of San Francisco)

On March 11, 2016, before me, Leticia C. Colon, a notary public in and for said State, personally appeared LUKE WONG, 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 *Leticia C. Colon* (Seal)



CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Grant Deed from the first party to the City and County of San Francisco, a municipal corporation, is hereby accepted pursuant to Board of Supervisors' Resolution No.525-15, approved December 22nd 2015, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: 3.11.16

By: _____

John Updike
Director of Property



EXHIBIT A

REAL PROPERTY DESCRIPTION

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

Beginning at the point of intersection of the centerlines of Galvez Avenue and Selby Street; running thence Southerly along the centerline of Selby Street 140 feet; thence at a right angle Easterly 418 feet, more or less, to the centerline of the easement as set forth in the Deed from United States of America to Southern Pacific Company, dated August 1, 1962, recorded October 3, 1962 in Book A-484 of Official Records, at Page 821 in the Office of the Recorder of the City and County of San Francisco, State of California; thence Northerly along said centerline 8 feet, more or less, to the Westerly of Parcel B, Block 135, as said Parcel B and Block are shown on the entitled, Recorded of Survey Map of Marine Corps supply forwarding annex (Isalis Creek), San Francisco, California, N-Calif 689" filed on April 25, 1961, in Book T of Maps at Pages 6 and 7, in the Office of the Recorder of the City and County of San Francisco, State of California, thence Northerly along said Westerly line of said Parcel B and its Northerly production 152 feet, more or less, to the said centerline of Galvez Avenue; thence Westerly along said centerline of Galvez Avenue 338 feet, more or less, to the point of beginning.

Block 5250 Lot 016

(End of Legal Description)

ASSIGNMENT AND ASSUMPTION OF LEASES

THIS ASSIGNMENT is made and entered into as of this 14 day of March, 2016, by and between W.Y.L. Five Star Service Industries, Inc., a California Corporation ("Assignor"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Assignee").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined below), Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, claim and interest in and under those certain leases described on Schedule 1 attached hereto (collectively, the "Leases"), executed with respect to that certain real property commonly known as 1975 Galvez Avenue, San Francisco, California, as more fully described in Schedule 2 attached hereto (the "Property").

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Assignor represents and warrants that as of the date of this Assignment and the Effective Date the attached Schedule 1 includes all of the Leases and occupancy agreements affecting any of the Property. As of the date hereof and the Effective Date, there are no assignments of or agreements to assign the Leases to any other party.
2. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the Effective Date (as defined below) and arising out of the landlord's obligations under the Leases.
3. Effective as of the Effective Date (as defined below), Assignee hereby assumes all of the landlord's obligations under the Leases and agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees) arising out of Assignee's failure to perform the landlord's obligations under the Leases on or subsequent to the Effective Date.
4. Any rental and other payments under the Leases shall be prorated between the parties as provided in Article 7 of the Agreement of Purchase and Sale for Real Estate between Assignor, as Seller, and Assignee, as Buyer, dated as of February 8, 2016 (the "Purchase Agreement").
5. In the event of any litigation between Assignor and Assignee arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, attorneys' fees.
6. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.
7. This Assignment shall be governed by and construed in accordance with the laws of the State of California.
8. For purposes of this Assignment, the "Effective Date" shall be the date of the Closing (as defined in the Purchase Agreement).

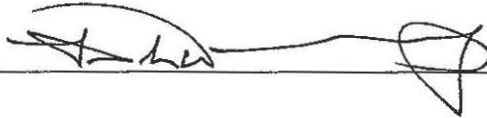
9. This Assignment may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

Assignor and Assignee have executed this Assignment as of the day and year first written above.

ASSIGNOR:

W.Y.L. Five Star Service Industries, Inc.,
a California Corporation

By: _____

Its: _____

ASSIGNEE:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

JOHN UPDIKE
Director of Property

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____

Hazel M. Brandt
Deputy City Attorney

SCHEDULE 1

SCHEDULE OF LEASES

1). Lease agreement dated September 25th 2012, by and between W.Y.L. Five Star Service Industries I, Inc., a California corporation, as landlord, and Blueline Rentals LLC, a Delaware limited liability company, as successor in interest to Volvo Construction Equipment Rents, Inc., a Delaware corporation, as tenant.

SCHEDULE 2

REAL PROPERTY DESCRIPTION

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

Beginning at the point of intersection of the centerlines of Galvez Avenue and Selby Street; running thence Southerly along the centerline of Selby Street 140 feet; thence at a right angle Easterly 418 feet, more or less, to the centerline of the easement as set forth in the Deed from United States of America to Southern Pacific Company, dated August 1, 1962, recorded October 3, 1962 in Book A-484 of Official Records, at Page 821 in the Office of the Recorder of the City and County of San Francisco, State of California; thence Northerly along said centerline 8 feet, more or less, to the Westerly of Parcel B, Block 135, as said Parcel B and Block are shown on the entitled, Recorded of Survey Map of Marine Corps supply forwarding annex (Isalis Creek), San Francisco, California, N-Calif 689" filed on April 25, 1961, in Book T of Maps at Pages 6 and 7, in the Office of the Recorder of the City and County of San Francisco, State of California, thence Northerly along said Westerly line of said Parcel B and its Northerly production 152 feet, more or less, to the said centerline of Galvez Avenue; thence Westerly along said centerline of Galvez Avenue 338 feet, more or less, to the point of beginning.

Block 5250 Lot 016

(End of Legal Description)



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

June 13, 2016

BlueLine Rentals, LLC
Attention: Cliff Eckberg
9401 New Trails Drive, Suite 150
The Woodlands, TX 77380

Subject: Notice of Eligibility to Receive Relocation Assistance
Property Address: 1975 Galvez Avenue, San Francisco, California
Block 5250 Lot 016

Dear Mr. Eckberg:

The City and County of San Francisco (City and County) has acquired property to allow for the construction of its General Services Administration's Fleet Management Central Shops facility (Project). The property that BlueLine Rentals, LLC (formerly Volvo Construction Rentals, Inc.) occupies at 1975 Galvez Avenue in San Francisco, California (Property) is one of several properties in the area that the City and County has purchased for the Project.

Notice of Eligibility

Recently, the City and County negotiated with the property owner to purchase the Property that BlueLine Rentals, LLC (BlueLine) occupies. BlueLine will now need to relocate to allow for the construction of the Project. To allow you sufficient time to plan for the relocation of your business, the City and County has determined that BlueLine is now eligible to receive relocation assistance in accordance with the City and County's Relocation Assistance Program.¹

The Relocation Assistance Program is explained in the enclosed Relocation Assistance Brochure. It is important that you understand the conditions described below and in the enclosed brochure before you proceed with the relocation of your business. Certain conditions must be satisfied before the City and County will reimburse your business for moving expenses.

¹ The City and County's Relocation Assistance Program is required by the California Relocation Act, Govt. Code Section 7260 et seq., and its implementing regulations, 25 Cal. Code Regs. Section 6000 et seq.

Your Relocation Advisor

The City and County understands the challenges involved in relocating your business. To help you during this process, the City and County has contracted with Associated Right of Way Services, Inc. (AR/WS), which specializes in providing relocation assistance. Ms. Karen Eddleman of AR/WS will serve as your Relocation Advisor and will work with you to provide relocation services. To ensure that you qualify for reimbursement of the eligible costs you incur in relocating your business, the City and County strongly encourages you to work closely with your Relocation Advisor to plan your relocation before you incur any expenses.

Timing of Relocation

The current project schedule has been developed in order to provide you with as much lead time as is possible to successfully relocate your business. It is anticipated that you will not be required to move from the Property prior to November 31, 2016. BlueLine will not be required to move from the Property until at least 90 days after you receive a formal, written Notice to Vacate. Please note that the City and County will make every effort to assist you in finding a replacement site for your business. It is important that you understand that BlueLine will need to actively take the lead to relocate its business. The City's efforts to help the business relocate are meant to supplement that effort.

You should be aware that BlueLine is eligible to move now and that if you choose to relocate at any time after the date of this Notice of Eligibility, then you would be eligible to receive relocation assistance in accordance with the City and County's Relocation Assistance Program.

Relocation Assistance

The City and County's Relocation Assistance Program provides referrals to replacement property, help in filing claims for reasonable moving costs and other eligible relocation expenses, and other assistance to help your business successfully relocate. BlueLine may request reimbursement for certain actual, reasonable, and necessary moving and related expenses (e.g., the cost to move inventory and other personal property). In addition, BlueLine may be eligible for reimbursement of certain actual, reasonable, and necessary reestablishment expenses. Alternatively, BlueLine may be eligible to receive a fixed payment instead of actual moving expenses.

The potential reimbursement options, the kinds of expenses that are eligible for reimbursement, and the requirements for reimbursement are described in detail in the enclosed Relocation Assistance Brochure. In addition, your Relocation Advisor will work with you to help you to understand the relocation assistance that would be available so that you can make informed decisions as you plan your relocation. Additionally, your Relocation Advisor can direct you to other public services such as the Small Business Administration and other governmental agencies which might be of assistance.

Relocation Claims and Payments

Relocation expenses typically will be reimbursed after your business submits to your Relocation Advisor a signed claim and all required documentation supporting the claim. Your Relocation Advisor will work with you to properly document your claims for reimbursement. Your Relocation Advisor will submit each complete claim to the City and County for review and processing. The City and County will make every effort to provide reimbursement for any approved, eligible portion of your claim in approximately 45 days.

It is important that you understand the matters explained above and in the brochure. Please work closely with your Relocation Advisor, Ms. Karen Eddleman of Associated Right of Way Services. It is important that you do not move without providing prior notification to City and County of your move date. It is important that

you understand that certain costs are not eligible under the Relocation Program. You are strongly advised to work with your Relocation Advisor prior to incurring any expenses so that you fully understand the assistance that is available to you. You can reach her at (800) 558-5151 or via email at keddleman@arws.com. She is available to assist you with your search for available replacement sites, plan for your move, and file claims for payment.

Appeal and Grievance Procedures

Any aggrieved person may file a written appeal with the San Francisco City Administrator if the person believes the City and County has failed to properly determine his or her eligibility for relocation assistance advisory services or the amount of a relocation payment.

If you have a grievance, you will be given a prompt and full opportunity to be heard. You will also have the right to be represented by legal counsel or other representative in connection with the appeal, but solely at your own expense.

The City and County will promptly review your appeal and consider all pertinent justification and information available to ensure a fair and full review. The City and County will provide you with a written determination as well as an explanation of the decision. If you are still dissatisfied with the relief granted, the City and County will advise you of your right to seek judicial review of the City and County decision.

Additional information concerning the City and County's Appeal Board can be found at <http://sfmohcd.org/sites/default/files/FileCenter/Documents/6329-Guide.pdf>

Thank you for working with the City and County to help to plan for this important project. We are available to provide you with additional information upon request. Should you have additional questions or need additional service please contact Jeff Suess on my staff by phone at (415) 554-9873 or email at jeff.suess@sfgov.org.

Sincerely,

John Updike
Director of Property

cc: Associated Right of Way Services, Inc.

Enclosure: Relocation Assistance Brochure

Certification of Delivery

- ☐ This Notice was sent via first class and certified mail on _____.
- ☐ This Notice was personally delivered on _____.

Signature: _____

Date: _____

Relocation Assistance

Available to

Non-Residential Occupants

(Business, Farms and Non-Profit Organizations)



Summarizing the Government Code of the State of California §7260, et seq. and the California
Code of Regulations, Title 25, Chapter 6

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Introduction

Government programs designed to benefit the public as a whole often result in the acquisition of private property, and sometimes in the displacement of people from their residences, businesses, non-profit organizations, or farms. When Congress passed the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and amended it in 1987 it recognized the need to balance the right of a City and County to acquire property with the rights of the occupants of the property being affected. The State of California adopted similar laws and regulations that provide for the rights of persons affected by public and publicly assisted projects. The Government Code of the State of California §7260, *et seq.* and the California Code of Regulations, Title 25, Chapter 6 outline a public agency's rights and responsibilities to acquire property and to provide Relocation Assistance. This Relocation Assistance Program Handbook is an attempt to provide a summary of those laws and regulations. Certainly, the information provided in this brief brochure cannot provide answers to all of the specific questions and situations that might arise in the relocation of a business. Eligible occupants will be provided with a Relocation Advisor who can explain how the City and County of San Francisco's Relocation Assistance Program relates to specific relocation issues.

Each impacted business occupant or non-profit organization should review this brochure carefully and present any questions to the City and County's Relocation Advisor. Section 1 of this brochure provides information about Relocation Advisory Assistance. Section 2 contains information for payments that are available to displaced businesses and non-profit organizations. Section 3 provides additional information that is important to understand regarding the Relocation Assistance Program.

If you are required to move as a result of a publicly assisted program or project, a Relocation Advisor will contact you and will provide you with assistance. Your Relocation Advisor will answer your specific questions and will provide additional information that you may need to help you to understand the Relocation Assistance Program.

This brochure is provided to you as a courtesy and is intended to provide general information concerning the Relocation Assistance Program. Further details regarding relocation assistance and benefits are set forth in the Government Code of the State of California §7260, et seq. and the California Code of Regulations, Title 25, Chapter 6. In the event of any conflict, California Law and Regulations shall be controlling. Please contact your Relocation Advisor for additional information regarding the Relocation Assistance Program.



*Associated Right of Way Services, Inc.
2300 Contra Costa Boulevard, Suite 525
Pleasant Hill, California 94523
(800) 558-5151*

Important Terms Used in This Handbook

City and County

Relocation Advisory Assistance and Relocation Payments are administered by the City and County of San Francisco (City and County). The City and County is responsible for the acquisition of real property and/or the displacement of persons from property to be used for a publicly funded program or project. The City and County has contracted with Associated Right of Way Services, Inc. to administer the Relocation Assistance Program. However, the City and County remains responsible for the program.

Displaced Person

Any person who moves from real property, or who moves personal property from real property as a direct result of:

(1) a written notice of intent to acquire by the City and County or as a result of the acquisition of real property in whole or in part, by the City and County or by any person having an agreement with or acting on behalf of the City and County, or as the result of a written order from the City and County to vacate the property for public use; or

(2) rehabilitation, demolition or other displacing activity undertaken by the City and County or by any person having an agreement with or acting on behalf of the City and County of real property on which the person is in lawful occupancy or conducts a business, and the displacement, lasts longer than 90 days. This definition includes those persons displaced as a result of a public action where they are displaced as a result of an owner participation agreement or an acquisition carried out by a private person for or in connection with a public use where the City and County is otherwise empowered to acquire the property to carry out the public use.

Business

Any lawful activity, with the exception of a farm operation, conducted primarily for the purchase, sale, lease, and rental of personal or real property; or for the manufacture, processing, and/or marketing of products, commodities, or any other personal property; or for the sale of services to the public; or solely for the purpose of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, an outdoor advertising display or displays, when the display(s) must be moved as a result of the project. In order to qualify as an eligible business occupant, the business must not be in unlawful occupancy.

Farm Operation

Any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale and home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

Non-profit Organization

A public or private entity that has established its non-profit status under applicable Federal or State law.

Program or Project

An activity or series of activities undertaken by the City and County.

Small Business

A business having not more than 500 employees working at a site of economic activity being acquired or displaced by a program or project. A site occupied solely by outdoor advertising signs, displays, or devices does not qualify as a small business for purposes of the reestablishment expense benefit.

Outdoor Advertising Businesses

A displaced person who conducts a lawful activity primarily for assisting in the purchase, sale, resale, manufacture, processing, or marketing of products, commodities, personal property, or services by the erection and maintenance of outdoor advertising displays is entitled to payment for the lesser of (1) the reasonable cost of moving such displays, or (2) the in-place value of the displays.

Unlawful Occupancy

A non-residential occupant is considered to be in unlawful occupancy if the occupant has been ordered to move by a court of competent jurisdiction or if the occupant's tenancy has been lawfully terminated by the owner for cause, the tenant has vacated the premises, and the termination was not undertaken for the purpose of evading relocation assistance obligations.

Section 1 – Relocation Advisory Assistance

A Relocation Advisor will work with each eligible displaced business in order to guide them through the Relocation process and to help them to locate a suitable replacement property. Relocation services are provided by Associated Right of Way Services, Inc. It is their goal and desire to be of service to you, and to assist you in any way possible to help you successfully relocate. Your Relocation Advisor is available to help and to advise you, so please make full use of their services. Do not hesitate to ask questions to ensure that you fully understand all your rights and benefits.

An individual with a disability will be provided the assistance needed to understand their rights under this program and assistance to locate and to move to a replacement site. Please notify your Relocation Advisor if you need any additional assistance to understand your rights or to secure a replacement site.

When your Relocation Advisor initially contacts you, they will interview you in order to explain the Relocation Program and to understand your current operation, facility and operating costs. Your Relocation Advisor will also ask you to describe the type of replacement site you are interested in finding. Your Relocation Advisor will explain the assistance and payments that you may claim in accordance with your eligibility. It is important that you explain any anticipated relocation problems to your Relocation Advisor. During the initial interview the Relocation Advisor will ask many questions to determine your specific relocation needs. After the initial interview, your Relocation Advisor will deliver written information regarding your rights as a displaced person and will forward information on available replacement sites as that information becomes available.

Your Relocation Advisor will continue to work with you to help you to plan your relocation to a replacement site. Your Relocation Advisor will help you to understand which costs are compensable under the Relocation Assistance Program and which costs are not. Your Relocation Advisor will also help to determine the need for outside specialists to plan for the move and the reinstallation of your personal property.

A representative of the City and County will work with you, an appraiser, and the owner of the real property (if you are a tenant) to help to identify and to resolve any issues regarding what is real estate and what is personal property to be relocated. You will be asked to provide a copy of your lease agreement (if applicable) to help to determine the ownership of the furniture, fixtures and equipment.

The goal is to achieve a successful relocation back into the community. Therefore, it is important that you do everything a prudent business owner would do to maintain the business. This includes working closely with your Relocation Advisor to evaluate and prepare for the move and searching out leads to available replacement sites.

Your Relocation Advisor is also available to provide information to possible sources of funding and assistance from other local, State, and Federal agencies. If you have special problems, the Relocation Advisor will make every effort to secure the services of those agencies with trained personnel who have the expertise to help you. Make your needs known in order to receive the help you need.

Section 2 – Available Relocation Payments

An eligible business may request reimbursement on the basis of actual, reasonable moving costs and related expenses or, under certain circumstances, a fixed payment. Actual, reasonable moving expenses may be paid when the move is performed by a professional mover or if you move yourself. Related expenses, such as personal property losses, expenses in finding a replacement site, and reestablishment expenses may also be reimbursable.

You must provide your Relocation Advisor with an inventory of the personal property to be moved and advance notice of the approximate date of the move. Your Relocation Advisor will need to inspect the personal property at the displacement and replacement sites, and to monitor the move in order to assess your eligibility for certain moving payments.

Actual, Reasonable, and Necessary Moving Costs

You may be paid the actual, reasonable and necessary cost of your move when the move is performed by a professional mover or when you elect to move yourself, however, all your moving costs must be supported by paid receipts or other evidence of expenses incurred. In addition to the transportation costs of your personal property, certain other expenses may be reimbursable, such as packing, crating, unpacking and uncrating, and the disconnecting, dismantling, removing, reassembling, and reinstalling relocated machinery, equipment and other personal property.

Other expenses such as professional services necessary for planning and carrying out the move, temporary storage costs, and the cost of licenses, permits and certifications may also be reimbursable.

- Transportation of persons and property not to exceed a distance of 50 miles from the site from which the business was displaced, except where relocation beyond 50 miles is justified;
- Packing, crating, unpacking and uncrating personal property;
- Storage of personal property for a period generally not to exceed 12 months, as determined by the City and County to be necessary in connection with relocation;
- Insurance of personal property while in storage or transit; and
- The reasonable replacement value of property lost, stolen or damaged (not through the fault or negligence of the displaced person, his agent or employee) in the process of moving, where insurance covering such loss theft or damage is not reasonable available.
- The cost of disconnecting, dismantling, removing, reassembling, reconnecting and reinstalling machinery, equipment or other personal property (including goods and inventory kept for sale) not acquired by the City and County, including connection charged imposed by public utilities for starting utility service.
- The cost of modifying the machinery, equipment or other personal property to adapt it to the replacement location or to utilities available at the replacement location or modifying the power supply. These costs must be directly related to modifications of personal property.
- The cost of any license, permit or certification that is required to the extent such cost is necessary to the reestablishment of the operation at a new location.

- The reasonable cost of any professional service (including, but not limited to, architects', attorneys' or engineers' fees, or consultants' charges) necessary for the planning of the move of personal property, moving the personal property, or installation of relocated personal property at the replacement site.

All costs claimed under this section must be reasonable and necessary. The costs will only be considered if the costs could not have been avoided or substantially reduced at an alternate available site.

This is not an inclusive list of moving related expenses. Your Relocation Advisor will provide you with a complete explanation of reimbursable expenses.

Estimated Cost Move

If you agree to take full responsibility for all or part of the move of your operation, the City and County may approve a payment not to exceed the lower of two acceptable bids or estimates obtained from qualified moving firms, or moving consultants. A low cost or uncomplicated move may be based on a single bid or estimate at the City and County's discretion. The advantage of this moving option is that it relieves you from documenting all moving expenses because the payment is limited to the amount of the lowest acceptable bid or estimate. The City and County may make the payment without additional documentation.

Direct Loss of Tangible Personal Property

Displaced businesses may be eligible for a payment for the actual direct loss of tangible personal property which is incurred as a result of the move or discontinuance of the operation. This payment is based on the lesser of (1) the value of the item for continued use at the displacement site less the proceeds from its sale, or (2) the estimated reasonable cost of moving the item. Your Relocation Advisor will explain this procedure in detail if this is a consideration for you.

Substitute Personal Property

Where an item of personal property which is used in connection with any business is not moved but is replaced with a comparable item, the business may request reimbursement in an amount not to exceed the lesser of (1) the replacement cost, minus any net proceeds from its sale, or (2) the estimated cost of moving the original item.

Low Value High Bulk Property

If the City and County considers a personal property item to be of low value and high bulk, and moving costs are disproportionate to its value (such as minerals, metals, rock, or topsoil), the allowable moving cost payment shall not exceed the lesser of the amount which would be received if the personal property were sold at the site, or, the replacement cost of a comparable quantity delivered to the new business location.

Searching Expenses for Replacement Property

Displaced businesses are entitled to reimbursement for actual, reasonable expenses incurred in searching for a replacement property, not to exceed \$1,000. Expenses may include transportation, meals, and lodging when away from home; the reasonable value of the time spent during the search; and other expenses determined to be reasonable and necessary by the City and County.

Fees paid to real estate agents or brokers to locate a replacement site may be reimbursed, exclusive of any commissions or fees related to the purchase of the site.

Advance Payments

An eligible displaced business may be paid for anticipated moving expenses in advance of the actual move whenever later payment would result in financial hardship. Please discuss this option with your Relocation Advisor.

Actual Reestablishment Expenses A small business may be eligible for a payment, not to exceed \$10,000, for expenses actually incurred in relocating and reestablishing the enterprise at a replacement site. To qualify, the business must have not more than 500 employees working at the site who will be displaced by a program or project.

Reestablishment expenses may include, but are not limited to:

- Repairs or improvements to the replacement real property required by Federal, State, and local laws, codes or ordinances.
- Modifications to the replacement real property to accommodate the business operation or to make the replacement structures suitable for the operation.
- Construction and installation costs of exterior signs to advertise the business.
- Provision of utilities from the right of way to improvements on the replacement site.
- Redecoration or replacement of soiled or worn surfaces at the replacement site such as painting, wallpapering, paneling, or carpeting.
- Licenses, fees and permits when not paid as part of moving expenses.
- Feasibility surveys, soil testing and marketing studies.
- Advertising the replacement location.
- Professional services in connection with the purchase or lease of a replacement site.
- Estimated increased costs of operation at the replacement site during the first two years for items such as: lease or rental charges; personal or real property taxes; insurance premiums; utility charges (excluding impact fees).
- Impact fees or one-time assessments for anticipated heavy usage.
- Other items that the City and County considers essential for reestablishment.

The following is a nonexclusive listing of reestablishment expenditures not considered to be reasonable and necessary, or otherwise eligible:

- Purchase of capital assets, such as office furniture, filing cabinets, machinery, or trade fixtures.
- Purchase of manufacturing materials, production supplies, production inventory, or other items used in the normal course of the business operation.
- Interior or exterior refurbishments at the replacement site which are for aesthetic purposes.
- Interest on money borrowed to make the move or purchase the replacement property.
- Payment to a part-time business in the home which does not contribute materially to the household income.

Fixed Payment for Actual Moving Expenses (“In Lieu Payment”)

Displaced businesses may be eligible for a fixed payment in lieu of (in place of) actual moving expenses, personal property losses, searching expense, and reestablishment expenses. The fixed payment may not be less than \$1,000 nor more than \$20,000.

For a business to be eligible for a fixed payment, the City and County must determine the following:

- Business owns or rents personal property that must be moved due to the displacement.
- Business cannot be relocated without a substantial loss of its existing patronage.
- Business cannot be part of a commercial enterprise having more than three other businesses engaged in the same or similar activity which are under the same ownership and are not being displaced by the City and County.
- Business contributed materially to the income of the displaced business operator during the two taxable years prior to displacement.

Eligibility requirements for non-profit organizations are slightly different than business requirements. The computation for non-profit organizations differs in that the payment is computed on the basis of average annual gross revenues less administrative expenses for the two year period specified. If you are interested in a fixed payment, please consult your Relocation Advisor for additional information.

Computation of the Fixed Payment

The fixed payment for a displaced business is based upon the average annual net earnings of the business for the two taxable years immediately preceding the year the business was displaced. You must provide the City and County with proof of net earnings to support your claim. Proof of net earnings can be documented by income tax returns, certified financial statements, or other reasonable evidence acceptable to the City and County. The City and County may choose to accept alternative tax years if the business submits a request in writing explaining the desired variance.

Example of a Fixed Moving Payment Computation Business Displaced in 2011	
2014 Annual Net Earnings \$16,500	2015 Annual Net Earnings \$18,500
Average Annual Net Earnings $\$16,500 + \$18,500.00 = \$35,000 / 2 = \$17,500$	
Fixed Payment = \$17,500	

Section 3 – Additional Information

Filing of Claims for Payment

All claims filed with the City and County shall be submitted within 18 months of the later of (1) the date on which the claimant receives final payment for the property or, (2) the date on which the property is vacated. Most claims will be paid within three weeks of submission of a fully documented claim for payment.

An eligible displaced business may be paid for anticipated moving expenses in advance of the actual move whenever later payment would result in financial hardship. Please discuss this option with your Relocation Advisor.

Relocation Payments are not Considered to be Income

No relocation payment received will be considered as income for the purpose of the Internal Revenue Code, Personal Income Tax Law, Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code, or the Bank and Corporation Tax Law, Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code.

No relocation payment received will be considered income or resources to any recipient of public assistance and such payments shall not be deducted from the amount of aid to which the recipient would otherwise be entitled under any other provisions of law.

Right to Appeal

Any aggrieved person may file a written appeal with the head of the City and County if the person believes the City and County has failed to properly determine his or her eligibility for relocation assistance advisory services or the amount of a relocation payment.

If you have a grievance, you will be given a prompt and full opportunity to be heard. You will also have the right to be represented by legal counsel or other representative in connection with the appeal, but solely at your own expense.

The City and County will promptly review your appeal and consider all pertinent justification and information available to ensure a fair and full review. The City and County will provide you with a written determination as well as an explanation of the decision. If you are still dissatisfied with the relief granted, the City and County will advise you of your right to seek judicial review of the City and County decision.

Additional information concerning the City and County's Appeal Board can be found at <http://sfmohcd.org/sites/default/files/FileCenter/Documents/6329-Guide.pdf>

Nondiscrimination

Under Title VIII of the Civil Right Act of 1968 and later acts and amendments make discriminatory practices in the purchase and rental of most residential units illegal if it is based on race, color, religion, sex, or national origin. Title VI of the Civil Rights Act of 1964 [42 U.S.C. 2000d et. seq.] sets forth the policy of the United States, within constitutional limits to ensure that all services and/or benefits will be administered without regard to race, color, national origin, or sex.

Eviction Policy

The City and County may be required to evict tenants to allow for the construction of a project. An eviction does not affect an eligible occupant's right to receive relocation assistance under the City and County's Relocation Assistance Program.

Right to Claim Loss of Business Goodwill

California law (California Civil Code of Procedure §1263.510) provides that under certain circumstances a business may be compensated for a loss of business goodwill if the owner proves all of the following:

1. The loss is caused by the taking of the property or the injury to the remainder.
2. The loss cannot reasonably be prevented by relocation of the business or by taking steps and adopting procedures that a reasonably prudent person would take and adopt in preserving the goodwill.
3. Compensation for the loss will not be included in payments under Section 7262 of the Government Code.
4. Compensation for the loss will not be duplicated in the compensation otherwise awarded to the owner.

Within the meaning of this article, "goodwill" consists of the benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality and any other circumstances resulting in probable retention of old or acquisition of new patronage.

If you choose to make a claim for loss of business goodwill, please contact Jeff Suess at the City and County of San Francisco's Real Estate Division at (415) 554-9873 or at jeff.suess@sfgov.org.



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

June 14, 2016

BlueLine Rentals, LLC
Attention: Cliff Eckberg
9401 New Trails Drive, Suite 150
The Woodlands, TX 77380

Subject: Notice of Eligibility to Receive Relocation Assistance
Property Address: 1975 Galvez Avenue, San Francisco, California
Block 5250 Lot 016

Dear Mr. Eckberg:

The City and County of San Francisco (City and County) has acquired property to allow for the construction of its General Services Administration's Fleet Management Central Shops facility (Project). The property that BlueLine Rentals, LLC (formerly Volvo Construction Rentals, Inc.) occupies at 1975 Galvez Avenue in San Francisco, California (Property) is one of several properties in the area that the City and County has purchased for the Project.

Notice of Eligibility

Recently, the City and County negotiated with the property owner to purchase the Property that BlueLine Rentals, LLC (BlueLine) occupies. BlueLine will now need to relocate to allow for the construction of the Project. To allow you sufficient time to plan for the relocation of your business, the City and County has determined that BlueLine is now eligible to receive relocation assistance in accordance with the City and County's Relocation Assistance Program.¹

The Relocation Assistance Program is explained in the enclosed Relocation Assistance Brochure. It is important that you understand the conditions described below and in the enclosed brochure before you proceed with the relocation of your business. Certain conditions must be satisfied before the City and County will reimburse your business for moving expenses.

¹ The City and County's Relocation Assistance Program is required by the California Relocation Act, Govt. Code Section 7260 et seq., and its implementing regulations, 25 Cal. Code Regs. Section 6000 et seq.

Your Relocation Advisor

The City and County understands the challenges involved in relocating your business. To help you during this process, the City and County has contracted with Associated Right of Way Services, Inc. (AR/WS), which specializes in providing relocation assistance. Ms. Karen Eddleman of AR/WS will serve as your Relocation Advisor and will work with you to provide relocation services. To ensure that you qualify for reimbursement of the eligible costs you incur in relocating your business, the City and County strongly encourages you to work closely with your Relocation Advisor to plan your relocation before you incur any expenses.

Timing of Relocation

The current project schedule has been developed in order to provide you with as much lead time as is possible to successfully relocate your business. It is anticipated that you will not be required to move from the Property prior to November 31, 2016. BlueLine will not be required to move from the Property until at least 90 days after you receive a formal, written Notice to Vacate. Please note that the City and County will make every effort to assist you in finding a replacement site for your business. It is important that you understand that BlueLine will need to actively take the lead to relocate its business. The City's efforts to help the business relocate are meant to supplement that effort.

You should be aware that BlueLine is eligible to move now and that if you choose to relocate at any time after the date of this Notice of Eligibility, then you would be eligible to receive relocation assistance in accordance with the City and County's Relocation Assistance Program.

Relocation Assistance

The City and County's Relocation Assistance Program provides referrals to replacement property, help in filing claims for reasonable moving costs and other eligible relocation expenses, and other assistance to help your business successfully relocate. BlueLine may request reimbursement for certain actual, reasonable, and necessary moving and related expenses (e.g., the cost to move inventory and other personal property). In addition, BlueLine may be eligible for reimbursement of certain actual, reasonable, and necessary reestablishment expenses. Alternatively, BlueLine may be eligible to receive a fixed payment instead of actual moving expenses.

The potential reimbursement options, the kinds of expenses that are eligible for reimbursement, and the requirements for reimbursement are described in detail in the enclosed Relocation Assistance Brochure. In addition, your Relocation Advisor will work with you to help you to understand the relocation assistance that would be available so that you can make informed decisions as you plan your relocation. Additionally, your Relocation Advisor can direct you to other public services such as the Small Business Administration and other governmental agencies which might be of assistance.

Relocation Claims and Payments

Relocation expenses typically will be reimbursed after your business submits to your Relocation Advisor a signed claim and all required documentation supporting the claim. Your Relocation Advisor will work with you to properly document your claims for reimbursement. Your Relocation Advisor will submit each complete claim to the City and County for review and processing. The City and County will make every effort to provide reimbursement for any approved, eligible portion of your claim in approximately 45 days.

It is important that you understand the matters explained above and in the brochure. Please work closely with your Relocation Advisor, Ms. Karen Eddleman of Associated Right of Way Services. It is important that you do not move without providing prior notification to City and County of your move date. It is important that

you understand that certain costs are not eligible under the Relocation Program. You are strongly advised to work with your Relocation Advisor prior to incurring any expenses so that you fully understand the assistance that is available to you. You can reach her at (800) 558-5151 or via email at keddleman@arws.com. She is available to assist you with your search for available replacement sites, plan for your move, and file claims for payment.

Appeal and Grievance Procedures

Any aggrieved person may file a written appeal with the San Francisco City Administrator if the person believes the City and County has failed to properly determine his or her eligibility for relocation assistance advisory services or the amount of a relocation payment.

If you have a grievance, you will be given a prompt and full opportunity to be heard. You will also have the right to be represented by legal counsel or other representative in connection with the appeal, but solely at your own expense.

The City and County will promptly review your appeal and consider all pertinent justification and information available to ensure a fair and full review. The City and County will provide you with a written determination as well as an explanation of the decision. If you are still dissatisfied with the relief granted, the City and County will advise you of your right to seek judicial review of the City and County decision.

Additional information concerning the City and County's Appeal Board can be found at <http://sfmohcd.org/sites/default/files/FileCenter/Documents/6329-Guide.pdf>

Thank you for working with the City and County to help to plan for this important project. We are available to provide you with additional information upon request. Should you have additional questions or need additional service please contact Jeff Suess on my staff by phone at (415) 554-9873 or email at jeff.suess@sfgov.org.

Sincerely,



John Updike
Director of Property

cc: Associated Right of Way Services, Inc.

Enclosure: Relocation Assistance Brochure

<i>Certification of Delivery</i>	
<input type="checkbox"/>	This Notice was sent via first class and certified mail on _____.
<input type="checkbox"/>	This Notice was personally delivered on _____.
Signature:	Date:



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

June 16, 2016

BlueLine Rentals, LLC
9401 New Trails Drive, Suite 150
The Woodlands, TX 77380
Attention: Cliff Eckberg

Subject: Notice of Right to Claim of Loss of Business Goodwill - BlueLine Rentals, LLC
Notice of Intent to Appraise by City
Offer to Pay Reasonable Costs of Appraisal Up to \$5,000
1975 Galvez Avenue, San Francisco, California (Block 5250, Lot 016)

Dear Mr. Eckberg:

As you know, BlueLine Rentals, LLC ("BlueLine"), currently conducts its business on the above-referenced property which the City and County of San Francisco ("City") recently acquired to construct its General Services Administration's Fleet Management Central Shops facility ("Project").

This letter serves as the City's:

- (a) Notice of BlueLine's Right to Claim Loss of Business Goodwill,
- (b) Notice of its Intent to Appraise BlueLine's Business Goodwill, and
- (c) City's Offer to Pay the Reasonable Costs of an Appraisal Up to \$5,000.

Pursuant to California Code of Regulations, Title 25, Section 6182, the City gives notice that BlueLine has the right to claim a loss of business goodwill. Under California Code of Civil Procedure Section 1263.510, the owner of a business shall be compensated for loss of goodwill if the owner proves all of the following: (1) The loss is caused by the taking of the property; (2) The loss cannot reasonably be prevented by a relocation of the business or by taking steps and adopting procedures that a reasonably prudent person would take and adopt in preserving the goodwill; (3) Compensation for the loss will not be included in payments under Government Code Section 7262; and (4) Compensation for the loss will not be duplicated in the compensation otherwise awarded to the business owner.

In addition, pursuant to CCR Section 6184, the City gives notice that it will be conducting an appraisal of BlueLine's business goodwill and furniture, fixtures and equipment ("FF&E") and any claim of loss of goodwill, if any. The City requests that BlueLine allow the City's appraisers to tour the business and gives notice that BlueLine may accompany these appraisers on any tour.

Finally, under California Code of Civil Procedure Section 1263.025, if you wish to seek an independent appraisal of your personal property and/or loss of business goodwill, the City will pay the reasonable costs of one appraisal in an amount not to exceed \$5,000. The appraisal must be conducted by an independent appraiser and the City must receive a copy of an invoice for the work conducted.

Should you have any questions please contact Jeff Suess at (415) 554-9873 or email at jeff.suess@sfgov.org.

Sincerely,



John Updike
Director of Property

cc: Karen Eddleman
Associated Right of Way Services, Inc.

Enc.: Code of Civil Procedure Sections 1263.010 – 1263.025; 1263.510 – 1263.530
California Code of Regulations, Title 25, Sections 6182, 6184

CODE OF CIVIL PROCEDURE

SECTION 1263.010-1263.025

1263.010. (a) The owner of property acquired by eminent domain is entitled to compensation as provided in this chapter.

(b) Nothing in this chapter affects any rights the owner of property acquired by eminent domain may have under any other statute. In any case where two or more statutes provide compensation for the same loss, the person entitled to compensation may be paid only once for that loss.

1263.015. At the request of an owner of property acquired by eminent domain, the public entity may enter into an agreement with the owner specifying the manner of payment of compensation to which the owner is entitled as the result of the acquisition. The agreement may provide that the compensation shall be paid by the public entity to the owner over a period not to exceed 10 years from the date the owner's right to compensation accrues. The agreement may also provide for the payment of interest by the public entity; however, the rate of interest agreed upon may not exceed the maximum rate authorized by Section 16731 or 53531 of the Government Code, as applicable, in connection with the issuance of bonds.

1263.020. Except as otherwise provided by law, the right to compensation shall be deemed to have accrued at the date of filing the complaint.

1263.025. (a) A public entity shall offer to pay the reasonable costs, not to exceed five thousand dollars (\$5,000), of an independent appraisal ordered by the owner of a property that the public entity offers to purchase under a threat of eminent domain, at the time the public entity makes the offer to purchase the property. The independent appraisal shall be conducted by an appraiser licensed by the Office of Real Estate Appraisers.

(b) For purposes of this section, an offer to purchase a property "under a threat of eminent domain" is an offer to purchase a property pursuant to any of the following:

(1) Eminent domain.

(2) Following adoption of a resolution of necessity for the property pursuant to Section 1240.040.

(3) Following a statement that the public entity may take the property by eminent domain.

CODE OF CIVIL PROCEDURE

SECTION 1263.510-1263.530

1263.510. (a) The owner of a business conducted on the property taken, or on the remainder if the property is part of a larger parcel, shall be compensated for loss of goodwill if the owner proves all of the following:

(1) The loss is caused by the taking of the property or the injury to the remainder.

(2) The loss cannot reasonably be prevented by a relocation of the business or by taking steps and adopting procedures that a reasonably prudent person would take and adopt in preserving the goodwill.

(3) Compensation for the loss will not be included in payments under Section 7262 of the Government Code.

(4) Compensation for the loss will not be duplicated in the compensation otherwise awarded to the owner.

(b) Within the meaning of this article, "goodwill" consists of the benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality, and any other circumstances resulting in probable retention of old or acquisition of new patronage.

(c) If the public entity and the owner enter into a leaseback agreement pursuant to Section 1263.615, the following shall apply:

(1) No additional goodwill shall accrue during the lease.

(2) The entering of a leaseback agreement shall not be a factor in determining goodwill. Any liability for goodwill shall be established and paid at the time of acquisition of the property by eminent domain or subsequent to notice that the property may be taken by eminent domain.

1263.520. The owner of a business who claims compensation under this article shall make available to the court, and the court shall, upon such terms and conditions as will preserve their confidentiality, make available to the plaintiff, the state tax returns of the business for audit for confidential use solely for the purpose of determining the amount of compensation under this article. Nothing in this section affects any right a party may otherwise have to discovery or to require the production of documents, papers, books, and accounts.

1263.530. Nothing in this article is intended to deal with compensation for inverse condemnation claims for temporary interference with or interruption of business.



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator

John Updike
Director of Real Estate

July 19, 2016

Notice of Decision to Appraise

Blueline Rentals, LLC
Cliff Eckberg
Senior Manager – Real Estate & Construction
9401 New Trails Drive, Suite 150
The Woodlands, TX 77380

Re: Central Shops Relocation Project
Site Address: 1975 Galvez Avenue, San Francisco, CA
APN: 5250-016

Dear Mr. Eckberg:

The City of San Francisco has acquired the fee simple interest for the property referenced above for construction related to the Central Shops Relocation Project

The City of San Francisco has retained Associated Right of Way Services, Inc., ("AR/WS") to manage the right of way process. As part of this process, AR/WS will visit and inspect the Subject Property and appraise its leasehold interest. As you are aware, the appraisers and relocation team have an appointment to meet with you or your representative on Thursday, July 21st. We look forward to meeting with Blueline Rentals then. You and other interested parties have been invited to accompany Karen Couto during the site inspection. Karen Couto will be available to answer any questions you may have with regard to the appraisal process, she can be reached at (800) 558-5151.

For questions relating to the proposed project itself, please contact Jeff Suess on my staff at (415) 554-9873 or jeff.suess@sfgov.org. This notice does not constitute an offer to purchase any leasehold interest in the Subject Property or any other interest in the property.

Once the appraisal is completed and approved, I will be in contact with you regarding the next steps. I want to thank you for your cooperation.

Sincerely,


John Updike
Director of Property
City and County of San Francisco

Enclosure
cc: Karen Couto – AR/WS

SUMMARY STATEMENT RELATING TO THE PURCHASE OF REAL PROPERTY OR AN INTEREST THEREIN
NOTICE OF LAND ACQUISITION PROCEDURES

The City and County of San Francisco (**City**) is proposing to purchase real property or interests therein and related improvements and appurtenances in connection with the City's proposed project. The City is interested in property located in San Francisco, CA identified by the San Francisco County Assessor as Parcel Number 5250-016 described in paragraph 3 below. California Relocation Assistance and Real Property Acquisition Guidelines require that you, as an owner from whom a public agency proposes to purchase real property or an interest therein, or as a tenant owning improvements on the property, must be provided with a summary of the appraisal of the real property or interest therein, as well as the following information:

1. You are entitled to receive full payment prior to vacating the real property proposed to be purchased unless you waive such entitlement. You are not required to pay recording fees or documentary transfer taxes.
2. The City will offer to purchase any remnant(s) considered by the City to be an uneconomic unit(s) that is/are owned by you or, if applicable, occupied by you as a tenant and that is/are contiguous to the property interests being conveyed.
3. The real property interests proposed to be acquired include any and all interest in the property identified above and located at 1975 Galvez Avenue in San Francisco; including but not limited to any leasehold interest, lease bonus value, and improvements as described in Exhibit A of the Agreement for Purchase and Sale of Real Estate and in the Appraisal Summary Statement and Statement of the Basis of Just Compensation delivered contemporaneously with this document.
4. The market value of the property proposed to be acquired is based on a market-value appraisal that is summarized in the attached Appraisal Summary Statement. This amount:
 - A. Represents the full amount of the appraisal of just compensation for the property interest proposed to be purchased;
 - B. Is not less than the approved appraisal of the fair-market value of the property interests as improved;
 - C. Disregards any decrease or increase in the fair-market value of the real property interests proposed to be acquired prior to the date of valuation that might be caused by the project itself or by the likelihood that the property would be acquired for or in connection with the project, other than that resulting from physical deterioration of the property within the reasonable control of the owner or occupant; and
 - D. Does not reflect any consideration of or allowance for any relocation assistance and payments or other benefits, if any, that the owner or occupant may be entitled to receive under an agreement with the City.
5. If you are the owner of a business conducted on a property proposed to be acquired, or conducted on the remaining property that will be affected by the purchase of the required property, you may be entitled to compensation for the loss of goodwill. Entitlement is contingent on the owner's and/or lessee's ability to prove such loss in accordance with the provisions of Sections 1263.510 and 1263.520 of the California Code of Civil Procedure.
6. If you ultimately elect to reject the City's offer for your property, and if the City elects to use the power of eminent domain to acquire your property, you are entitled to have the amount of compensation determined by a court of law in accordance with applicable California law.
7. Pursuant to California Code of Civil Procedure Section 1263.025, if you elect to obtain an independent appraisal, the City will reimburse you for the actual reasonable costs up to \$5,000 subject to the following conditions:

SUMMARY STATEMENT RELATING TO THE PURCHASE OF REAL PROPERTY OR AN INTEREST THEREIN
NOTICE OF LAND ACQUISITION PROCEDURES

- A. You, not the City, must order the appraisal. The City will not be a party to your contract with your selected appraiser.
 - B. The selected appraiser must be licensed with California Bureau of Real Estate Appraisers (BREA).
 - C. Appraisal cost reimbursement requests must be made in writing, and submitted to the City Attention: Jeff Suess, at 25 Van Ness Avenue, Suite 400, San Francisco, CA 94102 within 90 days following completion of the appraisal. Copies of the contract and invoice for completed work by the appraiser must be provided to the City concurrently with submission of the appraisal cost reimbursement request. The costs must be reasonable and justifiable.
8. Pursuant to California Code of Civil Procedure Section 1263.615, the City's schedule anticipates use of the property interests within two (2) years of acquisition.

AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE

by and between

BLUELINE RENTALS, LLC
as Seller

and

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation
as Buyer

For the purchase and sale of

One leasehold interest,
over, in, and upon a parcel of real property
located in the City and County of San Francisco, State of California

_____, 2016

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LIST OF EXHIBITS

EXHIBIT A Quit Claim Deed with attached legal description.

EXHIBIT B Lease Agreement dated September 25, 2012

AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE (this "**Agreement**") dated for reference purposes only as of _____, 2016, is made by and between the BLUELINE RENTALS, LLC ("**Seller**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**").

RECITALS

RECITALS

- A. Pursuant to City's purchase of certain real property, identified as 1975 Galvez Avenue in San Francisco, California and commonly known as Assessor's Parcel 5250-016 ("**Property**").
- B. Pursuant to the existing Lease Agreement on Property, executed September 25, 2012, by and between W.Y.L Five Star Service Industries, Inc., a California Corporation as Lessor and BlueLine Rentals, LLC (formerly Volvo Construction Equipment Rentals, Inc., a Delaware Corporation) as Lessee ("**Seller's Leasehold**").
- C. Pursuant to the assumption and assignment by the City of said Lease Agreement.
- D. In connection with the City's General Services Administration's Fleet Management Central Shops Facility Project (the "**Project**"), City wishes to purchase, and Seller wishes to relinquish Seller's Leasehold interest including any and all interest in, on, over, under, upon, along, and/or across certain portions of the Property in accordance with, and pursuant to, the terms and conditions of this Agreement.

IN CONSIDERATION of the respective agreements set forth below, Seller and City agree as follows:

1. PURCHASE AND SALE

1.1 Purchase and Sale of Leasehold Interest

Seller agrees to relinquish to City or its designee, and City agrees to purchase from Seller, subject to the terms, covenants, and conditions set forth below, Seller's Leasehold interest in the Property.

1.2 Easement Areas; Nature of Easement

The Leasehold interest consists of the Property described and depicted in respective exhibit to the quit claim deed attached as Exhibits A ("**Deed**").

2. PURCHASE PRICE

2.1 Purchase Price

The total rounded purchase price for Seller's Leasehold interest is One Million Three Hundred Eighty-Eight Thousand and 00/100 Dollars (\$1,388,000.00) (the "**Purchase Price**").

2.2 Payment

On the Closing Date (defined in Section 5.3 [Closing Date]), City shall pay the Purchase Price, adjusted pursuant to the provisions of Article 6 [Expenses], and reduced by any credits due City under this Agreement.

2.3 Funds

All payments made pursuant to this Agreement shall be in legal tender of the United States of America, paid by Controller's warrant or in cash or by wire transfer of immediately available funds. Unless the parties elect to close the transaction without an escrow, payments shall be made to Escrow Holder (defined in Section 5.2 [Escrow; Closing Without an Escrow]), as the escrow agent.

3. CONVEYANCE OF SELLER'S LEASEHOLD

3.1 Quit Claim Deed

At the Closing defined in Section 5.1 ["Closing" Defined]), Seller shall relinquish to City all interest in the Property, by delivery of the Quit Claim Deed, duly executed and acknowledged in the form of the attached as Exhibit A. The Deed shall be executed and delivered to City in a recordable form. City may record the Deed in the San Francisco County's Recorder's Office. State of Title

Omitted

4. CONDITIONS TO CLOSING

4.1 City's Conditions to Closing

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

(a) The physical condition of all portions of the Property shall be substantially the same on the Closing Date as on the date of City's execution of this Agreement, reasonable wear and tear and loss by casualty excepted (subject to the provisions of Article 8 [Risk of Loss]).

(b) The transactions contemplated by this Agreement shall have been approved by all applicable City departments and agencies, including, without limitation, the San Francisco General Services Administration, at their respective sole discretion, within sixty (60) days after Seller executes and delivers this Agreement to City.

(c) If required by City's Charter, the City's Mayor and the Board of Supervisors, at the sole discretion of each, shall have enacted a resolution approving, adopting, and authorizing this Agreement and the transactions contemplated by this Agreement, within ninety (90) days after Seller executes and delivers this Agreement to City.

(d) Seller shall have delivered the items described in Section 5.4 below [Seller's Delivery of Documents] on or before the Closing.

The Conditions Precedent contained in the foregoing subsections (a) through (d) are solely for City's benefit. If any Condition Precedent is not satisfied, at its sole discretion, City shall have the right either to waive in writing the Condition Precedent in question and proceed with the purchase (provided that the Conditions Precedent described in items (b) and (c) above may not be

waived except insofar as City elects to extend the deadline for satisfying such item) or, in the alternative, terminate this Agreement. The waiver of any Condition Precedent shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant, or agreement of Seller. In addition, the Closing Date may be extended, at City's option, for a reasonable period of time specified by City, to allow such Conditions Precedent to be satisfied, subject to City's further right to terminate this Agreement upon the expiration of the period of any such extension if any such Conditions Precedent remain unsatisfied.

If the sale, is not consummated because of a default under this Agreement on the part of Seller or if a Condition Precedent cannot be fulfilled because Seller frustrated such fulfillment by some affirmative act or negligent omission, at its sole election, City may either (1) terminate this Agreement by delivery of notice of termination to Seller, whereupon Seller shall pay to City any title, escrow, legal, and inspection fees incurred by City, and neither party shall have any further rights or obligations under this Agreement, or (2) continue this Agreement without waiver or prejudice to City's right to bring an action for damages resulting from Seller's failure to relinquish leasehold interest, including, without limitation, City's costs and expenses incurred under this Agreement.

4.2 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, but Seller's representations and warranties to City shall not be affected or released by City's waiver or fulfillment of any Condition.

5. CLOSING AND POSSESSION

5.1 "Closing" Defined

The consummation of the purchase and sale contemplated by this Agreement (the "**Closing**") shall occur as provided in this Article 5.

5.2 Escrow; Closing Without an Escrow

(a) Unless the parties agree to consummate the purchase and sale without an escrow as provided in subparagraph (b) below: (i) on or before the Effective Date (as defined in Section 11.17 [General Provisions]), the parties shall open escrow by depositing an executed counterpart of this Agreement with TBD at its offices at Reference # ("**Escrow Holder**"); (ii) this Agreement shall serve as instructions to Escrow Holder as the escrow holder for consummation of the purchase and sale contemplated by this Agreement; (iii) Seller hereby authorizes City to prepare and submit supplemental escrow instructions in accordance with this Agreement on behalf of both parties, as needed; and (iv) the Closing shall be held and delivery of all items to be made at the Closing under this Agreement shall be made at Escrow Holder's offices.

(b) Notwithstanding the foregoing, the parties may elect by mutual agreement to consummate the purchase and sale without an escrow, in which event the Closing shall occur as described in Section 5.7(b).

5.3 Closing Date

The Closing shall occur ninety (90) days after the Effective Date (as defined in Section 11.17) or on such earlier or later date as City and Seller may mutually agree (the "**Closing Date**"), subject to the provisions of Article 4 [Conditions Precedent]. 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.

5.4 Seller's Delivery of Documents

(a) At or before the Closing, Seller shall deliver or cause to be delivered to City the following:

- (i) the duly executed and acknowledged Deed;
- (ii) such resolutions, authorizations, or other documents as City may reasonably require to demonstrate the authority of Seller to enter into this Agreement and consummate the transactions contemplated by this Agreement, 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;
- (iii) a closing statement in form and content satisfactory to City and Seller (which may be in the form of a letter or memorandum from City, countersigned by Seller, if the parties elect to consummate the transaction without an escrow).

Seller shall also deliver a properly executed California Franchise Tax Board Form 590 certifying that Seller is a California resident or that 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 California Revenue and Taxation Code. Seller acknowledges and agrees that if Seller fails at Closing to deliver to City such certificate, City may be required to withhold and remit to the appropriate tax authority a portion of the Purchase Price pursuant to Section 18662 of the California Revenue and Taxation Code. Any amount properly so withheld and remitted shall be deemed to have been paid by City as part of the Purchase Price, and Seller's obligation to consummate the transaction contemplated by this Agreement shall not be excused or otherwise affected by any such withholding.

(b) Seller shall deliver such items to Seller through escrow, unless the parties elect to close the transaction without an escrow in which event Seller shall deliver the items directly to City for a Closing in accordance with Section 5.7(b).

5.5 City's Delivery of Documents and Funds

(a) At or before the Closing, City shall deliver to Seller the following:

- (i) a certificate of acceptance, executed by City's Director of Property, to be attached to the Deed before recording;
- (ii) a closing statement in form and content satisfactory to City and Seller (which may be in the form of a letter or memorandum from City to Seller if the parties elect to consummate the transaction without an escrow);
- (iii) funds sufficient to pay City's share of expenses under Article 6; and
- (iv) the Purchase Price, as provided in Article 2 of this Agreement.

(b) City shall deliver such documents and funds through escrow; however, if the parties elect to consummate the transaction without an escrow, City shall deliver the funds and documents as provided in Section 5.7(b).

5.6 Other Documents; Cooperation

Seller and City shall perform such further acts and execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Agreement and the intentions of the parties.

5.7 Closing

(a) Closing through Escrow. Subject to Section 5.7(b), at Closing, provided all the conditions to the parties' obligations have been satisfied or waived as provided and permitted by this Agreement, Escrow Holder shall perform the following acts in the following order:

- (i)** Perform such acts as are necessary in order to relinquish leasehold interest to City subject only to the Accepted Conditions of Title, including documentation as specified in supplemental escrow instructions submitted by City before Closing.
- (ii)** Deliver the Deed to City;
- (iii)** Deliver to Seller, or as Seller may instruct, the Purchase Price, less any amount necessary to satisfy any liens, bond demands, delinquent taxes, and Seller's share of expenses and proration under Article 6;
- (iv)** Deliver to the appropriate party any other documents, instruments, and sums required by this Agreement.

(b) Closing without Escrow. If the parties elect to consummate the purchase and sale without an escrow, City shall effect the Closing on the Closing Date as follows:

(i) City shall: **(A)** deliver to Seller, or as Seller may instruct, the Purchase Price (less any amount necessary to satisfy any liens, bond demands, delinquent taxes, and Seller's share of expenses and proration, if applicable, under Article 6), and **(B)** cause each respective certificate of acceptance for the Deed to be executed, when:

- (1)** City has received Seller's documents in accordance with Section 5.4, and
- (2)** City has received the Deed relinquishing Seller's Leasehold interest to City duly acknowledged and in a recordable form, subject only to the Accepted Conditions of Title, obtain the Title Policy (if City elects to do so), and deliver to the appropriate party any other documents, instruments, and sums required by this Agreement.

5.8 Possession and Use

The right of possession and use by City and/or its designees, including the right to remove and dispose of improvements and install and connect utilities, shall commence on _____ with respect to the Project (the "**Possession Date**"), which may occur before the Closing Date. The Purchase Price includes but is not limited to full payment for such possession and use, including interest and damages if any from such date. Notwithstanding any other provision of this Agreement, City shall provide Seller with at least thirty (30) days' advance written notice of the Possession Date.

6. EXPENSES; PRORATIONS

6.1 City's Expenses

City shall pay all escrow fees and title insurance charges, if any.

6.2 Seller's Expenses

Seller shall pay at the Closing any delinquent taxes that may have become a lien against the Property.

6.3 Other Expenses

Any other costs and charges of the Escrow not otherwise provided for in this Article or elsewhere in this Agreement shall be allocated in accordance with the closing customs for San Francisco County, as determined by Escrow Holder.

7. REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to and covenants with City as follows:

(a) **Occupancy of Property.** Seller is the sole occupant of the City's Property, and has not entered in to any sublease agreements, orally or in writing.

(b) **Signing Authority.** Seller and the signatories on Seller's behalf represent and warrant that the signatories on Seller's behalf to this Agreement are authorized to enter into this Agreement to relinquish Seller's Leasehold interest in the Property and that no other authorizations are required to implement this Agreement on behalf of Seller.

(c) **No Subleases.** T, here are now, and will be at the Closing, no oral or written subleases or occupancy agreements affecting any portion of the Property executed by Seller.

(d)

(e) **No Lawsuits.** There are no lawsuits or proceedings pending or, to the best of Seller's knowledge, threatened against or affecting Seller, Seller's Leasehold interest, or its use that would affect Seller's ability to consummate the sale contemplated by this Agreement or City's use and enjoyment of the Property after the Closing.

(f) **No Known Hazardous Materials.** To the best of Seller's knowledge, there has been no release and there is no threatened release of any Hazardous Material in, on, under, or about the Property. As used in this Agreement, "**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. "**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, dumping, or disposing into or inside any of the improvements, or in, on, under, or about the Property.

8. RISK OF LOSS

If any portion of the Property is damaged or destroyed before the Closing Date, then the rights and obligations of Seller and City under this Agreement shall be as follows: at its election,

City may terminate this Agreement in its entirety. City shall have thirty (30) days after Seller notifies City that an event described in this Article 8 has occurred to make such election by delivery to Seller of an election notice. City's failure to deliver such notice within such thirty (30) -day period shall be deemed City's election to terminate this Agreement in its entirety. If this Agreement is terminated in its entirety or in part pursuant to this Article 8, then City and Seller shall each be released from all obligations under this Agreement. If City elects not to terminate this Agreement, it shall remain in full force and effect.

9. MAINTENANCE; CONSENT TO NEW CONTRACTS

Omitted

10. DISMISSAL OF EMINENT DOMAIN ACTION

Seller hereby agrees and consents to the dismissal of any pending action in eminent domain by City as to Seller's Leasehold interest and Seller also waives all claims to court costs and any money that may now be on deposit in the Superior Court in such action.

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 given by (i) hand delivery, against receipt, (ii) reliable next-business-day courier service that provides confirmation of delivery, or (iii) United States registered or certified mail, postage prepaid, return receipt required, and addressed as follows (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):

City:

To:

Real Estate Division
25 Van Ness Avenue, Suite 400, San Francisco,
CA 94102
Attention: Jeff Suess

with copy to:

Brian Crossman
Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682

Seller:

To:

BlueLine Rentals, LLC
Attention: Cliff Eckberg
9401 New Trails Drive, Suite 150
The Woodlands, TX 77380
Facsimile No.: _____

with copy to:

Facsimile No.: _____

A properly addressed notice transmitted by one of the foregoing methods shall be deemed received upon the confirmed date of delivery, attempted delivery, or rejected delivery, whichever occurs first. Any facsimile numbers or email addresses provided by one party to the other shall be for convenience of communication; 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 email copy of the notice.

11.2 Brokers and Finders

Neither party has had any contact or dealings in connection with the subject matter of this Agreement, 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 in this Agreement. In the event that any 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 to this Agreement and their respective successors, heirs, administrators, and assigns, subject to Section 9.2 [Contracts Affecting the Easement Areas].

11.4 Amendments; Waivers

Except as otherwise provided in this Agreement (a) this Agreement may be amended or modified only by a written instrument executed by City and Seller, (b) no waiver of any provision of this Agreement will be binding unless executed in writing by the party making the waiver, (c) no waiver of any provision of this Agreement will be deemed to constitute a waiver of any other provision, whether or not similar, and (d) no waiver will constitute a continuing waiver unless the written waiver so specifies.

11.5 Continuation and Survival of Representations and Warranties

All representations and warranties by the respective parties contained in this Agreement 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 in this Agreement 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, or, to the extent the context requires, beyond any termination of this Agreement. All statements contained in any certificate or other instrument delivered at any time by or on behalf of Seller in conjunction with the transaction contemplated by this Agreement shall constitute representations and warranties under this Agreement.

11.6 Governing Law

This Agreement shall be governed by California law and City's Charter. There shall be no obligation for the payment of money by City under this Agreement unless City's Controller first certifies, pursuant to Section 3.105 of City's Charter, that there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure.

11.7 Merger of Prior Agreements; No Inducement

The parties intend that this Agreement (including all of the attached exhibits and schedules and any documents specifically described in this Agreement, which are hereby incorporated into this Agreement by reference) shall be the final, complete, and exclusive expression of their agreement with respect to the subject matter of this Agreement 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, term sheets and prior drafts or changes to such drafts) may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement. The making, execution, and delivery of this Agreement by the parties has been induced by no representations, statements, warranties, or agreements other than those expressed in this Agreement.

11.8 Parties and Their Agents; Approvals

The term "**Seller**" as used in this Agreement 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 in this Agreement, the term "**Agents**" when used with respect to either party shall include the agents, employees, officers, contractors, and representatives of such party. Subject to applicable law, all approvals, consents, or other determinations permitted or required by City under this Agreement shall be made by or through the General Manager of City's Public Utilities Commission or the City's Director of Property, unless otherwise provided in this Agreement.

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 in this Agreement. 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 in this Agreement. In addition, each party has been represented or had the opportunity to be 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

The prevailing party in any action or proceeding to enforce or interpret, or otherwise arising out of or relating to, this Agreement or any provision of this Agreement (including but not limited to any arbitration, trial, administrative hearing, bankruptcy, or appeal) will be entitled to recover from the other party all of its costs and expenses, including but not limited to reasonable attorneys' fees and experts' fees. 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.

11.11 Severability

If any term or provision of this Agreement, or the application of any term or provision of this Agreement to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and shall be enforceable to the extent permitted by law.

11.12 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 under this Agreement are public records subject to public disclosure. Seller hereby acknowledges that City may disclose any records, information, and materials submitted to City in connection with this Agreement.

11.13 Conflicts of Interest

Through its execution of this Agreement, Seller acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, 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 that would constitute a violation of those provisions, and agrees that if Seller becomes aware of any such fact during the term of this Agreement, Seller shall immediately notify City.

11.14 Notification of Limitations 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 any land or building to or from the City whenever such transaction would require approval by a City and County of San Francisco elective officer or the board on which that elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or three (3) months has elapsed from the date the contract is approved by the City and County of San Francisco elective officer, or the board on which that elective officer serves.

11.15 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, agent, or consultant 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 that may become due to Seller, its successors and assigns, or for any obligation of City under this Agreement.

11.16 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.

11.17 Effective Date

As used in this Agreement, the term "**Effective Date**" shall mean the date on which both parties shall have executed this Agreement provided the Agreement and the transactions contemplated by the Agreement shall have been authorized **(a)** in a manner required by law governing Seller, **(b)** by a duly adopted resolution of the City's Public Utilities Commission, and **(c)** if required by City's Charter or other applicable law, by a duly adopted resolution of the City's Board of Supervisors and Mayor.

11.18 Release of Claims

Seller, for itself, its agents, heirs, assigns, successors in interest, and any related or affiliated entities, hereby fully releases and discharges City, its agents, employees, officers, directors, divisions, attorneys, accountants, insurers, successors, and other representatives, and any and all related or affiliated private or public agencies or entities, from any and all causes of action, actions, judgments, liens, indebtedness, obligations, losses, claims, damages, expenses, liabilities, and demands, including, without limitation, any claim arising out of or pertaining, directly or indirectly, to the acquisition or use of the property interest described in this Agreement and/or the construction of any improvements thereon, including without limitation, inverse condemnation, nuisance, severance damages, relocation benefits, reestablishment benefits, the cost or value of any equipment or fixtures, attorneys' fees and costs, loss of goodwill, construction-related dust, noise, traffic, and other related construction activity, and lost rentals or business associated with construction of any improvements, and any other types of related losses or damages.

Seller acknowledges that it may hereafter discover facts or law different from, or in addition to that which it now believes to be true with respect to his/her release of claims as set forth in this Agreement, and understands that by executing this Agreement it is waiving any rights of claims for any other or future benefits or damages to which it might be entitled which are not specifically exempted in this Agreement. In giving this release, Seller expressly waives the protection of Civil Code Section 1542, which statute provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

If this Agreement is terminated this Section 11.18 shall have no force or effect.

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 PUBLIC UTILITIES COMMISSION (AND, IF REQUIRED BY CITY'S CHARTER, APPROPRIATE LEGISLATION OF CITY'S BOARD OF SUPERVISORS) SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. THEREFORE, ANY OBLIGATIONS OR

LIABILITIES OF CITY UNDER THIS AGREEMENT ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH LEGISLATION.

[Signatures on next page]

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

SELLER:

BlueLine Rentals, LLC

By: _____
Printed
name &
Title: _____

Date: _____

By: _____
Printed
name &
Title: _____

Date: _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
JOHN UPDIKE
Director of Property

Date: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
XXX
Deputy City Attorney

ESCROW HOLDER'S ACKNOWLEDGMENT

[Applicable only when the parties will close the transaction through an escrow]

Escrow Holder agrees to act as escrow holder in accordance with the terms of this Agreement. Escrow Holder's failure to execute below shall not invalidate the Agreement between City and Seller.

ESCROW HOLDER:

CHICAGO TITLE COMPANY

By:

[signature]

Name:

[print name]

Its:

Date:

[When Seller and City have delivered a copy of this Agreement for Purchase and Sale of Real Estate, executed by Seller and City, to escrow, Escrow Holder should sign this page and transmit a copy to Seller and City. Seller and City agree that a photocopy, scanned copy or faxed copy is adequate for this purpose.]

EXHIBIT A

TO

AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE

FORM OF QUIT CLAIM 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
(Govt. Code § 27383) and Documentary
Transfer Tax (Rev. & Tax. Code §11922).

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

QUIT CLAIM DEED

(Assessor's Parcel No. Block 5250 Lot 016)

For valuable consideration, GRANTOR, BlueLine Rentals, LLC, do hereby release and quitclaim to the City and County of San Francisco all rights, title and interest to that certain real property in the City of San Francisco, County of San Francisco, State of California, as more particularly described in Exhibit "A" attached hereto and made a part hereof.

[Remainder of page intentionally left blank.]

Executed as of this _____ day of _____, 2015.

GRANTOR:

BlueLine Rentals, LLC

By: _____
Printed
name &
Title: _____

Date: _____

By: _____
Printed
name &
Title: _____

Date: _____

ACCEPTED:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
John Updike
Director of Property

PUC Resolution: _____

Dated: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Brian Crossman, Deputy City Attorney

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this deed dated _____, from the Grantor to the City and County of San Francisco, is hereby accepted pursuant to Board of Supervisors' Resolution No. 18110 Series of 1939, approved August 7, 1957, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____
JOHN UPDIKE
Director of Property

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 _____)

SS

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)
)
County of _____)

SS

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)

County of _____)

SS

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)

County of _____)

SS

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
Legal Description

5250

O'NEAL & HALEY BLKS 135 & 170

BLOCK RENUMBERED 1953

SCALE: 1"=60'-0"

© COPYRIGHT SAN FRANCISCO
CITY & COUNTY ASSESSOR 1935

REVISED '03
" '64
" '65
REVISED '68
" '69
" '92

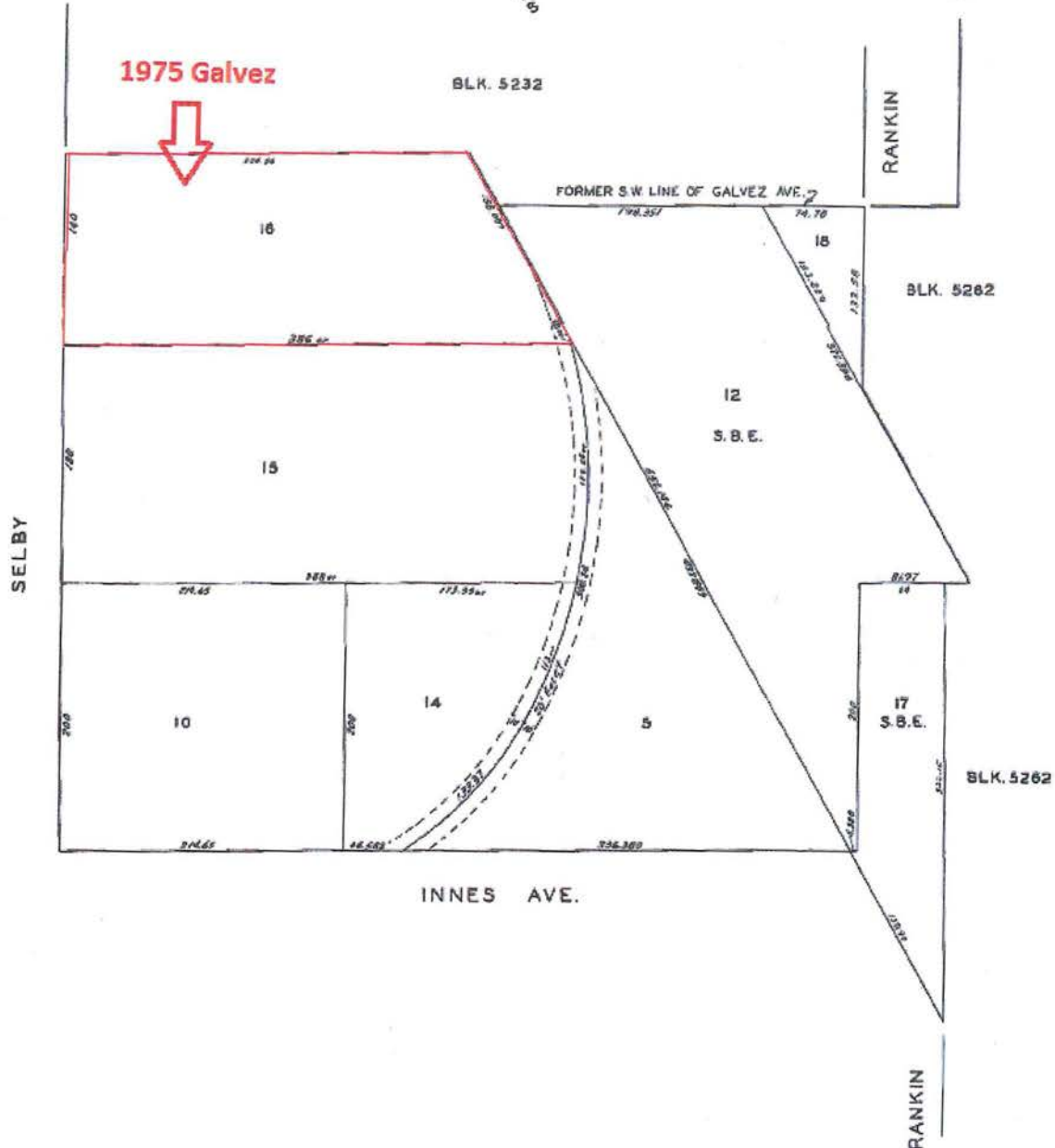


EXHIBIT B

TO

AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE

COPY OF LEASE AGREEMENT

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") made and entered into this the 25th day of September, 2012, by and between W.Y.L. Five Star Service Industries, Inc., a California corporation (the "Lessor"), and Volvo Construction Equipment Rents, Inc., a Delaware corporation (the "Lessee").

RECITALS

- A. Lessor is the fee owner of the Premises (defined in Section 1 below).
- B. Lessee has entered into a Asset Purchase Agreement, dated September 26, 2012 (the "APA") with Lessor ("Existing Lessee") in which Lessee is purchasing the Lessor's construction equipment rental business that Lessor was conducting from the Premises.
- C. The APA is subject to the execution of a new lease agreement with Lessor to lease the Premises. Lessor and Lessee have opened escrow with Wall, Esteeck, and Babcock LLP and have agreed to close escrow on approximately September 26, 2012 (such date shall be referred to as "Close of Escrow").
- D. Provided that the transaction referenced in Paragraph B & C above is consummated, Lessor desires to lease the Premises to Lessee, and Lessee desires to lease the Premises from Lessor pursuant to the terms, covenants and conditions set forth below.

W I T N E S S E T H:

1. **PREMISES.** Lessor, for the consideration of the rents, covenants, agreements and stipulations herein contained to be kept and performed by Lessee, hereby agrees to lease to Lessee and Lessee hereby agrees to hire from Lessor, at the rent and upon the conditions herein set forth, the certain real property, including all improvements therein and commonly known as 1975 Galvez Avenue, San Francisco, California, Assessor's Parcel Number 5250-016 in the San Francisco County Records (the "Premises"). The Premises are delivered subject to any and all easements in place as of the date of this Lease.
2. **USE.** The Premises shall be used and occupied by Lessee in connection with its business of Construction Equipment Rental or any other legal use which is reasonable comparable thereto, and for no other purposes without first obtaining Landlord's prior written consent, which shall not be unreasonably withheld. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste, or a nuisance, or that disturbs the occupants of or causes damage to neighboring premises or properties.
3. **CONDITION PRECEDENT.** This Lease shall be subject to the completion and closing of the transaction set forth in the APA between Lessor and Lessee. Should completion and closing of the transaction set forth in the APA not take place, then this Lease shall be null and void. Lessor shall have no liability to Lessee under this Lease whatsoever.

if the closing of the APA does not take place.

4. **TERM.** The term of this Lease shall be for 5 years to commence on Close of Escrow ("Term Commencement Date"), and to terminate five (5) years after the Term Commencement Date, or should the Term Commencement Date fall on a date other than the first day of the month, the Lease shall expire five (5) years after the first day of the month next following the Term Commencement Date. Lessee shall surrender the Premises to Lessor immediately upon the termination of the Lease term in broom clean and free of debris, and in good working order, repair and condition, except for reasonable wear and tear. In no event shall HVAC equipment, plumbing or sprinkler system components, air lines, power panels, electrical distribution systems, lighting fixtures, fencing or any other component from any major building system be removed from the Premises. Any furniture or personal property left on the Premises after Lessee has surrendered possession shall be deemed abandoned and shall become property of Lessor. Provided that Lessee is not in default in the performance of this Lease, Lessee shall have two (2) successive options to extend the Lease for a period of five (5) years each (each an "Option Term") effective upon the expiration of the initial term. In order to exercise the Option Term, Lessee must deliver to Lessor written notice of its election to exercise the Option Term not less than 90 days prior to the expiration of preceding term of the Lease. All of the terms and conditions of the Lease shall apply during the renewal term, except that the Base Rent payable hereunder shall be increased on the commencement of each Option Term by two percent (2%), and again on each anniversary of the commencement of the Option Term by two percent (2%). The period of time during which the Option Term must be exercised may not be extended or expanded by reason of Lessee's failure to exercise its Option Term, or its inability to exercise its Option Term due to the provisions of this section. Failure to exercise the first Option Term on time shall render both Option Terms void and null.

5. **BASE RENT.** Lessee agrees to pay Lessor as monthly rental for the use of the above described Premises the sum of thirteen thousand four hundred dollars (\$13,400.00) ("Base Rent"). The amount of Base Rent payable hereunder shall be adjusted annually by a two percent (2%) increase over the Base Rent previously in effect, such adjustments to occur on the first anniversary of the Term Commencement Date (or if the Term Commencement Date does not fall on the first of the month, then the first adjustment date shall be on the first day of the month next following the Term Commencement Date) and each anniversary of the first adjustment date thereafter.

6. **ADDITIONAL RENT.** Lessee agrees to pay as rent, in addition to the Base Rent reserved in Paragraph 5 hereinabove, the following:

6.1 All ad valorem property taxes and all other assessments, bonds, levies, or fees (other than inheritance, personal income, or estate taxes) levied against the Premises for any year during the term of this Lease, or any renewal thereof. Payment, to Lessor, for the taxes shall be due 30 days after receipt of the original tax notice by Lessee. In the event that such taxes are assessed for a tax year extending beyond the term of the Lease, the obligation of Lessee shall be proportionate to the portion of the Lease Term included in such year. Lessor shall provide Lessee proof of payment of taxes due 30 days after receipt of tax payment from Lessee; and

6.2 If any installment of Rent (as defined in Paragraph 6 below) is not paid within ten (10) days after the

date such Rent is due, Lessee shall pay to Lessor, in addition to the installment of Rent then owing, a late payment charge equal to five percent (5%) of the amount of the delinquent installment, regardless of whether a notice of default or notice of termination has been given by Lessor. The parties agree that this late charge represents a reasonable estimate of the costs and expenses incurred by Lessor from the late payment, and is fair compensation to Lessor for its loss suffered by such nonpayment by Lessee. ; and

6.3 If Lessee pays any amount to Lessor by means of a check on an account with insufficient funds, in addition to any other rights and remedies available to Lessor with respect to such default, Lessor shall have the right to charge Lessee the amount of twenty-five dollars (\$25.00) for the first check passed on insufficient funds and an amount of thirty-five dollars (\$35.00) for each subsequent check to that payee passed on insufficient funds. Nothing in this paragraph shall relieve Lessee of its obligation to pay any Rent at the time and in the manner provided by this Lease or constitute a waiver of any default of Lease with regard to any nonpayment of Rent.

7. **DEFINITION OF RENT.** As used in this Lease, the term "Rent" shall include: (i) the Base Rent; (ii) Additional Rent; and (iii) all other amounts which Lessee is obligated to pay under the terms of this Lease, including, without limitation, any and all sums which may become due by reason of the failure of Lessee to comply with all covenants of this Lease, Lessee agreeing to pay any and all damages, costs or expenses which Lessor may suffer or incur by reason of any default of Lessee or failure on its part to comply with the covenants of this Lease. Lessee shall pay to Lessor the Rent at an address designated by Landlord in advance on or before the first day of each month. Rent for any portion of a month shall be prorated on the basis of a thirty (30) day month. All Rent payable hereunder shall be paid in lawful money of the United States and without prior notice or demand, deduction or offset for any causes whatsoever.

8. **LESSEE'S RIGHT TO ALTER AND IMPROVE.** Provided that Lessee obtains Lessor's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, Lessee shall have the right at its own expense from time to time during the lease term to improve or alter the building which forms a part of the Premises in such a manner as shall be reasonably necessary or appropriate in Lessee's judgment for Lessee's conduct thereon of its business. Upon termination of this Lease, such improvements shall be the property of Lessor. Lessee agrees that all additions or improvements of whatsoever kind or nature made to the Premises other than furniture and movable fixtures, shall belong to and become the property of Lessor upon the expiration of the Term of this Lease or sooner termination thereof, unless Lessor requests their removal, in which event Lessee shall remove the same and restore the Premises to their condition as of the date of Lessor's delivery of possession of the Premises to Lessee, at Lessee's expense. Lessee shall promptly pay and discharge all claims for work or labor done, supplies furnished or services rendered and shall keep the Premises and Property free and clear of all mechanic's and materialmen's liens in connection therewith. If any such lien is filed, Lessee will pay the amount necessary to discharge the lien or bond around the lien, otherwise Lessor may, but shall not be required to, take such action or pay such amount as may be necessary to remove such lien; and, Lessee shall pay to Lessor, upon demand, any such amounts expended by Lessor in discharging such lien, together with interest at the maximum allowable interest rate permitted by law from the date of the expenditure by Lessor to the date of repayment by Lessee.

9. INSURANCE.

9.1 During the term of the Lease and for any further time that Lessee shall hold the Premises, Lessee shall obtain and maintain at its sole expense the following types and amounts of insurance:

- (A) Lessee shall keep all buildings, improvements and equipment on the demised Premises, including all alterations, additions, and improvements, insured against loss or damage by fire, with all standard extended coverage that may be required by any mortgagee of Lessor. The insurance shall be equal to the greater of the full insurable replacement cost of the Premises or the requirement required by any mortgage of Lessor. If at any time there is a dispute as to the amount of such insurance, the same shall be settled by arbitration;
- (B) Lessee shall provide insurance against liability for bodily injury and property damage and machinery insurance, all to be in amounts and in forms of insurance policies as may from time to time be required by Lessor. This requirement shall specifically include plate glass insurance, covering the glass in the Premises. Absent any other determination by Lessor, the minimum amount of such insurance shall be \$1,000,000.00 for any one occurrence with an annual aggregate of not less than \$ 2,000,000; and
- (C) Lessee shall provide and keep in force the following insurance in the operation of its business:
 - (i) Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, trade fixtures, and Lessee owned alterations and utility installations. Such insurance shall be at full replacement cost and with a deductible of no less than \$5,000 per occurrence. The proceeds of any such insurance shall be used by Lessee in accordance with this paragraph.
 - (ii) Lessee shall obtain and maintain worker's compensation insurance in such amount as may be required by law.

9.2 All insurance policies shall name Lessor as an additional named insured. Any policy or policies of insurance, which either party obtains in connection with the Premises, shall, to the extent the same can be obtained without undue expense, include a clause or endorsement denying the insurer any rights of subrogation against the other party to the extent rights have been waived by the insured prior to the occurrence of injury or loss. If requested by Lessor, any insurance against fire or other casualty shall provide that loss shall be payable to the holder of Lessor's Mortgage or other security interest under a standard mortgage clause. All insurance shall be written with responsible companies, and Lessee shall provide appropriate certificates of insurance to Lessor and the holder of any mortgage or

other security interest in the Premises promptly upon request. All policies shall require ten (10) days notice by registered mail to Lessor and to any mortgagee of Lessor of any cancellation change affecting any interest of Lessor or any mortgagee of Lessor.

10. AFFIRMATIVE COVENANTS AND RESPONSIBILITIES OF LESSEE. Lessee covenants and agrees that Lessee will, without demand:

10.1 Pay prior to delinquency any and all taxes and assessments against and levied upon trade fixtures, furnishings, equipment, and personal property contained in the Premises. Whenever possible, Lessee shall cause such items to be assessed and billed separately from the real property portion of the Premises. Lessee shall be responsible for any taxes and assessments attributable to any such items assessed against the real property portion of the Premises.

10.2 Procure and maintain, at Lessee's sole cost and expense, all HVAC, utilities and services required or desired by Lessee for its use and occupancy of the Premises, including, without limitation, water, sewer, gas, electricity, telephone, internet, janitorial, waste disposal services, and recycling services. Lessee shall make payment for any such services directly to the person or entity supplying such services. Lessor shall not be liable for any claims, costs or damages, including without limitation, loss or injury to person or property, and Lessee shall not be entitled to any reduction or abatement of rent or other charges hereunder, on account of any unavailability of, or interruption in, the utilities and services described in this paragraph.

10.3 Keep the Premises reasonably clean and free from all rubbish, ashes, debris, dirt and other matter;

10.4 At Lessee's own expense maintain the Premises in good repair, and in at least as good condition as that in which they were delivered, allowing for ordinary wear and tear, which shall include, without limitation, the maintenance and repair of the following: repair or replacement of (a) any structural components including, without limitation, load bearing walls and floor slabs and masonry walls and foundations (but excluding roof and roof membranes which shall be maintained by Lessor), (b) the plumbing system, (c) the electrical system, (d) the utility lines and connections to the Premises, (e) the sprinkler mains, if any, (f) the heating, ventilation, and air conditioning system (but only to the extent that if the HVAC System cannot be repaired other than at a cost which is in excess of fifty percent (50%) of the cost of replacing the HVAC system, then the HVAC system shall be replaced by Lessor), (g) fixtures, (h) interior walls, (i) windows and skylights, (j) doors, (k) plate glass, (m) landscaping, (n) driveways and parking lots, (o) fences, (p) signs, (q) sidewalks and parkways located in, on, or adjacent to the Premises, and (r) all other areas of the Premises that would normally be repaired by a tenant in a single-tenant industrial lease agreement. If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after ten (10) days prior written notice to Lessee (except in the case of emergency in which case no notice shall be required) to perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall pay to Lessor a sum equal to 110% of the cost thereof.

10.5 Comply with any requirements of any government authority, and with the terms of any state or federal statutes or local ordinances or regulations applicable to Lessee to or for Lessee's use of the Premises and save Lessor

harmless from penalties, fines, costs or damages resulting from the failure to do so;

10.6 Give to Lessor prompt written notice of any accident involving persons other than agents or employees of Lessee, fire or damage occurring on or to the Premises;

10.7 At the termination of this Lease, remove any signs, improvements of a non-permanent nature, projections or devices placed upon the Premises at or prior to the expiration of this Lease. In case of breach of this covenant, in addition to all other remedies given to Lessor in case of breach of any condition or covenant of this Lease, Lessor shall have the privilege of removing said improvements, signs, projections, or devices and Lessee, at Lessor's option, shall be liable to Lessor for any and all expenses so incurred by Lessor;

10.8 Comply with all laws, and all applicable Environmental Laws which is defined as all federal, state, and local laws, rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder and other governmental requirements relating to pollution, control of chemicals, storage and handling of petroleum products, management of waste, discharges of materials into the environment, health, safety, natural resources, and the environment, including laws relating to emissions, discharges, releases, or threatened release of pollutants, contaminants or chemical, industrial, hazardous, or toxic materials or wastes into ambient air, surface water, ground water, on lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or waste. Lessee may have a Phase I Environmental Site Assessment performed prior to commencing operations. Lessee shall also notify Lessor if Lessee knows or has reason to know (or has reasonable cause to believe) that a hazardous substance has come to be located in, on, under or about the Premises, and shall provide lessor with any notices, reports, claim or other related documentation regarding the presence of such hazardous substance.

10.9 Indemnify Lessor against all expenses, liabilities, damages, loss of rents, penalties, and claims of any kind, including reasonable attorney's fees, by or on behalf of any person or entity arising out of or involving either:

- (A) A failure by Lessee to perform any of the terms or conditions of this Lease;
- (B) Any injury or damage happening on or about the demised Premises;
- (C) Any hazardous substance brought onto the Premises by or for Lessee, or any third party, in which case Lessee's obligations shall include, without limitation, the effects of any contamination or injury to person, property, or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this lease (no termination, cancellation, or release agreement entered into by Lessee and Lessor shall release Lessee from its obligations under this Lease with regards to hazardous substances, unless specifically so agreed to by Lessor in writing at the time of such agreement);

(D) Failure to comply with any law of any governmental authority; or

(E) Any mechanic's lien or security interest filed against the Premises as a result of any actions or conduct of Lessee at or with respect to the Premises; and

10.10 Secure any and all governmental and quasi-governmental permits for such use as Lessee intends to make of the Premises, and upon obtaining such permit, Lessee shall not use the demised Premises in any manner not inconsistent with or in violation of such permit.

11. **NEGATIVE COVENANTS OF LESSEE.** Lessee covenants and agrees that it will do none of the following things without the consent in writing of Lessor first had and obtained:

11.1 Occupy the Premises in any other manner or for any other purpose other than as set forth herein; and

11.2 Assign, mortgage or pledge, or sublease this Lease; nor shall any assignee assign, mortgage, pledge or sublease this Lease without the written consent by the Lessor, and without such consent no such assignment, mortgage, pledge or sublease shall be valid. Lessor will not unreasonably withhold such consent.

12. **ADDITIONAL COVENANTS:**

12.1 If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, this Lease, and all rights and obligations arising hereunder, shall terminate as of the date of such destruction, and rental shall be accounted for as between Lessor and Lessee as of that date. If the Premises are damaged but not totally destroyed by any of such casualty, rent shall abate in such proportion as use of the Premises has been destroyed, and Lessor shall restore the Premises to substantially the same condition as before such damage, whereupon full rental shall resume. For purposes of this section, damage to the Premises to the extent that full repairs cannot be made within 120 days after the date of the damage or destruction, shall be deemed to be a total destruction of the Premises.

12.2 Lessor shall not be liable for any damage, compensation or claim by reason of inconvenience or annoyance arising from the necessity of repairing any portion of the building, the interruption of the use of the Premises, or the termination of this Lease by reason of the destruction of the Premises.

12.3 Lessee acknowledges that Lessee has conducted or has had the opportunity to conduct a comprehensive investigation ("Due Diligence Investigation") of the Premises and all other matters which in Lessee's judgment may affect the value or suitability of the Premises for Lessee's purposes or which may influence Lessee's willingness to enter into this Lease. Lessee agrees that Lessee (i) accepts the Premises "as is" and with all faults; (ii) neither Lessor nor any of its officers, agents, employees or representatives has made any representations or warranties of any kind or nature, whether express or implied, with respect to the Premises or any of the matters relating thereto, except for those representations or warranties (if any) as may be expressly set forth in this Lease or the APA; (iii)

Lessee is relying on Lessee's own familiarity with the Premises, together with such further investigations as Lessee has deemed appropriate; (v) expressly waives the implied warranty of habitability and suitability for a particular purpose as may be provided by law; and (vi) Lessor shall not be required to perform any work of construction, alteration, repair or maintenance of or to the Premises. If Lessor obtains or has obtained or provides to Lessee any services, opinions, or work product of surveyors, architects, soil engineers, environmental auditors, engineers, title insurance companies, governmental authorities or any other person or entity with respect to the Premises, Lessee and Lessor agree that Lessor does so only for the convenience of the parties, Lessor does not vouch for the accuracy or completeness of any such items, and the reliance of Lessee upon any such items shall not create or give rise to any liability of or against Lessor.

12.4 It is hereby covenanted and agreed by and between the parties that any law, usage or custom to the contrary notwithstanding, Lessor shall have the right at all times to enforce the covenants and provisions of this Lease in strict accordance with the terms hereof, notwithstanding any conduct or custom on the part of Lessor in refraining from so doing at any time or times, and further, that the failure of Lessor at any time or times to enforce Lessor's right under said covenants and provisions strictly in accordance with the same shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions or covenants of this Lease, or as having in any way or manner modified the same. No failure by Lessor to insist upon the strict performance of any term hereof or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial payment of rent during the continuance of any such breach shall constitute a waiver of any such breach or of any such term. Efforts by Lessor to mitigate the damages caused by Lessee's breach of this Lease shall not be construed to be a waiver of Lessor's right to recover damages under this Lease.

12.5 Since compliance with the Americans with Disabilities Act of 1990, 42 USC sections 12101 et seq. ("ADA") is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. Lessee shall be solely responsible for compliance with and shall make or cause to be made all such improvements and alterations to the Premises (including, without limitation, removing such barriers and providing such alternative services) as shall be required by the ADA, as the same may be amended from time to time, or by any similar or successor law and the rules promulgated thereunder.

12.6 Lessor warrants and guarantees, for a period of ninety (90) days FROM THE TERM COMMENCEMENT DATE, that the HVAC, plumbing, wash rack and other electrical and mechanical systems on the Premises will be free from defect and are in good working order, normal wear and tear excepted.

12.7 In the event of any subsurface excavation (including trenching), Lessor and Lessee agree to utilize a site soil management plan.

13. EVENTS OF DEFAULT. The occurrence of any of the following shall constitute Events of Default:

13.1 Any part, portion or component of the Rent, or any other sums payable under this Lease are not received within three (3) days of the due date;

13.2 The Premises are deserted, vacated, or not used as regularly or consistently as would normally be expected for similar premises (which shall be defined as the failure to be open for business at the Premises for a period of ten (10) continuous days), even though Lessee may continue to pay Rent;

13.3 Any petition is filed by or against Lessee under any section or chapter of the Federal Bankruptcy Code, and, in the case of a petition filed against Lessee, such petition is not dismissed within thirty (30) days after the date of such filing;

13.4 Lessee becomes insolvent or transfers property in fraud of creditors;

13.5 Lessee makes an assignment for the benefit of creditors;

13.6 A receiver is appointed for any of the Lessee's assets; or

13.7 Lessee breaches or fails to comply with any term, provision, condition or covenant of this Lease, other than the payment of Rent.

14. LESSOR'S REMEDIES.

14.1 If Lessee vacates or abandons the Premises, this Lease shall continue in effect unless and until terminated by Lessor in writing, and Lessor shall have all of the rights and remedies provided by Section 1951.4 of the California Civil Code (i.e. Lessor may continue this Lease in effect after Lessee's breach and abandonment and recover Rent as it becomes due, if Lessee has the right to sublet or assign subject only to reasonable limitations).

14.2 Following the occurrence of any Event of Default, Lessor shall have the right, so long as the default continues, to terminate this Lease by written notice to Lessee setting forth: (i) the default; (ii) the requirements to cure it; and (iii) a demand for possession, which shall be effective three (3) days after it is given. Lessor shall not be deemed to have terminated this Lease other than by delivering written notice of termination to Lessee.

14.3 Following termination of the Lease, without prejudice to any other remedies Lessor may have by reason of Lessee's default or of such termination, Lessor may then or at any time thereafter (i) peaceably reenter the Premises, or any part thereof, upon voluntary surrender by Lessee, or, expel or remove Lessee and any other persons occupying the Premises, using such legal proceedings as may be available; (ii) repossess and enjoy the Premises, or relet the Premises or any part thereof for such term or terms (which may be for a term extending beyond the Term), at such rental or rentals and upon such other terms and conditions as Lessor in Lessor's sole discretion shall determine, with the right to make reasonable alterations and repairs to the Premises; and (iii) remove all personal property from the Premises.

14.4 Following termination of the Lease, Lessor shall have all the rights and remedies of a Lessor provided by Section 1951.2 of the California Civil Code which provides that Lessor may recover from Lessee the following: (i) the worth at the time of the award of the unpaid rent which had been earned at the time of termination; (ii) the worth at the time of the award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; (iii) the worth at the time of the award of the amount by which the unpaid rent for the balance of the Term (or extension thereof, if applicable) after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all detriment proximately caused by Lessee's failure to perform Lessee's obligations under the Lease or which in the ordinary course of things would be likely to result therefrom. The "worth at the time of award" of the amounts referred to in (i) and (ii) of this subsection, shall be computed by allowing interest at the Interest Rate. The "worth at the time of the award" of the amount referred to in (iii) above shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

14.5 If Lessee causes or threatens to cause a breach of any of the covenants, terms or conditions contained in this Lease, Lessor shall be entitled to retain all sums held by Lessor, any trustee or in any account provided for herein, to enjoin such breach or threatened breach, and to invoke any remedy allowed at law, in equity, by statute or otherwise as though re-entry, summary proceedings and other remedies were not provided for in this Lease.

14.6 Each right and remedy of Lessor provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for now or hereafter existing at law, in equity, by statute or otherwise. The exercise or beginning of the exercise by Lessor of any one or more of the rights or remedies provided for in this Lease, or now or hereafter existing at law, in equity, by statute,

or otherwise, shall not preclude the simultaneous or later exercise by Lessor of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law, in equity, by statute, or otherwise.

14.7 No failure by Lessor to insist upon the strict performance of any term hereof or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial payment of rent during the continuance of any such breach shall constitute a waiver of any such breach or of any such term. Efforts by Lessor to mitigate the damages caused by Lessee's breach of this Lease shall not be construed to be a waiver of Lessor's right to recover damages under this Section.

14.8 Upon Lessee's failure to perform any obligation of Lessee hereunder shall have the right, but not the obligation, to perform such obligations of Lessee on behalf of Lessee and/or to make payment on behalf of Lessee to such parties. Upon demand, Lessee shall reimburse Lessor for the cost of Lessor's performing such obligations on Lessee's behalf, including, without limitation, reimbursement of any amounts that may be expended by Lessor and Lessor's reasonable attorneys' fees, plus the maximum interest rate allowable by law, from the date of any such expenditure until the same is repaid.

14.9 For purposes of any unlawful detainer action by Lessor against Lessee pursuant to California Code of Civil Procedure Sections 1161 through 1179, or any similar or successor statutes, Lessor shall be entitled to recover as Rent not only such sums specified as the Monthly Base Rent which may then be overdue, but also any and all additional sums of money as may then be overdue.

14.10 Lessor's exercise of any one or more of the remedies set forth in this Section shall not affect the rights of Lessor or the obligations of Lessee under the indemnification set forth in Section 16.1 hereof.

14.11 Lessor shall be under no obligation to observe or perform any covenant of this Lease on its part to be observed or performed which accrues after the date of any Event of Default, and for so long as the Event of Default continues.

15. LESSOR'S DEFAULT.

In the event of a default by Lessor in the performance of any of its obligations under this Lease, Lessee shall deliver written notice to Lessor specifying, in detail sufficient for Lessor to correct such default, the default by Lessor. Lessor shall have thirty (30) days from receipt of Lessee's notice, which thirty (30) days shall be extended for a reasonable period of time if such matter is not reasonably susceptible to cure within such 30 day period provided Lessor is diligently pursuing to cure any such default. If any such default set forth in Lessee's notice remains uncured after the aforesaid time period, Lessee shall have all rights and remedies available to it at law and equity, except that in no event shall Lessee be entitled to offset Rent due hereunder in order to recoup expenses or losses claimed by Lessee in connection with such default by Lessor.

16. LEASE CONTAINS ALL AGREEMENTS.

It is expressly understood and agreed by and between any parties hereto that this Lease and the Exhibits attached hereto and forming a part hereof, set forth all of the promises, agreements, conditions and understandings between Lessor, or Lessor's agents, and Lessee relative to the demised Premises, and that there are no promises, agreements, conditions or understandings, either oral or written, between them other than as set forth herein. It is further understood and agreed that, except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by them.

17. PARTIES BOUND.

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several and respective heirs, executors, administrators, successors and assigns of said parties, and if there shall be more than one Lessee, they shall all be bound jointly and severally by the terms, covenants and agreements herein, and the word "Lessee" shall be deemed to and taken to mean each and every person or party mentioned as a Lessee herein, be the same one or more; and if there shall be more than one Lessee, any notice required or permitted by the terms of this Lease shall be given by or to anyone thereof, and shall ever have the same force and effect as if given by or all thereof. The word "his" and "him" and "her", wherever stated herein shall be deemed to refer to the "Lessor" and "Lessee" whether such Lessor and Lessee be singular or plural and irrespective of gender. No rights, however, shall inure to the benefit of any assignee of Lessee unless the assignment to such assignee has been approved by Lessor in writing as herein provided.

18. SUBORDINATION. This Lease and all rights of Lessee hereunder shall be subject and subordinate to the lien of any mortgagee of Lessor. While this paragraph is self-operative, and no further instrument of subordination shall be necessary, Lessee shall, in confirmation of such subordination, upon demand at any time or times, execute, acknowledge and deliver to Lessor or any mortgagee of Lessor any and all instruments requested by either of them to evidence such subordination. Lessee shall, upon demand, at any time or times, execute, acknowledge, and deliver to Lessor or any mortgagee of Lessor, without expense, any and all instruments that may be necessary to make this Lease subordinate to the lien of any mortgagee of Lessor. If a holder of any mortgage of Lessor shall hereafter succeed to the rights of Lessor under this Lease, Lessee shall, at the option of such holder, attorn to and recognize such successor as Lessee's landlord under this Lease and shall promptly execute and deliver any instrument that may be necessary to evidence such attornment. Upon such attornment, this Lease shall continue in full force and effect as a direct lease between each successor Lessor and Lessee, subject to all of the terms, covenants and conditions of this Lease. If Lessee fails at any time to execute, acknowledge and deliver any of the instruments provided for by this paragraph within ten (10) days after Lessor's notice so to do, Lessor, in addition to the remedies allowed by this Lease may execute, acknowledge and deliver any and all of such instruments as the attorney-in-fact of Lessee and in its name, place and stead, and Lessee hereby irrevocably appoints Lessor, its successors and assigns as such attorney-in-fact.

19. NOTICES.

19.1 Except for legal process which may also be served as by law provided, all notices required or desired to be given with respect to this Lease shall be in writing and shall be deemed to have been given when hand delivered or three (3) days after deposited, postage prepaid, with the United States Postal Service (or its official successor), certified, return receipt requested, properly addressed as follows:

To Lessee:

Volvo Construction Equipment Rents, Inc
127 Walnut Bottom Road
Shippensburg, PA 17257
Attn: Evan Brumm
Vice President and CF

With a copy going to:

Volvo Construction Equipment Rents, Inc.
127 Walnut Bottom Road
Shippensburg, PA 17257
Attn: Jeff Dunlop
General Counsel

To Lessor:

W.Y.L. Five Star Service Industries, Inc., a California corporation
c/o James Lew
26 Dorantes Avenue
San Francisco, CA 94116

Such addresses may be changed from time to time by either party by notice to the other.

19.2 Lessee hereby designates and appoints as its agent to receive notice of all dispossession or distraint proceedings the person in charge of or occupying the Premises at the time such notice is given, or, if there is no such person, then such service of notice may be made by attaching it on the main entrance of the Premises.

20. **HOLDING OVER.** If Lessee shall, with Lessor's written consent, remain in possession of the Premises or any part thereof after the expiration of the Term hereof, such occupancy shall constitute a tenancy from month to month, terminable upon thirty (30) days notice by either party, upon all of the terms, covenants and conditions of this Lease, except that the Base Rent shall be increased to one hundred twenty five percent (125%) of the Monthly Base Rent in effect immediately prior to such expiration. Otherwise, any such occupancy shall constitute a tenancy at sufferance, and Lessee shall be liable to Lessor for any and all claims, damages, liabilities, costs and expenses (including attorneys' fees and expenses) incurred by Lessor and arising out of Lessee's failure to timely surrender the Premises in accordance with the requirements of this Lease.

21. **INDEMNIFICATION**

(A) Lessor and Lessee each represents and warrants to the other that no broker, agent, commission salesman or other person has represented the warranting party in the negotiations for and procurement of this Lease and of the Premises, and that no commissions, fees or compensation of any kind are due and payable in connection herewith to any such person or entity. Each party further warrants that any compensation arrangement with the parties excepted from the foregoing warranty has been reduced to writing in its entirety in a separate agreement signed simultaneously with or before this Lease by the party against whom the commission or compensation is charged.

(B) Lessee hereby releases and shall indemnify, defend with counsel acceptable to Lessor, and hold Lessor, and its officers, directors, employees and agents, harmless from and against any and all liabilities, penalties, losses, damages, costs and expenses, demands, causes of action, claims or judgments (including, without limitation, attorneys' fees and expenses) (collectively, "Claims") arising, claimed or incurred against or by Lessor, or its officers, directors, employees or agents, from any matter or thing arising from (i) the use or occupancy of the Premises by Lessee or any sublessee or assignee of Lessee, or any of their respective officers, directors, employees, agents, licensees and invitees, the conduct of Lessee's business, or from any activity, work or other thing done, permitted or suffered by Lessee in or about the Premises; (ii) any accident, injury to or death of Lessee and/or its officers, directors, employees, agents, invitees or

licensees or any other person or loss of or damage to property of Lessee or any such persons occurring on or about the Premises or any part thereof during the term hereof; (iii) any breach or default in the performance of any obligation on Lessee's part or to be performed under the terms of this Lease; or (iv) the performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof at the request of Lessee, or its officers, directors, agents and employees; provided that Lessee shall have no obligation to indemnify, defend and hold Lessor harmless from and against any Claims resulting solely from the gross negligence or willful misconduct of Lessor. Notwithstanding any provision hereof to the contrary, the indemnification provided in this Section shall survive any termination of this Lease or expiration of the Term hereof. Lessee shall give prompt notice to Lessor in case of casualty or accidents known to Lessee on or about the Premises.

(C) Lessor shall indemnify, defend and hold Lessee, its officers, directors, employees and agents harmless from and against any and all liabilities, penalties, losses, damages, costs and expenses, demands, causes of action, claims or judgments due solely to the gross negligence or willful misconduct of Lessor.

22. **ATTORNEYS' FEES/WAIVER OF JURY TRIAL.** If any party commences an action against the other party arising out of or in connection with this Lease, (a) the prevailing party shall be entitled to recover from the losing party the cost and expenses of such action, including reasonable collection fees, attorneys' fees (including without limitation the allocated cost of in-house counsel) and court costs; and (b) the parties agree that the matter shall be tried by the court without a jury, and each party specifically waives the right to a jury trial in any such action.

23. **LIMITATION OF LESSOR'S LIABILITY.** The obligations of Lessor under this Lease shall not constitute personal obligations of the individual partners, directors, officers, or shareholders of Lessor, and Lessee shall look solely to the real estate that is the subject of this Lease and to no other assets of Lessor for satisfaction of any liability in respect of this Lease and shall not seek recourse against the individual partners, directors, officers or shareholders of Lessor or any of their personal assets for such satisfaction.

24. **RECORDING.** This Lease shall not be recorded by Lessee without Lessor's consent endorsed hereon, however, a Memorandum of this Lease may be recorded by Lessee or Lessor only upon agreement in writing by both parties.

25. **ESTOPPEL CERTIFICATE.** At any time and from time to time, and, on or before the date specified in a request therefore made by Lessor, which date shall not be earlier than ten (10) days from the making of such request, Lessee shall execute, acknowledge and deliver to Lessor a certificate evidencing:

25.1 Whether or not this Lease is in full force and effect;

25.2 Whether or not this Lease has been amended in any way;

25.3 Whether or not there are any existing defaults on the part of Lessor hereunder to the knowledge of Lessee and specifying the nature of such defaults, if any; and

25.4 The Base Rent amount at that time, and date to which Rent has been paid; and

25.5 Any other information that may be reasonably pertinent to a lender or a buyer of Lessor's interest in the Premises.

Each certificate delivered pursuant to this Paragraph may be relied on by any prospective purchaser or transferee of Lessor's

interest hereunder or of any part of Lessor's property or by any holder or prospective holder of any mortgage of Lessor, or a mortgagee or prospective mortgagee of any part of Lessor's other property.

26. **SEVERABILITY.** If any clause or provision of this Lease is or becomes illegal, invalid, or unenforceable because of present or future laws or any rule or regulation of any governmental body or entity, effective during its term, the intention of the parties hereto is that the remaining parts of this Lease shall not be affected thereby, unless the amount of Rent payable hereunder is thereby decreased, in which event Lessor may terminate this Lease.

27. **CAPTIONS.** The captions used in this Lease are for convenience only and do not in any way limit or amplify the terms and provisions hereof.

28. **SUCCESSORS AND ASSIGNS.** The provisions of this Lease shall inure to the benefit of and be binding upon Lessor and Lessee, and their respective successors, heirs, legal representatives and assigns.

29. **STATE LAW.** The laws of the State of California shall govern the interpretation, validity, performance and enforcement of this Lease.

30. **TIME IS OF THE ESSENCE.** Except as otherwise specifically provided herein, time is of the essence of this Lease. If any date set forth for the performance of any obligation or for the delivery of any instrument or notice should be on a Saturday, Sunday or legal holiday, compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or legal holiday. As used herein, the term "legal holiday" means any state or federal holiday for which financial institutions and post offices are generally closed in the State of California for observance thereof. Except as expressly provided to the contrary in this Lease, all references to days shall mean calendar days.

31. **ENTRY BY LESSOR.** Lessor and its authorized representatives shall have the right to enter the Premises at all reasonable times and upon reasonable notice (provided that in the event of an emergency, notice need not be given) for the purpose of inspecting the same or taking any action or doing any work permitted hereunder (but nothing herein contained in this Lease shall create or imply any duty on the part of Lessor to make any such inspection or to take any such action or do any such work). No such entry shall constitute an eviction of Lessee. In connection with any such entry, Lessor will use reasonable efforts not to disrupt or interfere with the normal operation of Lessee's business. Reasonable notice for entry by Lessor during non-business hours shall be twenty-four (24) hours.

32. **EXECUTION.** This Lease may be executed in any number of counterparts, each of which shall be deemed an original and any of which shall be deemed to be complete in itself and be admissible into evidence or used for any purpose without the production of the other counterparts.

33. **DEFINITION OF LESSOR.** As used in this Lease, the term "Lessor" means only the current fee owner of the Premises at the time in question. Each Lessor is obligated to perform the obligations of the Lessor hereunder only during the time such Lessor owns such leasehold interest. Any Lessor who transfers title to its leasehold interest in the Premises is relieved of all liabilities of Lessor under this Lease to be performed on or after the date of such transfer. The former or successor Lessor shall promptly send written notice to Lessee of any change in ownership described in this paragraph.

34. **FORCE MAJEURE.** Lessor shall be excused from the performance of any of its obligations for the period of any delay resulting from any cause beyond its control, including, without limitation, all labor disputes, governmental regulations or controls, fires or other

casualties, inability to obtain any material or services, or acts of God.

35. EMINENT DOMAIN. If the Premises, or any part thereof or any estate therein, or any other part of the building materially affecting Lessee's use of the premises, shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by Lessee, and for moving expenses.

36. SECURITY DEPOSIT.

36.1 Simultaneously with the execution of the Lease, Lessee shall deposit with Lessor a security deposit of thirteen thousand four hundred dollars (\$ 13,400.00) ("Security Deposit") to be held by Lessor as security for the faithful performance by Lessee of all terms, covenants and conditions of this lease. Alternatively, Lessee may deposit the Security Deposit with escrow officer named in the APA, in which case Lessee shall direct escrow officer to release the Security Deposit to Lessor at Close of Escrow. The Security Deposit shall not be mortgaged, assigned, transferred or encumbered by Lessee and any such act on the part of Lessee shall be without force and effect and shall not be binding upon Lessor. The Security Deposit shall not bear interest nor shall Lessor be required to keep such sum separate from its general funds.

36.2 If (i) any rent, additional rent or other sums due hereunder shall be overdue and unpaid, (ii) Lessor makes any payment on behalf of Lessee, (iii) Lessee fails to perform any of the terms of this Lease, or (iv) this Lease terminates due to Lessee's default or abandonment of the Premises; then, in any of the foregoing events, Lessor shall have the right (but not the obligation), without prejudice in addition to any other remedy available to Lessor, to use, apply or retain all or any portion of the Security Deposit (a) for the payment of any Rent, Additional Rent or other sum in default, (b) for the payment of any other sum to which Lessor may become obligated by reason of Lessee's default or breach, and/or (c) to compensate Lessor for any loss or damage which Lessor may suffer thereby, as reasonably estimated by Lessor, whether such damages accrue prior to or after termination of the Lease. Such damages may include, without limitation, prospective damages, damages recoverable pursuant to California Civil Code Section 1951.2, lost rents, costs to repair damage caused by Lessee, costs to clean the Premises upon termination of the tenancy, costs to relet the Premises, and/or any other costs, expenses, or damages available at law or in equity due to Lessee's default or abandonment. Lessee shall, within ten (10) days of demand therefor, restore the Security Deposit to the higher of (y) the original amount of the Security Deposit, or (z) the amount of the Security Deposit prior to Lessor's application thereof to amounts due by Lessee.

36.3 If Lessor uses or applies only a portion of the Security Deposit, as provided above, Lessor agrees to pay Lessee, without payment of interest or other increment for its use, the remaining un-used or un-applied balance of the Security Deposit within thirty (30) days after the later of the date Lessor receives possession of the Premises from Lessee, or the termination date of this Lease. However, it is expressly understood and agreed that the Security Deposit is not an advance rental deposit or a measure of the Lessor's damages as a result of Lessee's default and/or abandonment, and Lessor shall retain all rights and remedies available, at law or in equity, as a result of such a default or abandonment by Lessee. Further, Lessor's return of the Security Deposit, or any part thereof, shall not be construed as an admission that Lessee has performed all of its obligations under the Lease. In the event of bankruptcy or other debtor-creditor proceedings against Lessee, the Security Deposit shall be deemed to be applied first to the payment of Rent, Additional Rent and other sums due Lessor for all periods prior to the filing of such proceedings.

37.4 Lessee hereby expressly waives the provisions of California Civil Code section 1950.7(c) and any other laws and rules of law in effect from time to time during the Term that limit Lessor's right to use or apply the Security Deposit to offset Lessor's damages after a lease termination due to Lessee's default or abandonment.

38. **SUBLETTING and ASSIGNMENT.** Lessee shall have the right to sell, assign, hypothecate, or otherwise transfer this Lease or any interest hereunder, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Lessee, provided that Lessee first obtains Lessor's written consent, which shall not be unreasonably withheld. Lessor hereby reserves the right to condition any such approval upon the following, any failure of which Lessee agrees shall be a reasonable basis upon which to withhold consent: (i) Lessor's determination that the proposed assignee or sublessee is financially responsible and has sufficient business repute and experience to operate a successful business of the type permitted hereunder; (ii) obtaining the written agreement by the proposed assignee or sublessee to be bound by each and every obligation of Lessee under this Lease; (iii) the use to be made of the Premises by the proposed assignee or sublessee is permitted hereunder and is a first-class and quality business; (iv) the proposed use would not materially increase the operating costs of the Property, or increase the security concerns on the Property; (v) the proposed use would create a substantial probability that the comfort or safety of the agents or employees of Lessor (vi) such other factors or conditions as shall not be unreasonable. If Lessor consents to a proposed assignment, Lessee shall pay to Lessor a transfer fee of Two Thousand Dollars (\$2,000.00) to cover Lessor's legal and review costs in connection with such transfer. If Lessor's withholding of consent is found to be unreasonable by a court of competent jurisdiction, Lessee's sole remedy shall be to have the proposed assignment or subletting declared valid as if Lessor's consent had been given, and Lessee waives any other remedy at law or in equity. Lessee shall deliver to Lessor complete, fully executed documentation with regard to the transfer, assignment or sublease upon execution and delivery of the same. Notwithstanding assignment or subletting, Lessee shall remain liable for the full and complete performance, satisfaction, and compliance with each and every agreement, term, covenant, condition, requirement, provision, and restriction of this Lease, as principal and not as surety or guarantor, and as if no such assignment or subletting had been made. Notwithstanding the foregoing, Lessee shall have the right to assign this Lease to any affiliate if such affiliate is under common ownership with Lessee.

39. **SIGNS.** Lessee shall not place, construct or maintain on the Premises any signs without Lessor's prior written consent, which shall not be unreasonably withheld. All signage must comply with law. Lessor may place on the Premises "For Sale" signs at any time and "For Lease" signs during the last six months of the term thereof.

40. **WAIVERS.** No provision of this Lease shall be deemed to have been waived by Lessor unless such waiver is in writing signed by the waiving party, nor shall any custom or practice which may evolve between the parties in the administration of the terms hereof be construed to waive Lessor's right to require the obligations of Lessee be performed in strict accordance with the terms of this Lease.

41. **AUTHORITY.** Each individual executing this Lease on behalf of Lessee represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Lessee, and that this Lease is binding upon Lessee in accordance with its terms. As a condition precedent to the legal effectiveness of this Lease, Lessor may, at Lessor's option, require corporate or partnership resolutions as are reasonably necessary to establish the authority of Lessee to enter into this Lease.

42. **PEACEFUL POSSESSION.** So long as Lessee observes and performs the covenants and agreements contained herein, it shall at all times during the lease term hereunder peacefully and quietly have and enjoy possession of the Premises, but always subject to the terms hereof.

43. **AMENDMENTS.** This Lease may be only modified in writing, signed by the parties in interest at the time of the modification.

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

TENANT:

LANDLORD:

Volvo Construction Equipment Rents, Inc., a Delaware corporation

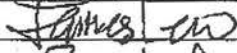
W.Y.L. Five Star Service Industries, Inc., a California corporation

By: 

Print Name: Evan Brumm

Title: Vice President & CFO

By: 

Print Name: 

Title: 



THE USE OF EMINENT DOMAIN BY THE CITY AND COUNTY OF SAN FRANCISCO

A SUMMARY OF THE PROCESS AND PROPERTY OWNERS' RIGHTS

January 2009

ABOUT THIS PAMPHLET

SB 698, which went into effect on January 1, 2008 and amended Section 1255.410 of the California Code of Civil Procedure and Section 7267.2 of the California Government Code, requires that every property owner whose property may be the subject of an eminent domain action be given an “informational pamphlet” outlining the property owner’s rights under the Eminent Domain Law of California.

The City and County of San Francisco has prepared this pamphlet based on the efforts of the following organizations:

League of California Cities California

State Association of Counties Association

of California Water Agencies California

Special Districts Association California

Redevelopment Association

INTRODUCTION

Eminent domain (sometimes called "condemnation") is the power of the government to purchase private property for a "public use" so long as the government pays the property owner "just compensation," which is the fair market value as determined by appraisal and which may ultimately be determined by a court. An owner's right to be paid just compensation in eminent domain is guaranteed by the Federal and State Constitutions and applicable State laws.

Whenever possible, the City tries to avoid eminent domain proceedings because of the added time, concern and cost to everyone. But if the City and a property owner cannot reach an agreement on the price for needed property, the City will consider whether to proceed with an eminent domain action.

The City decides whether to acquire private property for a public project only after a thorough public review of the project. That review process includes one or more public hearings, and, if required, environmental review for the project under the California Environmental Quality Act (CEQA). Ultimately, the City may not exercise its eminent domain power unless the San Francisco Board of Supervisors approves the action after a public hearing. Often, before the Board of Supervisors acts, a particular City commission with authority over the project also holds a public hearing to consider the proposed exercise of eminent domain.

This pamphlet provides general information about the eminent domain process under California law and the property owner's rights in that process.

IMPORTANT NOTE:

THIS PAMPHLET REFLECTS THE CURRENT LAW AS OF THE PUBLICATION DATE. BUT THE INFORMATION IN THIS PAMPHLET IS NOT, NOR SHOULD YOU CONSTRUE IT TO BE, LEGAL, FINANCIAL OR TAX ADVICE TO YOU. YOU SHOULD CONSULT WITH QUALIFIED LEGAL COUNSEL AND OTHER APPROPRIATE EXPERTS FOR LEGAL, FINANCIAL AND TAX ADVICE REGARDING YOUR SPECIFIC SITUATION, RATHER THAN RELYING ON THIS PAMPHLET AS A SUBSTITUTE FOR THAT ADVICE.

FREQUENTLY ASKED QUESTIONS AND ANSWERS

- **What is a "public use"?**

A "public use" is a use that confers public benefits, like the provision of public services or facilities or the promotion of public health, safety, and welfare. Public uses include a wide variety of projects, such as street and transportation improvements, parks, schools, construction of water pipelines or storage facilities, construction of civic buildings, open space and watershed preservation, and redevelopment of blighted areas. Some public uses are for private entities, such as universities, hospitals and public utilities, which serve the public. These are some examples of public uses. There are many other public purposes for which a public agency may use eminent domain.

Proposition 99, adopted by California's voters in June 2008, amended the California Constitution to prohibit the government from "acquiring by eminent domain an owner-occupied residence for the purpose of conveying it to a private person." Sections 19(c) and 19(d) of this law provide that the government is still allowed to use eminent domain to acquire owner-occupied residences if the purpose is related to public health and safety; preventing serious, repeated criminal activity; responding to an emergency; remedying hazardous environmental contamination that poses a threat to public health and safety; or for a public work or improvement.

- **What is "just compensation"?**

Just compensation is the **fair market value** of the property being acquired by the government. State law defines fair market value as "the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available."

THE EMINENT DOMAIN PROCESS AND THE PROPERTY OWNER'S RIGHTS

The eminent domain process begins with the creation of a public project. When selecting a project location, the City is guided by the goal of rendering the greatest public good and the least private injury and inconvenience. If the City determines that all or a portion of your property may be necessary for a public project, it will begin an appraisal process to determine the property's fair market value.

- **How is the fair market value of my property determined?**

The City will retain an independent, accredited appraiser familiar with local property values to appraise your property. The appraiser will invite you to come along during an inspection of your property. You may give the appraiser any information about improvements and any special features that you believe may affect the value of your property. It is in your best interest to provide the appraiser with all the useful information you can to ensure that nothing of value will be overlooked. If you are unable to meet with the appraiser, you may wish instead to have a person who is familiar with your property meet with the appraiser.

After the inspection, the appraiser will complete an appraisal that will include a determination of your property's fair market value and the information upon which the fair market value is based. The appraiser will provide the City with the appraisal. The City will then make a written offer to purchase your property, which will be for no less than the amount of the appraisal. The offer will also include a summary of the appraisal.

- **What factors does the appraiser consider in determining fair market value?**

Each parcel of real property is different. Therefore, no single formula can be used to appraise all properties. Factors an appraiser typically considers in estimating fair market value include the following:

- The location of the property;
- The age and condition of improvements on the property;
- How the property has been used;
- Whether there are any lease agreements relating to the property;
- Whether there are any environmental issues, such as contaminated soil;
- Applicable current and potential future zoning and land use requirements;
- How the property compares with similar properties in the area that have been sold recently;
- How much it would cost to reproduce the buildings and other structures, less any depreciation; and
- How much rental income the property produces, or could produce if put to its highest and best use.

- **Will I receive a copy of the appraisal?**

Before proceeding with eminent domain, the City must provide you with its purchase offer, a summary of the appraiser's opinion, and the basis for the City's offer, and give you a reasonable period to consider the offer. Among other things, the appraisal summary must include the following information:

- A general statement of the City's proposed use for the property;
- An accurate description of the property to be acquired;
- A list of the improvements covered by the offer;
- The amount of the offer; and
- The amount considered to be just compensation for each improvement that is owned by a tenant and the basis for determining that amount.

State law requires the City to show you a copy of the full appraisal only if your property is an owner-occupied residential property with four or fewer residential units. Otherwise, the City may, but is not required to, disclose its full appraisal during negotiations (though different disclosure requirements apply during the litigation process if the issue of fair market value goes to court).

- **Can I have my own appraisal done?**

Yes. You may decide to obtain your own appraisal of the property in negotiating the fair market value with the City. At the time of making its initial offer to you, the City must offer to reimburse you the reasonable costs, not to exceed \$5,000, of an independent appraisal you obtain for your property. To be eligible for this reimbursement, you must have the independent appraisal conducted by an appraiser licensed by the California Bureau of Real Estate Appraisers.

- **What advantages are there in selling my property to the City?**

As a real estate transaction, a sale of property to the City is similar to a sale of property to a private buyer. But there may be certain financial advantages to selling to a public entity such as the City:

- You will not be required to pay for real estate broker commissions, preparation of sale documents, buyer's title insurance policy premiums or recording fees required in closing the sale. The City will pay any and all of these costs.
- Sales to the City are not subject to the local documentary transfer tax, which generally applies to sales of private property from one private owner to another. However, if the property is located within a charter city other than San Francisco, a sale to the City may be subject to the charter city's separate real estate transfer tax.
- The City cannot give you tax advice or direction. You might be eligible for certain real property tax and income tax advantages, and your tax liability may differ depending on where your property is located. You

should check with the Internal Revenue Service (IRS) and/or consult your personal tax advisor or lawyer for details.

- **If the City acquires only a portion of my property, will I be paid for the loss to my remaining property?**

In general, when the City needs only a part of your property for the project, it will make every reasonable effort to ensure you do not suffer a financial loss to the "remainder" property. The City will compensate you for any loss in value to your remaining property that is not offset by the benefits conferred by the project for which the City is taking your property. This compensation is often referred to as "severance damages."

Whether the City's purchase of a portion of your property will result in any loss in value to the remainder is a complex appraisal issue. If the appraiser concludes the proposed acquisition will have this effect, a City real estate representative will explain the effect to you.

Also, if any part your property that would remain after the City takes the portion it needs is of such a shape or condition as to be of little market value, the City will offer to acquire that remaining part (or remnant) from you, if you so wish.

- **Will I be compensated for loss of goodwill to my business?**

If you are the owner of a business that operates on the property being acquired, you may have a right to additional compensation for lost business goodwill if the loss is caused by the acquisition of the property. "Goodwill" consists of the economic value of a business, separate from the property on which the business is located, as a result of its location, reputation for dependability, skill or quality of the staff, services or merchandise, and any other circumstances that make the business attractive to existing and new patrons.

- **What will happen to the loan on my property?**

Where the City is acquiring the entire property, generally the compensation payable to the owner is first used to satisfy outstanding loans or liens, as in a typical real estate transaction. Where less than the entire property is being acquired, whether outstanding loans or liens are paid from the compensation will depend on the particular facts and circumstances.

- **Do I have to sell at the price offered?**

No. If you and the City are unable to reach an agreement on a mutually satisfactory price, you are not obligated to sign or accept an offer or enter into a purchase agreement.

- **If I agree to accept the City's offer, how soon will I be paid?**

If you reach a voluntary agreement to sell your property or an interest in the property to the City, the City will make its payment at a mutually acceptable time, generally within 60 to 90 days after you, the City (including any necessary boards and commissions), and any other required parties with ownership interests in the property agree to the sale and sign the purchase and sale contract.

- **What happens if we are unable to reach an agreement on the property's fair market value?**

The City will make every reasonable effort to acquire your property by negotiated purchase. But if the negotiations are unsuccessful, the City may either file an eminent domain action in a court located in the county where your property is located or abandon its intent to acquire the property. If the City abandons its intent to acquire, it will promptly notify you.

If the City proceeds with eminent domain, the first public step is for its staff to request authority from the San Francisco Board of Supervisors—the elected legislative body—to file an eminent domain action. The Board of Supervisors grants approval to proceed by adopting a "Resolution of Necessity." In considering whether to adopt the Resolution of Necessity, the Board of Supervisors must determine whether the public interest and necessity require the project, whether the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury, and whether your property is necessary for the project.

You will be given notice and an opportunity to appear before the Board of Supervisors when it considers whether to adopt the Resolution of Necessity. You may want to call an attorney or contact an attorney referral service right away. You or your representatives can raise any objections to the Resolution of Necessity and the proposed eminent domain either orally at the hearing on the Resolution of Necessity or in writing to the Board of Supervisors before that hearing.

The full Board of Supervisors, not just a committee of the Board, must conduct a public hearing before considering approval of the Resolution of Necessity. The Board of Supervisors must approve the Resolution of Necessity by a 2/3 vote—i.e., at least eight of its eleven members. If the Board of Supervisors approves the Resolution of Necessity, the Resolution is forwarded to the Mayor, who then has 10 days to either approve the Resolution by signing it; allow it to go into effect without signing it; or veto it. If the Mayor vetoes it, the Board of Supervisors can override the veto by a 2/3 vote.

If the Resolution of Necessity is adopted, the City can then file a complaint in court to acquire title to the property by eminent domain upon payment of the property's fair

market value. In that action, the City is the plaintiff. Anyone with a legal interest in the property, generally determined from a title report on the property (including tenants or mortgage holders), is named in the complaint as a defendant. Often, the City will also deposit with the State Treasurer of California the amount the City believes is the "probable amount of compensation." The City must make the deposit if it is seeking to acquire possession of the property before agreement is reached, or a judgment is entered, establishing the fair market value of the property.

- **Can the City acquire possession of my property before a court in the eminent domain lawsuit determines the property's fair market value?**

In some cases, the City may decide it needs possession of the property before a court finally determines the property's fair market value. This type of possession is commonly referred to as "immediate possession." In such a case, the City must apply to the court for an "order for possession" to allow it to take control of the property before a final determination of the property's fair market value. The City is required to schedule a hearing with the court on the proposed order for possession and to give you advance notice of the hearing. The City generally must send the notice at least 90 days before the hearing date if the property is occupied and 60 days before the hearing date if the property is unoccupied. A judge will decide whether the order for possession should be granted. As noted above, the City must deposit with the State Treasurer the probable amount of just compensation to obtain immediate possession of the property.

- **Can I oppose the motion for an order for possession?**

Yes. You may oppose the motion in writing by serving the City and the court with your written opposition within the period of time set forth in the notice from the City.

- **Can I rent the property from the City?**

If the City agrees to allow you or your tenants to remain on the property after it acquires possession, you or the tenants will be required to pay a fair market rent to the City. Generally, fair market rent is based on rent for the use of property similar to yours in a similar area.

- **Can I withdraw the amount deposited with the State Treasurer before the eminent domain action is completed, even if I don't agree that the amount reflects the fair market value of my property?**

Yes. Subject to the rights of any other persons having an interest in the property (such as a lender, tenant, or co-owner), you may withdraw the amount deposited with the State Treasurer before the eminent domain action is completed. If you withdraw the amount on deposit, you may still seek a higher fair market value during the eminent domain proceedings. But your withdrawal will mean that you may not

contest the City's right to acquire the property, meaning you waive any ability to contest that the acquisition of your property is for a public purpose or is otherwise legally improper.

You also have the right to ask the court to require the City to increase the amount deposited with the State Treasurer if you believe the amount the City has deposited less than the "probable amount of compensation."

- **Can I contest the City's acquisition of my property?**

Yes. As long as you have not withdrawn the amount deposited, you can challenge in court the City's legal right to acquire or condemn your property.

- **What happens in an eminent domain trial?**

The main purpose of an eminent domain trial is to determine the fair market value of your property, including compensable interests such as lost business goodwill caused by the taking or severance damages. The trial is usually conducted before a judge and jury. You (together with any others with interests in the property) and the City will have the opportunity to present evidence of your property's value. The jury will determine the property's fair market value. In cases where the parties choose not to have a jury, the judge will decide the property's fair market value. Generally, each party to the litigation must disclose its respective appraisals to the other parties before trial.

If you challenge the City's right to acquire the property, the eminent domain trial will also determine whether the City has the legal right to acquire the property. In such cases, the judge (not the jury) will make this determination before any evidence is presented concerning the property's fair market value.

If the Court concludes the City has the right to acquire the property, the jury will establish the fair market value and the judge will enter a judgment requiring the City to pay that amount. Once the City pays the amount of the judgment, the judge will enter a final order of condemnation. The City will record the final order with the County Recorder, and title to the property will then pass to the City.

- **Am I entitled to interest?**

Anyone receiving compensation in an eminent domain action is generally entitled to interest on that compensation from the date the condemning agency takes possession of the property until the person receiving the compensation has been fully paid. Formulas set by State law determine the rate and method of calculation of the interest.

- **Will the City pay my attorneys' fees and costs?**

In an eminent domain action, you are entitled to be reimbursed by the City for your court costs, such as court filing fees. In some circumstances, you may also be entitled to be reimbursed by the City for your attorneys' fees in the lawsuit. Whether you are entitled to receive reimbursement for your attorneys' fees will depend on the particular facts and circumstances of the case and the offers and demand for compensation made in connection with the action.

- **Will I receive assistance with relocation?**

Any person, business, or farm operation displaced as a result of the property acquisition is typically entitled to relocation advice and financial assistance for eligible relocation expenses, such as moving expenses. The amount of relocation compensation will be determined on a case-by-case basis in accordance with prescribed law. The City will work with you to help you obtain relocation assistance and benefits.

CONTACT INFORMATION

We are available to answer your questions and to assist you in understanding the acquisition program and the eminent domain process. If you would like further information, please contact:

City and County of San Francisco, Real Estate Division
25 Van Ness Avenue,
Suite 400, San Francisco,
CA 94102
(415) 554-9850



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

September 13th 2016

BlueLine Rentals, LLC

Attention: Cliff Eckberg 9401 New Trails Drive, Suite 150 The Woodlands, TX 77380

Subject: **The City and County of San Francisco, General Services Administration's Fleet Management Central Shops Facility Project**
Offer to Purchase Interest in Real Property
Property Address: 1975 Galvez Avenue, San Francisco, California
San Francisco County APN: Block 5250 Lot 016

Dear Mr. Eckberg:

The City and County of San Francisco (City) is working to acquire real property interests in San Francisco's Bayview neighborhood necessary for the construction of its General Services Administration's Fleet Management Central Shops Facility (Project). This includes the property that your business, BlueLine Rentals, LLC (formerly Volvo Construction Rentals, Inc.), occupies at 1975 Galvez Avenue in the City of San Francisco, County of San Francisco, State of California and further identified above (Property). The City has been acting as your landlord pursuant to the lease assumed by the City when escrow closed on the purchase of the Property earlier this year. A copy of the Lease Agreement is enclosed for your reference. (Attachment 1)

This letter and the accompanying paperwork contains material that comprises an offer of compensation pursuant to California Government Code Section 7267.2, in return for an executed Quit Claim Deed, disclaiming any and all interest your business may have in the Property; including but not limited to any leasehold interest, lease bonus value, and improvements to the real property.

The City has made no decision as to whether it would consider acquiring your leasehold interest by eminent domain. However, the City believes you are entitled to compensation for the net present value of your positive leasehold interest; meaning the present value of your below market lease for the term remaining on the lease.

The City's offer in the amount of **One Million Three Hundred Eighty-Eight Thousand and 00/100 Dollars (\$1,388,000.00)** is made in accordance with the requirements of Section 7267.2 of the California Government Code and represents the value of the property interest proposed to be acquired as determined by an independent state licensed and certified appraiser. If you wish to seek your own independent appraisal of the fair market value of the property interest proposed to be acquired, the City will pay the reasonable costs of this

appraisal, in an amount not to exceed \$5,000. The independent appraisal must be conducted by an appraiser with a certified general license issued by the California Office of Real Estate Appraisers.

Attached for your review are the following documents related to this offer:

- Summary Statement Relating to the Purchase of Real Property or an Interest Therein
- Appraisal Summary Statement and Summary of the Basis of Just Compensation
- Quit Claim Deed
- Settlement Agreement
- Property Acquisition Information Brochure
- Copy of existing Lease Agreement

Please review these documents closely. If the enclosed offer is acceptable to you, please:

- Sign three copies of the Settlement Agreement;
- Execute the original Quit Claim Deed and have the signatures notarized; and
- Return the signed documents to me at

The City and County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA 94102

Under California law, your business may be entitled to compensation for loss of goodwill. You received the "Notice of Right to Claim Loss of Business Goodwill" by certified mail from the City in June. (Attachment 2) On June 14, 2016, BlueLine Rentals, LLC also received a Notice of Eligibility for relocation assistance in accordance with the City's Relocation Assistance Program. This is related to your business operation at the Property and the personal property you may own and have located on site. The benefits that may be available to your business under the Relocation Program are wholly separate from the compensation being offered herein. As you know, the City has retained Associated Right of Way Services, Inc., (AR/WS) to help with your relocation. Ms. Karen Eddleman of AR/WS can be reached by phone at (925) 691-8500 or by email at keddleman@arws.com.

Thank you for working with the City to help us move forward with this important Project. Should you have questions about the Project or need additional assistance please contact Jeff Suess on my staff at (415) 554-9873 or email at jeff.suess@sfgov.org.

Sincerely,



John Updike
Director of Property
City and County of San Francisco

cc: Ms. Karen Eddleman, SR/WA - Associated Right of Way Services, Inc.

Jeff Suess

Enclosures

- 1). Lease Agreement
- 2). Notice of Right to Claim Loss of Business Goodwill
- 3). Appraisal Summary Statement
- 4). Summary Statement Relating to the Purchase of Real Property or an Interest Therein
- 5). Quit Claim Deed
- 6). Settlement Agreement
- 7). Property Acquisition Information Brochure

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") made and entered into this the 25th day of September, 2012, by and between W.Y.L. Five Star Service Industries, Inc., a California corporation (the "Lessor"), and Volvo Construction Equipment Rents, Inc., a Delaware corporation (the "Lessee").

RECITALS

- A. Lessor is the fee owner of the Premises (defined in Section 1 below).
- B. Lessee has entered into a Asset Purchase Agreement, dated September 26, 2012 (the "APA") with Lessor ("Existing Lessee") in which Lessee is purchasing the Lessor's construction equipment rental business that Lessor was conducting from the Premises.
- C. The APA is subject to the execution of a new lease agreement with Lessor to lease the Premises. Lessor and Lessee have opened escrow with Wall, Esteeck, and Babcock LLP and have agreed to close escrow on approximately September 26, 2012 (such date shall be referred to as "Close of Escrow").
- D. Provided that the transaction referenced in Paragraph B & C above is consummated, Lessor desires to lease the Premises to Lessee, and Lessee desires to lease the Premises from Lessor pursuant to the terms, covenants and conditions set forth below.

W I T N E S S E T H:

1. **PREMISES.** Lessor, for the consideration of the rents, covenants, agreements and stipulations herein contained to be kept and performed by Lessee, hereby agrees to lease to Lessee and Lessee hereby agrees to hire from Lessor, at the rent and upon the conditions herein set forth, the certain real property, including all improvements therein and commonly known as 1975 Galvez Avenue, San Francisco, California, Assessor's Parcel Number 5250-016 in the San Francisco County Records (the "Premises"). The Premises are delivered subject to any and all easements in place as of the date of this Lease.
2. **USE.** The Premises shall be used and occupied by Lessee in connection with its business of Construction Equipment Rental or any other legal use which is reasonable comparable thereto, and for no other purposes without first obtaining Landlord's prior written consent, which shall not be unreasonably withheld. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste, or a nuisance, or that disturbs the occupants or or causes damage to neighboring premises or properties.
3. **CONDITION PRECEDENT.** This Lease shall be subject to the completion and closing of the transaction set forth in the APA between Lessor and Lessee. Should completion and closing of the transaction set forth in the APA not take place, then this Lease shall be null and void. Lessor shall have no liability to Lessee under this Lease whatsoever

if the closing of the APA does not take place.

4. **TERM.** The term of this Lease shall be for 5 years to commence on Close of Escrow ("Term Commencement Date"), and to terminate five (5) years after the Term Commencement Date, or should the Term Commencement Date Fall on a date other than the first day of the month, the Lease shall expire five (5) years after the first day of the month next following the Term Commencement Date. Lessee shall surrender the Premises to Lessor immediately upon the termination of the Lease term in broom clean and free of debris, and in good working order, repair and condition, except for reasonable wear and tear. In no event shall HVAC equipment, plumbing or sprinkler system components, air lines, power panels, electrical distribution systems, lighting fixtures, fencing or any other component from any major building system be removed from the Premises. Any furniture or personal property left on the Premises after Lessee has surrendered possession shall be deemed abandoned and shall become property of Lessor. Provided that Lessee is not in default in the performance of this Lease, Lessee shall have two (2) successive options to extend the Lease for a period of five (5) years each (each an "Option Term") effective upon the expiration of the initial term. In order to exercise the Option Term, Lessee must deliver to Lessor written notice of its election to exercise the Option Term not less than 90 days prior to the expiration of preceding term of the Lease. All of the terms and conditions of the Lease shall apply during the renewal term, except that the Base Rent payable hereunder shall be increased on the commencement of each Option Term by two percent (2%), and again on each anniversary of the commencement of the Option Term by two percent (2%). The period of time during which the Option Term must be exercised may not be extended or expanded by reason of Lessee's failure to exercise its Option Term, or its inability to exercise its Option Term due to the provisions of this section. Failure to exercise the first Option Term on time shall render both Option Terms void and null.

5. **BASE RENT.** Lessee agrees to pay Lessor as monthly rental for the use of the above described Premises the sum of thirteen thousand four hundred dollars (\$13,400.00) ("Base Rent"). The amount of Base Rent payable hereunder shall be adjusted annually by a two percent (2%) increase over the Base Rent previously in effect, such adjustments to occur on the first anniversary of the Term Commencement Date (or if the Term Commencement Date does not fall on the first of the month, then the first adjustment date shall be on the first day of the month next following the Term Commencement Date) and each anniversary of the first adjustment date thereafter.

6. **ADDITIONAL RENT.** Lessee agrees to pay as rent, in addition to the Base Rent reserved in Paragraph 5 hereinabove, the following:

6.1 All ad valorem property taxes and all other assessments, bonds, levies, or fees (other than inheritance, personal income, or estate taxes) levied against the Premises for any year during the term of this Lease, or any renewal thereof. Payment, to Lessor, for the taxes shall be due 30 days after receipt of the original tax notice by Lessee. In the event that such taxes are assessed for a tax year extending beyond the term of the Lease, the obligation of Lessee shall be proportionate to the portion of the Lease Term included in such year. Lessor shall provide Lessee proof of payment of taxes due 30 days after receipt of tax payment from Lessee; and

6.2 If any installment of Rent (as defined in Paragraph 6 below) is not paid within ten (10) days after the

date such Rent is due, Lessee shall pay to Lessor, in addition to the installment of Rent then owing, a late payment charge equal to five percent (5%) of the amount of the delinquent installment, regardless of whether a notice of default or notice of termination has been given by Lessor. The parties agree that this late charge represents a reasonable estimate of the costs and expenses incurred by Lessor from the late payment, and is fair compensation to Lessor for its loss suffered by such nonpayment by Lessee. ; and

6.3 If Lessee pays any amount to Lessor by means of a check on an account with insufficient funds, in addition to any other rights and remedies available to Lessor with respect to such default, Lessor shall have the right to charge Lessee the amount of twenty-five dollars (\$25.00) for the first check passed on insufficient funds and an amount of thirty-five dollars (\$35.00) for each subsequent check to that payee passed on insufficient funds. Nothing in this paragraph shall relieve Lessee of its obligation to pay any Rent at the time and in the manner provided by this Lease or constitute a waiver of any default of Lease with regard to any nonpayment of Rent.

7. DEFINITION OF RENT. As used in this Lease, the term "Rent" shall include: (i) the Base Rent; (ii) Additional Rent; and (iii) all other amounts which Lessee is obligated to pay under the terms of this Lease, including, without limitation, any and all sums which may become due by reason of the failure of Lessee to comply with all covenants of this Lease, Lessee agreeing to pay any and all damages, costs or expenses which Lessor may suffer or incur by reason of any default of Lessee or failure on its part to comply with the covenants of this Lease. Lessee shall pay to Lessor the Rent at an address designated by Landlord in advance on or before the first day of each month. Rent for any portion of a month shall be prorated on the basis of a thirty (30) day month. All Rent payable hereunder shall be paid in lawful money of the United States and without prior notice or demand, deduction or offset for any causes whatsoever.

8. LESSEE'S RIGHT TO ALTER AND IMPROVE. Provided that Lessee obtains Lessor's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, Lessee shall have the right at its own expense from time to time during the lease term to improve or alter the building which forms a part of the Premises in such a manner as shall be reasonably necessary or appropriate in Lessee's judgment for Lessee's conduct thereon of its business. Upon termination of this Lease, such improvements shall be the property of Lessor. Lessee agrees that all additions or improvements of whatsoever kind or nature made to the Premises other than furniture and movable fixtures, shall belong to and become the property of Lessor upon the expiration of the Term of this Lease or sooner termination thereof, unless Lessor requests their removal, in which event Lessee shall remove the same and restore the Premises to their condition as of the date of Lessor's delivery of possession of the Premises to Lessee, at Lessee's expense. Lessee shall promptly pay and discharge all claims for work or labor done, supplies furnished or services rendered and shall keep the Premises and Property free and clear of all mechanic's and materialmen's liens in connection therewith. If any such lien is filed, Lessee will pay the amount necessary to discharge the lien or bond around the lien, otherwise Lessor may, but shall not be required to, take such action or pay such amount as may be necessary to remove such lien; and, Lessee shall pay to Lessor, upon demand, any such amounts expended by Lessor in discharging such lien, together with interest at the maximum allowable interest rate permitted by law from the date of the expenditure by Lessor to the date of repayment by Lessee.

9. INSURANCE.

9.1 During the term of the Lease and for any further time that Lessee shall hold the Premises, Lessee shall obtain and maintain at its sole expense the following types and amounts of insurance:

- (A) Lessee shall keep all buildings, improvements and equipment on the demised Premises, including all alterations, additions, and improvements, insured against loss or damage by fire, with all standard extended coverage that may be required by any mortgagee of Lessor. The insurance shall be equal to the greater of the full insurable replacement cost of the Premises or the requirement required by any mortgage of Lessor. If at any time there is a dispute as to the amount of such insurance, the same shall be settled by arbitration;
- (B) Lessee shall provide insurance against liability for bodily injury and property damage and machinery insurance, all to be in amounts and in forms of insurance policies as may from time to time be required by Lessor. This requirement shall specifically include plate glass insurance, covering the glass in the Premises. Absent any other determination by Lessor, the minimum amount of such insurance shall be \$1,000,000.00 for any one occurrence with an annual aggregate of not less than \$ 2,000,000; and
- (C) Lessee shall provide and keep in force the following insurance in the operation of its business:
 - (i) Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, trade fixtures, and Lessee owned alterations and utility installations. Such insurance shall be at full replacement cost and with a deductible of no less than \$5,000 per occurrence. The proceeds of any such insurance shall be used by Lessee in accordance with this paragraph.
 - (ii) Lessee shall obtain and maintain worker's compensation insurance in such amount as may be required by law.

9.2 All insurance policies shall name Lessor as an additional named insured. Any policy or policies of insurance, which either party obtains in connection with the Premises, shall, to the extent the same can be obtained without undue expense, include a clause or endorsement denying the insurer any rights of subrogation against the other party to the extent rights have been waived by the insured prior to the occurrence of injury or loss. If requested by Lessor, any insurance against fire or other casualty shall provide that loss shall be payable to the holder of Lessor's Mortgage or other security interest under a standard mortgage clause. All insurance shall be written with responsible companies, and Lessee shall provide appropriate certificates of insurance to Lessor and the holder of any mortgage or

other security interest in the Premises promptly upon request. All policies shall require ten (10) days notice by registered mail to Lessor and to any mortgagee of Lessor of any cancellation change affecting any interest of Lessor or any mortgagee of Lessor.

10. AFFIRMATIVE COVENANTS AND RESPONSIBILITIES OF LESSEE. Lessee covenants and agrees that Lessee will, without demand:

10.1 Pay prior to delinquency any and all taxes and assessments against and levied upon trade fixtures, furnishings, equipment, and personal property contained in the Premises. Whenever possible, Lessee shall cause such items to be assessed and billed separately from the real property portion of the Premises. Lessee shall be responsible for any taxes and assessments attributable to any such items assessed against the real property portion of the Premises.

10.2 Procure and maintain, at Lessee's sole cost and expense, all HVAC, utilities and services required or desired by Lessee for its use and occupancy of the Premises, including, without limitation, water, sewer, gas, electricity, telephone, internet, janitorial, waste disposal services, and recycling services. Lessee shall make payment for any such services directly to the person or entity supplying such services. Lessor shall not be liable for any claims, costs or damages, including without limitation, loss or injury to person or property, and Lessee shall not be entitled to any reduction or abatement of rent or other charges hereunder, on account of any unavailability of, or interruption in, the utilities and services described in this paragraph.

10.3 Keep the Premises reasonably clean and free from all rubbish, ashes, debris, dirt and other matter;

10.4 At Lessee's own expense maintain the Premises in good repair, and in at least as good condition as that in which they were delivered, allowing for ordinary wear and tear, which shall include, without limitation, the maintenance and repair of the following: repair or replacement of (a) any structural components including, without limitation, load bearing walls and floor slabs and masonry walls and foundations (but excluding roof and roof membranes which shall be maintained by Lessor), (b) the plumbing system, (c) the electrical system, (d) the utility lines and connections to the Premises, (e) the sprinkler mains, if any, (f) the heating, ventilation, and air conditioning system (but only to the extent that if the HVAC System cannot be repaired other than at a cost which is in excess of fifty percent (50%) of the cost of replacing the HVAC system, then the HVAC system shall be replaced by Lessor), (g) fixtures, (h) interior walls, (i) windows and skylights, (j) doors, (k) plate glass, (m) landscaping, (n) driveways and parking lots, (o) fences, (p) signs, (q) sidewalks and parkways located in, on, or adjacent to the Premises, and (r) all other areas of the Premises that would normally be repaired by a tenant in a single-tenant industrial lease agreement. If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after ten (10) days prior written notice to Lessee (except in the case of emergency in which case no notice shall be required) to perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall pay to Lessor a sum equal to 110% of the cost thereof.

10.5 Comply with any requirements of any government authority, and with the terms of any state or federal statutes or local ordinances or regulations applicable to Lessee to or for Lessee's use of the Premises and save Lessor

harmless from penalties, fines, costs or damages resulting from the failure to do so;

10.6 Give to Lessor prompt written notice of any accident involving persons other than agents or employees of Lessee, fire or damage occurring on or to the Premises;

10.7 At the termination of this Lease, remove any signs, improvements of a non-permanent nature, projections or devices placed upon the Premises at or prior to the expiration of this Lease. In case of breach of this covenant, in addition to all other remedies given to Lessor in case of breach of any condition or covenant of this Lease, Lessor shall have the privilege of removing said improvements, signs, projections, or devices and Lessee, at Lessor's option, shall be liable to Lessor for any and all expenses so incurred by Lessor;

10.8 Comply with all laws, and all applicable Environmental Laws which is defined as all federal, state, and local laws, rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder and other governmental requirements relating to pollution, control of chemicals, storage and handling of petroleum products, management of waste, discharges of materials into the environment, health, safety, natural resources, and the environment, including laws relating to emissions, discharges, releases, or threatened release of pollutants, contaminants or chemical, industrial, hazardous, or toxic materials or wastes into ambient air, surface water, ground water, on lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or waste. Lessee may have a Phase I Environmental Site Assessment performed prior to commencing operations. Lessee shall also notify Lessor if Lessee knows or has reason to know (or has reasonable cause to believe) that a hazardous substance has come to be located in, on, under or about the Premises, and shall provide lessor with any notices, reports, claim or other related documentation regarding the presence of such hazardous substance.

10.9 Indemnify Lessor against all expenses, liabilities, damages, loss of rents, penalties, and claims of any kind, including reasonable attorney's fees, by or on behalf of any person or entity arising out of or involving either:

- (A) A failure by Lessee to perform any of the terms or conditions of this Lease;
- (B) Any injury or damage happening on or about the demised Premises;
- (C) Any hazardous substance brought onto the Premises by or for Lessee, or any third party, in which case Lessee's obligations shall include, without limitation, the effects of any contamination or injury to person, property, or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this lease (no termination, cancellation, or release agreement entered into by Lessee and Lessor shall release Lessee from its obligations under this Lease with regards to hazardous substances, unless specifically so agreed to by Lessor in writing at the time of such agreement);

(D) Failure to comply with any law of any governmental authority; or

(E) Any mechanic's lien or security interest filed against the Premises as a result of any actions or conduct of Lessee at or with respect to the Premises; and

10.10 Secure any and all governmental and quasi-governmental permits for such use as Lessee intends to make of the Premises, and upon obtaining such permit, Lessee shall not use the demised Premises in any manner not inconsistent with or in violation of such permit.

11. **NEGATIVE COVENANTS OF LESSEE.** Lessee covenants and agrees that it will do none of the following things without the consent in writing of Lessor first had and obtained:

11.1 Occupy the Premises in any other manner or for any other purpose other than as set forth herein; and

11.2 Assign, mortgage or pledge, or sublease this Lease; nor shall any assignee assign, mortgage, pledge or sublease this Lease without the written consent by the Lessor, and without such consent no such assignment, mortgage, pledge or sublease shall be valid. Lessor will not unreasonably withhold such consent.

12. **ADDITIONAL COVENANTS:**

12.1 If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, this Lease, and all rights and obligations arising hereunder, shall terminate as of the date of such destruction, and rental shall be accounted for as between Lessor and Lessee as of that date. If the Premises are damaged but not totally destroyed by any of such casualty, rent shall abate in such proportion as use of the Premises has been destroyed, and Lessor shall restore the Premises to substantially the same condition as before such damage, whereupon full rental shall resume. For purposes of this section, damage to the Premises to the extent that full repairs cannot be made within 120 days after the date of the damage or destruction, shall be deemed to be a total destruction of the Premises.

12.2 Lessor shall not be liable for any damage, compensation or claim by reason of inconvenience or annoyance arising from the necessity of repairing any portion of the building, the interruption of the use of the Premises, or the termination of this Lease by reason of the destruction of the Premises.

12.3 Lessee acknowledges that Lessee has conducted or has had the opportunity to conduct a comprehensive investigation ("Due Diligence Investigation") of the Premises and all other matters which in Lessee's judgment may affect the value or suitability of the Premises for Lessee's purposes or which may influence Lessee's willingness to enter into this Lease. Lessee agrees that Lessee (i) accepts the Premises "as is" and with all faults; (ii) neither Lessor nor any of its officers, agents, employees or representatives has made any representations or warranties of any kind or nature, whether express or implied, with respect to the Premises or any of the matters relating thereto, except for those representations or warranties (if any) as may be expressly set forth in this Lease or the APA; (iii)

Lessee is relying on Lessee's own familiarity with the Premises, together with such further investigations as Lessee has deemed appropriate; (v) expressly waives the implied warranty of habitability and suitability for a particular purpose as may be provided by law; and (vi) Lessor shall not be required to perform any work of construction, alteration, repair or maintenance of or to the Premises. If Lessor obtains or has obtained or provides to Lessee any services, opinions, or work product of surveyors, architects, soil engineers, environmental auditors, engineers, title insurance companies, governmental authorities or any other person or entity with respect to the Premises, Lessee and Lessor agree that Lessor does so only for the convenience of the parties, Lessor does not vouch for the accuracy or completeness of any such items, and the reliance of Lessee upon any such items shall not create or give rise to any liability of or against Lessor.

12.4 It is hereby covenanted and agreed by and between the parties that any law, usage or custom to the contrary notwithstanding, Lessor shall have the right at all times to enforce the covenants and provisions of this Lease in strict accordance with the terms hereof, notwithstanding any conduct or custom on the part of Lessor in refraining from so doing at any time or times, and further, that the failure of Lessor at any time or times to enforce Lessor's right under said covenants and provisions strictly in accordance with the same shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions or covenants of this Lease, or as having in any way or manner modified the same. No failure by Lessor to insist upon the strict performance of any term hereof or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial payment of rent during the continuance of any such breach shall constitute a waiver of any such breach or of any such term. Efforts by Lessor to mitigate the damages caused by Lessee's breach of this Lease shall not be construed to be a waiver of Lessor's right to recover damages under this Lease.

12.5 Since compliance with the Americans with Disabilities Act of 1990, 42 USC sections 12101 et seq. ("ADA") is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. Lessee shall be solely responsible for compliance with and shall make or cause to be made all such improvements and alterations to the Premises (including, without limitation, removing such barriers and providing such alternative services) as shall be required by the ADA, as the same may be amended from time to time, or by any similar or successor law and the rules promulgated thereunder.

12.6 Lessor warrants and guarantees, for a period of ninety (90) days FROM THE TERM COMMENCEMENT DATE, that the HVAC, plumbing, wash rack and other electrical and mechanical systems on the Premises will be free from defect and are in good working order, normal wear and tear excepted.

12.7 In the event of any subsurface excavation (including trenching), Lessor and Lessee agree to utilize a site soil management plan.

13. **EVENTS OF DEFAULT.** The occurrence of any of the following shall constitute Events of Default:

13.1 Any part, portion or component of the Rent, or any other sums payable under this Lease are not received within three (3) days of the due date;

13.2 The Premises are deserted, vacated, or not used as regularly or consistently as would normally be expected for similar premises (which shall be defined as the failure to be open for business at the Premises for a period of ten (10) continuous days), even though Lessee may continue to pay Rent;

13.3 Any petition is filed by or against Lessee under any section or chapter of the Federal Bankruptcy Code, and, in the case of a petition filed against Lessee, such petition is not dismissed within thirty (30) days after the date of such filing;

13.4 Lessee becomes insolvent or transfers property in fraud of creditors;

13.5 Lessee makes an assignment for the benefit of creditors;

13.6 A receiver is appointed for any of the Lessee's assets; or

13.7 Lessee breaches or fails to comply with any term, provision, condition or covenant of this Lease, other than the payment of Rent.

14. LESSOR'S REMEDIES.

14.1 If Lessee vacates or abandons the Premises, this Lease shall continue in effect unless and until terminated by Lessor in writing, and Lessor shall have all of the rights and remedies provided by Section 1951.4 of the California Civil Code (i.e. Lessor may continue this Lease in effect after Lessee's breach and abandonment and recover Rent as it becomes due, if Lessee has the right to sublet or assign subject only to reasonable limitations).

14.2 Following the occurrence of any Event of Default, Lessor shall have the right, so long as the default continues, to terminate this Lease by written notice to Lessee setting forth: (i) the default; (ii) the requirements to cure it; and (iii) a demand for possession, which shall be effective three (3) days after it is given. Lessor shall not be deemed to have terminated this Lease other than by delivering written notice of termination to Lessee.

14.3 Following termination of the Lease, without prejudice to any other remedies Lessor may have by reason of Lessee's default or of such termination, Lessor may then or at any time thereafter (i) peaceably reenter the Premises, or any part thereof, upon voluntary surrender by Lessee, or, expel or remove Lessee and any other persons occupying the Premises, using such legal proceedings as may be available; (ii) repossess and enjoy the Premises, or relet the Premises or any part thereof for such term or terms (which may be for a term extending beyond the Term), at such rental or rentals and upon such other terms and conditions as Lessor in Lessor's sole discretion shall determine, with the right to make reasonable alterations and repairs to the Premises; and (iii) remove all personal property from the Premises.

14.4 Following termination of the Lease, Lessor shall have all the rights and remedies of a Lessor provided by Section 1951.2 of the California Civil Code which provides that Lessor may recover from Lessee the following: (i) the worth at the time of the award of the unpaid rent which had been earned at the time of termination; (ii) the worth at the time of the award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; (iii) the worth at the time of the award of the amount by which the unpaid rent for the balance of the Term (or extension thereof, if applicable) after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all detriment proximately caused by Lessee's failure to perform Lessee's obligations under the Lease or which in the ordinary course of things would be likely to result therefrom. The "worth at the time of award" of the amounts referred to in (i) and (ii) of this subsection, shall be computed by allowing interest at the Interest Rate. The "worth at the time of the award" of the amount referred to in (iii) above shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

14.5 If Lessee causes or threatens to cause a breach of any of the covenants, terms or conditions contained in this Lease, Lessor shall be entitled to retain all sums held by Lessor, any trustee or in any account provided for herein, to enjoin such breach or threatened breach, and to invoke any remedy allowed at law, in equity, by statute or otherwise as though re-entry, summary proceedings and other remedies were not provided for in this Lease.

14.6 Each right and remedy of Lessor provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for now or hereafter existing at law, in equity, by statute or otherwise. The exercise or beginning of the exercise by Lessor of any one or more of the rights or remedies provided for in this Lease, or now or hereafter existing at law, in equity, by statute,

or otherwise, shall not preclude the simultaneous or later exercise by Lessor of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law, in equity, by statute, or otherwise.

14.7 No failure by Lessor to insist upon the strict performance of any term hereof or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial payment of rent during the continuance of any such breach shall constitute a waiver of any such breach or of any such term. Efforts by Lessor to mitigate the damages caused by Lessee's breach of this Lease shall not be construed to be a waiver of Lessor's right to recover damages under this Section.

14.8 Upon Lessee's failure to perform any obligation of Lessee hereunder shall have the right, but not the obligation, to perform such obligations of Lessee on behalf of Lessee and/or to make payment on behalf of Lessee to such parties. Upon demand, Lessee shall reimburse Lessor for the cost of Lessor's performing such obligations on Lessee's behalf, including, without limitation, reimbursement of any amounts that may be expended by Lessor and Lessor's reasonable attorneys' fees, plus the maximum interest rate allowable by law, from the date of any such expenditure until the same is repaid.

14.9 For purposes of any unlawful detainer action by Lessor against Lessee pursuant to California Code of Civil Procedure Sections 1161 through 1179, or any similar or successor statutes, Lessor shall be entitled to recover as Rent not only such sums specified as the Monthly Base Rent which may then be overdue, but also any and all additional sums of money as may then be overdue.

14.10 Lessor's exercise of any one or more of the remedies set forth in this Section shall not affect the rights of Lessor or the obligations of Lessee under the indemnification set forth in Section 16.1 hereof.

14.11 Lessor shall be under no obligation to observe or perform any covenant of this Lease on its part to be observed or performed which accrues after the date of any Event of Default, and for so long as the Event of Default continues.

15. LESSOR'S DEFAULT.

In the event of a default by Lessor in the performance of any of its obligations under this Lease, Lessee shall deliver written notice to Lessor specifying, in detail sufficient for Lessor to correct such default, the default by Lessor. Lessor shall have thirty (30) days from receipt of Lessee's notice, which thirty (30) days shall be extended for a reasonable period of time if such matter is not reasonably susceptible to cure within such 30 day period provided Lessor is diligently pursuing to cure any such default. If any such default set forth in Lessee's notice remains uncured after the aforesaid time period, Lessee shall have all rights and remedies available to it at law and equity, except that in no event shall Lessee be entitled to offset Rent due hereunder in order to recoup expenses or losses claimed by Lessee in connection with such default by Lessor.

16. LEASE CONTAINS ALL AGREEMENTS.

It is expressly understood and agreed by and between any parties hereto that this Lease and the Exhibits attached hereto and forming a part hereof, set forth all of the promises, agreements, conditions and understandings between Lessor, or Lessor's agents, and Lessee relative to the demised Premises, and that there are no promises, agreements, conditions or understandings, either oral or written, between them other than as set forth herein. It is further understood and agreed that, except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by them.

17. PARTIES BOUND.

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several and respective heirs, executors, administrators, successors and assigns of said parties, and if there shall be more than one Lessee, they shall all be bound jointly and severally by the terms, covenants and agreements herein, and the word "Lessee" shall be deemed to and taken to mean each and every person or party mentioned as a Lessee herein, be the same one or more; and if there shall be more than one Lessee, any notice required or permitted by the terms of this Lease shall be given by or to anyone thereof, and shall ever have the same force and effect as if given by or all thereof. The word "his" and "him" and "her", wherever stated herein shall be deemed to refer to the "Lessor" and "Lessee" whether such Lessor and Lessee be singular or plural and irrespective of gender. No rights, however, shall inure to the benefit of any assignee of Lessee unless the assignment to such assignee has been approved by Lessor in writing as herein provided.

18. SUBORDINATION. This Lease and all rights of Lessee hereunder shall be subject and subordinate to the lien of any mortgagee of Lessor. While this paragraph is self-operative, and no further instrument of subordination shall be necessary, Lessee shall, in confirmation of such subordination, upon demand at any time or times, execute, acknowledge and deliver to Lessor or any mortgagee of Lessor any and all instruments requested by either of them to evidence such subordination. Lessee shall, upon demand, at any time or times, execute, acknowledge, and deliver to Lessor or any mortgagee of Lessor, without expense, any and all instruments that may be necessary to make this Lease subordinate to the lien of any mortgagee of Lessor. If a holder of any mortgage of Lessor shall hereafter succeed to the rights of Lessor under this Lease, Lessee shall, at the option of such holder, attorn to and recognize such successor as Lessee's landlord under this Lease and shall promptly execute and deliver any instrument that may be necessary to evidence such attornment. Upon such attornment, this Lease shall continue in full force and effect as a direct lease between each successor Lessor and Lessee, subject to all of the terms, covenants and conditions of this Lease. If Lessee fails at any time to execute, acknowledge and deliver any of the instruments provided for by this paragraph within ten (10) days after Lessor's notice so to do, Lessor, in addition to the remedies allowed by this Lease may execute, acknowledge and deliver any and all of such instruments as the attorney-in-fact of Lessee and in its name, place and stead, and Lessee hereby irrevocably appoints Lessor, its successors and assigns as such attorney-in-fact.

19. NOTICES.

19.1 Except for legal process which may also be served as by law provided, all notices required or desired to be given with respect to this Lease shall be in writing and shall be deemed to have been given when hand delivered or three (3) days after deposited, postage prepaid, with the United States Postal Service (or its official successor), certified, return receipt requested, properly addressed as follows:

To Lessee:

Volvo Construction Equipment Rents, Inc
127 Walnut Bottom Road
Shippensburg, PA 17257
Attn: Evan Brumm
Vice President and CF

With a copy going to:

Volvo Construction Equipment Rents, Inc.
127 Walnut Bottom Road
Shippensburg, PA 17257
Attn: Jeff Dunlop
General Counsel

To Lessor:

W.Y.L. Five Star Service Industries, Inc., a California corporation
c/o James Lew
26 Dorantes Avenue
San Francisco, CA 94116

Such addresses may be changed from time to time by either party by notice to the other.

19.2 Lessee hereby designates and appoints as its agent to receive notice of all dispossessory or distraint proceedings the person in charge of or occupying the Premises at the time such notice is given, or, if there is no such person, then such service of notice may be made by attaching it on the main entrance of the Premises.

20. **HOLDING OVER.** If Lessee shall, with Lessor's written consent, remain in possession of the Premises or any part thereof after the expiration of the Term hereof, such occupancy shall constitute a tenancy from month to month, terminable upon thirty (30) days notice by either party, upon all of the terms, covenants and conditions of this Lease, except that the Base Rent shall be increased to one hundred twenty five percent (125%) of the Monthly Base Rent in effect immediately prior to such expiration. Otherwise, any such occupancy shall constitute a tenancy at sufferance, and Lessee shall be liable to Lessor for any and all claims, damages, liabilities, costs and expenses (including attorneys' fees and expenses) incurred by Lessor and arising out of Lessee's failure to timely surrender the Premises in accordance with the requirements of this Lease.

21. **INDEMNIFICATION**

(A) Lessor and Lessee each represents and warrants to the other that no broker, agent, commission salesman or other person has represented the warranting party in the negotiations for and procurement of this Lease and of the Premises, and that no commissions, fees or compensation of any kind are due and payable in connection herewith to any such person or entity. Each party further warrants that any compensation arrangement with the parties excepted from the foregoing warranty has been reduced to writing in its entirety in a separate agreement signed simultaneously with or before this Lease by the party against whom the commission or compensation is charged.

(B) Lessee hereby releases and shall indemnify, defend with counsel acceptable to Lessor, and hold Lessor, and its officers, directors, employees and agents, harmless from and against any and all liabilities, penalties, losses, damages, costs and expenses, demands, causes of action, claims or judgments (including, without limitation, attorneys' fees and expenses) (collectively, "Claims") arising, claimed or incurred against or by Lessor, or its officers, directors, employees or agents, from any matter or thing arising from (i) the use or occupancy of the Premises by Lessee or any sublessee or assignee of Lessee, or any of their respective officers, directors, employees, agents, licensees and invitees, the conduct of Lessee's business, or from any activity, work or other thing done, permitted or suffered by Lessee in or about the Premises; (ii) any accident, injury to or death of Lessee and/or its officers, directors, employees, agents, invitees or

licensees or any other person or loss of or damage to property of Lessee or any such persons occurring on or about the Premises or any part thereof during the term hereof; (iii) any breach or default in the performance of any obligation on Lessee's part or to be performed under the terms of this Lease; or (iv) the performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof at the request of Lessee, or its officers, directors, agents and employees; provided that Lessee shall have no obligation to indemnify, defend and hold Lessor harmless from and against any Claims resulting solely from the gross negligence or willful misconduct of Lessor. Notwithstanding any provision hereof to the contrary, the indemnification provided in this Section shall survive any termination of this Lease or expiration of the Term hereof. Lessee shall give prompt notice to Lessor in case of casualty or accidents known to Lessee on or about the Premises.

(C) Lessor shall indemnify, defend and hold Lessee, its officers, directors, employees and agents harmless from and against any and all liabilities, penalties, losses, damages, costs and expenses, demands, causes of action, claims or judgments due solely to the gross negligence or willful misconduct of Lessor.

22. **ATTORNEYS' FEES/WAIVER OF JURY TRIAL.** If any party commences an action against the other party arising out of or in connection with this Lease, (a) the prevailing party shall be entitled to recover from the losing party the cost and expenses of such action, including reasonable collection fees, attorneys' fees (including without limitation the allocated cost of in-house counsel) and court costs; and (b) the parties agree that the matter shall be tried by the court without a jury, and each party specifically waives the right to a jury trial in any such action.

23. **LIMITATION OF LESSOR'S LIABILITY.** The obligations of Lessor under this Lease shall not constitute personal obligations of the individual partners, directors, officers, or shareholders of Lessor, and Lessee shall look solely to the real estate that is the subject of this Lease and to no other assets of Lessor for satisfaction of any liability in respect of this Lease and shall not seek recourse against the individual partners, directors, officers or shareholders of Lessor or any of their personal assets for such satisfaction.

24. **RECORDING.** This Lease shall not be recorded by Lessee without Lessor's consent endorsed hereon, however, a Memorandum of this Lease may be recorded by Lessee or Lessor only upon agreement in writing by both parties.

25. **ESTOPPEL CERTIFICATE.** At any time and from time to time, and, on or before the date specified in a request therefore made by Lessor, which date shall not be earlier than ten (10) days from the making of such request, Lessee shall execute, acknowledge and deliver to Lessor a certificate evidencing:

25.1 Whether or not this Lease is in full force and effect;

25.2 Whether or not this Lease has been amended in any way;

25.3 Whether or not there are any existing defaults on the part of Lessor hereunder to the knowledge of Lessee and specifying the nature of such defaults, if any; and

25.4 The Base Rent amount at that time, and date to which Rent has been paid; and

25.5 Any other information that may be reasonably pertinent to a lender or a buyer of Lessor's interest in the Premises.

Each certificate delivered pursuant to this Paragraph may be relied on by any prospective purchaser or transferee of Lessor's

interest hereunder or of any part of Lessor's property or by any holder or prospective holder of any mortgage of Lessor, or a mortgagee or prospective mortgagee of any part of Lessor's other property.

26. **SEVERABILITY.** If any clause or provision of this Lease is or becomes illegal, invalid, or unenforceable because of present or future laws or any rule or regulation of any governmental body or entity, effective during its term, the intention of the parties hereto is that the remaining parts of this Lease shall not be affected thereby, unless the amount of Rent payable hereunder is thereby decreased, in which event Lessor may terminate this Lease.

27. **CAPTIONS.** The captions used in this Lease are for convenience only and do not in any way limit or amplify the terms and provisions hereof.

28. **SUCCESSORS AND ASSIGNS.** The provisions of this Lease shall inure to the benefit of and be binding upon Lessor and Lessee, and their respective successors, heirs, legal representatives and assigns.

29. **STATE LAW.** The laws of the State of California shall govern the interpretation, validity, performance and enforcement of this Lease.

30. **TIME IS OF THE ESSENCE.** Except as otherwise specifically provided herein, time is of the essence of this Lease. If any date set forth for the performance of any obligation or for the delivery of any instrument or notice should be on a Saturday, Sunday or legal holiday, compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or legal holiday. As used herein, the term "legal holiday" means any state or federal holiday for which financial institutions and post offices are generally closed in the State of California for observance thereof. Except as expressly provided to the contrary in this Lease, all references to days shall mean calendar days.

31. **ENTRY BY LESSOR.** Lessor and its authorized representatives shall have the right to enter the Premises at all reasonable times and upon reasonable notice (provided that in the event of an emergency, notice need not be given) for the purpose of inspecting the same or taking any action or doing any work permitted hereunder (but nothing herein contained in this Lease shall create or imply any duty on the part of Lessor to make any such inspection or to take any such action or do any such work). No such entry shall constitute an eviction of Lessee. In connection with any such entry, Lessor will use reasonable efforts not to disrupt or interfere with the normal operation of Lessee's business. Reasonable notice for entry by Lessor during non-business hours shall be twenty-four (24) hours.

32. **EXECUTION.** This Lease may be executed in any number of counterparts, each of which shall be deemed an original and any of which shall be deemed to be complete in itself and be admissible into evidence or used for any purpose without the production of the other counterparts.

33. **DEFINITION OF LESSOR.** As used in this Lease, the term "Lessor" means only the current fee owner of the Premises at the time in question. Each Lessor is obligated to perform the obligations of the Lessor hereunder only during the time such Lessor owns such leasehold interest. Any Lessor who transfers title to its leasehold interest in the Premises is relieved of all liabilities of Lessor under this Lease to be performed on or after the date of such transfer. The former or successor Lessor shall promptly send written notice to Lessee of any change in ownership described in this paragraph.

34. **FORCE MAJEURE.** Lessor shall be excused from the performance of any of its obligations for the period of any delay resulting from any cause beyond its control, including, without limitation, all labor disputes, governmental regulations or controls, fires or other

casualties, inability to obtain any material or services, or acts of God.

35. EMINENT DOMAIN. If the Premises, or any part thereof or any estate therein, or any other part of the building materially affecting Lessee's use of the premises, shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by Lessee, and for moving expenses.

36. SECURITY DEPOSIT.

36.1 Simultaneously with the execution of the Lease, Lessee shall deposit with Lessor a security deposit of thirteen thousand four hundred dollars (\$ 13,400.00) ("Security Deposit") to be held by Lessor as security for the faithful performance by Lessee of all terms, covenants and conditions of this lease. Alternatively, Lessee may deposit the Security Deposit with escrow officer named in the APA, in which case Lessee shall direct escrow officer to release the Security Deposit to Lessor at Close of Escrow. The Security Deposit shall not be mortgaged, assigned, transferred or encumbered by Lessee and any such act on the part of Lessee shall be without force and effect and shall not be binding upon Lessor. The Security Deposit shall not bear interest nor shall Lessor be required to keep such sum separate from its general funds.

36.2 If (i) any rent, additional rent or other sums due hereunder shall be overdue and unpaid, (ii) Lessor makes any payment on behalf of Lessee, (iii) Lessee fails to perform any of the terms of this Lease, or (iv) this Lease terminates due to Lessee's default or abandonment of the Premises; then, in any of the foregoing events, Lessor shall have the right (but not the obligation), without prejudice in addition to any other remedy available to Lessor, to use, apply or retain all or any portion of the Security Deposit (a) for the payment of any Rent, Additional Rent or other sum in default, (b) for the payment of any other sum to which Lessor may become obligated by reason of Lessee's default or breach, and/or (c) to compensate Lessor for any loss or damage which Lessor may suffer thereby, as reasonably estimated by Lessor, whether such damages accrue prior to or after termination of the Lease. Such damages may include, without limitation, prospective damages, damages recoverable pursuant to California Civil Code Section 1951.2, lost rents, costs to repair damage caused by Lessee, costs to clean the Premises upon termination of the tenancy, costs to relet the Premises, and/or any other costs, expenses, or damages available at law or in equity due to Lessee's default or abandonment. Lessee shall, within ten (10) days of demand therefor, restore the Security Deposit to the higher of (y) the original amount of the Security Deposit, or (z) the amount of the Security Deposit prior to Lessor's application thereof to amounts due by Lessee.

36.3 If Lessor uses or applies only a portion of the Security Deposit, as provided above, Lessor agrees to pay Lessee, without payment of interest or other increment for its use, the remaining un-used or un-applied balance of the Security Deposit within thirty (30) days after the later of the date Lessor receives possession of the Premises from Lessee, or the termination date of this Lease. However, it is expressly understood and agreed that the Security Deposit is not an advance rental deposit or a measure of the Lessor's damages as a result of Lessee's default and/or abandonment, and Lessor shall retain all rights and remedies available, at law or in equity, as a result of such a default or abandonment by Lessee. Further, Lessor's return of the Security Deposit, or any part thereof, shall not be construed as an admission that Lessee has performed all of its obligations under the Lease. In the event of bankruptcy or other debtor-creditor proceedings against Lessee, the Security Deposit shall be deemed to be applied first to the payment of Rent, Additional Rent and other sums due Lessor for all periods prior to the filing of such proceedings.

37.4 Lessee hereby expressly waives the provisions of California Civil Code section 1950.7(c) and any other laws and rules of law in effect from time to time during the Term that limit Lessor's right to use or apply the Security Deposit to offset Lessor's damages after a lease termination due to Lessee's default or abandonment.

38. **SUBLETTING and ASSIGNMENT.** Lessee shall have the right to sell, assign, hypothecate, or otherwise transfer this Lease or any interest hereunder, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Lessee, provided that Lessee first obtains Lessor's written consent, which shall not be unreasonably withheld. Lessor hereby reserves the right to condition any such approval upon the following, any failure of which Lessee agrees shall be a reasonable basis upon which to withhold consent: (i) Lessor's determination that the proposed assignee or sublessee is financially responsible and has sufficient business repute and experience to operate a successful business of the type permitted hereunder; (ii) obtaining the written agreement by the proposed assignee or sublessee to be bound by each and every obligation of Lessee under this Lease; (iii) the use to be made of the Premises by the proposed assignee or sublessee is permitted hereunder and is a first-class and quality business; (iv) the proposed use would not materially increase the operating costs of the Property, or increase the security concerns on the Property; (v) the proposed use would create a substantial probability that the comfort or safety of the agents or employees of Lessor (vi) such other factors or conditions as shall not be unreasonable. If Lessor consents to a proposed assignment, Lessee shall pay to Lessor a transfer fee of Two Thousand Dollars (\$2,000.00) to cover Lessor's legal and review costs in connection with such transfer. If Lessor's withholding of consent is found to be unreasonable by a court of competent jurisdiction, Lessee's sole remedy shall be to have the proposed assignment or subletting declared valid as if Lessor's consent had been given, and Lessee waives any other remedy at law or in equity. Lessee shall deliver to Lessor complete, fully executed documentation with regard to the transfer, assignment or sublease upon execution and delivery of the same. Notwithstanding assignment or subletting, Lessee shall remain liable for the full and complete performance, satisfaction, and compliance with each and every agreement, term, covenant, condition, requirement, provision, and restriction of this Lease, as principal and not as surety or guarantor, and as if no such assignment or subletting had been made. Notwithstanding the foregoing, Lessee shall have the right to assign this Lease to any affiliate if such affiliate is under common ownership with Lessee.

39. **SIGNS.** Lessee shall not place, construct or maintain on the Premises any signs without Lessor's prior written consent, which shall not be unreasonably withheld. All signage must comply with law. Lessor may place on the Premises "For Sale" signs at any time and "For Lease" signs during the last six months of the term thereof.

40. **WAIVERS.** No provision of this Lease shall be deemed to have been waived by Lessor unless such waiver is in writing signed by the waiving party, nor shall any custom or practice which may evolve between the parties in the administration of the terms hereof be construed to waive Lessor's right to require the obligations of Lessee be performed in strict accordance with the terms of this Lease.

41. **AUTHORITY.** Each individual executing this Lease on behalf of Lessee represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Lessee, and that this Lease is binding upon Lessee in accordance with its terms. As a condition precedent to the legal effectiveness of this Lease, Lessor may, at Lessor's option, require corporate or partnership resolutions as are reasonably necessary to establish the authority of Lessee to enter into this Lease.

42. **PEACEFUL POSSESSION.** So long as Lessee observes and performs the covenants and agreements contained herein, it shall at all times during the lease term hereunder peacefully and quietly have and enjoy possession of the Premises, but always subject to the terms hereof.

43. **AMENDMENTS.** This Lease may be only modified in writing, signed by the parties in interest at the time of the modification.

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

TENANT:

LANDLORD:

Volvo Construction Equipment Rents, Inc., a Delaware
corporation

W.Y.L. Five Star Service Industries, Inc., a California
corporation

By: 

Print Name: Evan Brumm

Title: Vice President & CFO

By: 

Print Name: 

Title: 

APPRAISAL SUMMARY STATEMENT
SUMMARY OF THE BASIS FOR JUST COMPENSATION
(Pursuant to Government Code Section 7267.2)

BASIC PROPERTY DATA

PROPERTY LESSEE:	BlueLine Rentals, LLC (formerly Volvo Construction Equipment Rents, Inc.)
ACQUIRING PARTY/LESSOR:	City and County of San Francisco (" City ")
PROJECT:	General Services Administration's Fleet Management Central Shops Facility Project (" Project ")
PROPERTY LOCATION:	1975 Galvez Avenue, San Francisco, California
DATE PROPERTY OCCUPIED BY PROPERTY LESSEE:	September 2012
ZONING:	PDR-2
PRESENT USE:	Light industrial, equipment rental yard
HIGHEST AND BEST USE:	As If Vacant: Industrial development As Improved: Current use
TOTAL PROPERTY AREA:	1.11 acres
PROPERTY RIGHTS PROPOSED TO BE ACQUIRED:	Net Present Value of Leasehold Interest
DATE OF THIS VALUATION:	August 4, 2016

BASIS OF VALUATION

The just compensation being offered by the City and County of San Francisco ("**City**"), is not less than the City's approved appraisal of the fair market value of the net present value of the leasehold interest ("**Leasehold Interest**") proposed to be acquired at the Subject Property. The fair market value of the Leasehold Interest is based on an appraisal prepared according to accepted appraisal procedures. Where appropriate, lease rates of comparable properties and income data are used to determine Market Rent. Recent lease transactions of comparable properties are included in this Summary below. The appraiser has given full and careful consideration to the highest and best use of the Leasehold Interest in the Subject Property and to all other material factors affecting its value, including, but not limited to, zoning, development potential, and the income the leasehold Interest in the Subject Property is capable of producing.

California Code of Civil Procedure Section 1263.320 defines fair market value as follows:

- A) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- B) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

APPRAISAL SUMMARY STATEMENT
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The Dictionary of Real Estate Appraisal, 4th Edition, published by the Appraisal Institute defines market rent as follows:

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

- 1) lessee and lessor are typically motivated;
- 2) both parties are well informed or well advised, and acting in what they consider their best interests;
- 3) a reasonable time is allowed for exposure in the open market;
- 4) the rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract; and
- 5) the rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.

APPROACHES TO VALUE

The **Discounted Cash Flow ("DCF") Analysis Summary**, resulting in the Net Present Value of the positive leasehold interest in the Subject Property:

Net Present Value of Leasehold Advantage												
Current Market Monthly Rent (\$1.15 /Sq. Ft. of Building Area, Assuming a 60% Site Coverage Ratio & \$0.50/Sq. Ft. of Additional Yard Area)												
Monthly Market Rent												
Annual Market Rent												
Market Rental Escalation/Yr.												
Current Contract Rent												
Current Monthly Rental Rate												
Monthly Rental Rate in Sept. 2016												
First Year Contract Rent												
Annual Contract Escalations												
Lease Expires 9/23/2027												
Year	1	2	3	4	5	6	7	8	9	10	11	12
Annual Market Rent	\$316,818	\$326,323	\$336,112	\$346,196	\$356,581	\$367,279	\$378,297	\$389,646	\$401,336	\$413,376	\$425,777	\$438,550
Annual Contract Rent	\$173,775	\$177,251	\$180,796	\$184,411	\$188,100	\$191,862	\$195,699	\$199,613	\$203,605	\$207,677	\$211,831	\$216,067
Leasehold Advantage	\$143,043	\$149,072	\$155,317	\$161,784	\$168,482	\$175,417	\$182,598	\$190,033	\$197,730	\$205,698	\$213,946	\$222,483
Discount Rate	7.00%											
Net Present Value of Leasehold	\$1,387,975											
Net Present Value of Leasehold (Rounded)	\$1,388,000											

Lease Expires: September 23, 2027 (approximately 11 years from date of value)

APPRAISAL SUMMARY STATEMENT
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Value of the property interests proposed to be acquired:

- A. Net Present Value of the positive leasehold Interest: \$ 1,387,975
Remaining 11-year lease term, subject to a Discount Rate (or Yield Rate) of 7.0%
- B. Improvements Pertaining to the Realty: \$ 0
- \$ 1,387,975
(Sum of items A & B)

After acquisition, the Lessee will have no interest in the Subject Property, thus damages are not included in the appraiser's analysis of just compensation of the property rights proposed to be acquired.

The amount of any other compensation: \$0.00

CITY APPROVED JUST COMPENSATION FOR ACQUISITION: **\$1,388,000.00**
(rounded)

APPRAISAL SUMMARY STATEMENT
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SUMMARY OF THE BASIS FOR JUST COMPENSATION

Narrative summary of the valuation process supporting compensation:

The City and County of San Francisco ("City") is working to acquire real property interests in San Francisco's Bayview neighborhood necessary for the construction of its General Services Administration's Fleet Management Central Shops Facility ("Project").

The City made an offer to purchase and was able to obtain possession of the property located at 1975 Galvez Avenue in San Francisco, California ("Subject Property") as of March 14, 2016 (at close of escrow). The City ("Lessor") took possession of the Subject Property subject to a lease agreement dated September 25, 2012 by and between the former property owner, W.Y.L. Five Star Service Industries, Inc., and BlueLine Rentals, LLC (formerly Volvo Construction Rentals, Inc.) ("Lease Agreement"). The terms and use of the Subject Property by BlueLine Rentals, Inc. ("Lessee") is defined by the Lease Agreement. It appears that the Lessee utilizes the Subject Property to operate a commercial equipment rental business.

The Lease Agreement had an initial term of 5 years, which began on October 1, 2012 and expires on or about September 24, 2017. There are two, five-year options to renew the lease that would extend the terms through September 24, 2027. Based on a review of the lease by the City, only the tenant has the option to renew the terms and the Lessor's options to extend the terms are limited to the scheduled increases stated for the renewal periods unless the tenant is in default. The base monthly rental rate started at \$13,400 dollars with an escalation rate of 2% per year. The current monthly rental rate is \$14,220.19. At the expiration date of the Lease Agreement, the lease is subject to two options to renew for five years each at scheduled increases of 2% per year of the last month's previous rent. The lease is on a triple net ("NNN") basis which means the tenant is responsible for all fixed and operating expenses including property taxes, insurance, utilities, and maintenance or janitorial costs.

The Project schedule requires that the City occupy the Property prior to the termination of the Lessees' interest per the Lease Agreement.

The Subject Property is located in the Bayview neighborhood of San Francisco at the east end of Galvez Avenue, where Galvez Avenue and Selby Street intersect. The Subject Property has public street frontage along both Galvez Avenue and Selby Street with access from the east end of Galvez Avenue. Galvez Avenue is a two-lane, two directional road that runs in a northwest to southeast direction crossing under the Interstate 280 freeway and off-ramp.

The Subject Property is approximately 1.11 acres or 48,338 square feet of land area and is generally level. The site forms a right trapezoid shape and portions are located under the raised Interstate 280 freeway and exit ramp. There are no street frontage improvements along Selby Street in front of the subject property, although on street parking is provided under the freeway right-of-way.

The Subject Property consists of a 48,338 square foot fenced and paved yard improved with an approximately 7,050 square foot metal warehouse industrial building, according to the description in the purchase agreement to the City. The site coverage ratio is calculated to be approximately 15% with one loading door along the front of the building. According to public records, the building was constructed in 1964 and is assumed to be in average condition for its age. The subject was appraised from the public right of way, access to the site was denied by the Lessee. Thus, no further information on the interior build-out, condition of the building or observation of any personal property was made by the appraiser.

APPRAISAL SUMMARY STATEMENT
SUMMARY OF THE BASIS FOR JUST COMPENSATION
(Pursuant to Government Code Section 7267.2)

The zoning category of the subject Property is PDR-2 or Core Production, Distribution, and Repair. According to the zoning ordinance, "the intent of this District is to encourage the introduction, intensification, and protection of a wide range of light and contemporary industrial activities". Thus, this zoning district prohibits new housing, large office developments, large-scale retail, and the heaviest of industrial uses, such as incinerators. Generally, all other uses are permitted.

A preliminary title report was reviewed by the appraiser. The report indicated four recorded easements on the Subject Property related to public street right of way and the overhead 280 freeway. The recorded easements do not appear to have a significant effect on the overall value or marketability of the Subject Property. Although the elevated freeway above portions of the site prohibit construction of permanent structures. Use of those areas is limited generally to outside storage.

The appraiser considered the highest and best use of the Subject Property, both as if vacant and as improved. The Subject Property is currently utilized by a commercial equipment rental business with a large yard space. Based on the existing land use designations, the location of the subject, current market conditions and surrounding uses, the development of a light industrial use is the concluded highest and best use of the Subject Property, if it was vacant. Because of the scarcity of properties in the market area with a large proportion of open yard space, the highest and best use of the Subject Property, as improved is concluded to be for the continued use as improved and for outdoor storage and yard space (where existing overhead easements preclude any permanent structures).

As discussed previously, the City acquired fee title to the Subject Property in March of this year, subject to the existing Lease Agreement. In order for the City to proceed with the planned Project, the remaining leasehold interest must be acquired from the Lessee and terminated. The Net Present Value of the leasehold interest in the Subject Property is calculated as of the date of value.

The actual current rent for the Subject Property is \$14,220 NNN and is scheduled to increase to \$14,505 on September 23, 2016, per the Lease Agreement. Annual increases are fixed at 2% per year, including extension periods.

The appraiser conducted a rent survey to use in forming an opinion of fair market rent for the Subject Property. The rent survey focused on improved industrial warehouse properties and specifically those properties with a relatively low site coverage ratio in the current market area. The property located to the immediate south of the Subject Property, now on a month-to-month basis, is included in the lease data collected by the appraiser due to its overall similarities to the subject. With limited additional site lease information in the San Francisco market area for other similar types of space, the appraiser expanded the search for comparables to South San Francisco, as well. See Exhibit A for a listing of industrial property lease comparables used by the appraiser.

The comparable industrial leases surveyed by the appraiser range from \$0.93 per square foot to \$5.80 per square foot per month based on building area and adjusted to an effective NNN basis by accounting for the various terms, fixed rent increases and incentives such as free rent. The comparable leases surveyed with an Industrial Gross basis, where the landlord is responsible for property taxes and insurance without reimbursement by the tenant, were given a downward adjustment by the appraiser. Therefore, all of the comparable leases are either based on a NNN basis or were converted by the appraiser in their analysis to an effective NNN basis for comparison purposes.

The appraiser found the comparable rents bracket the subject in location, quality and condition of the improvements, leased building area and leased land or yard space. The appraiser estimated, as of the date of value, the fair market rent (NNN) for the Subject Property's building is \$1.15 per square foot per month, assuming a typical site coverage ratio, and \$0.50 per square foot for the fenced and paved yard area. The estimated fair

APPRAISAL SUMMARY STATEMENT
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market rent conclusion for the Subject Property, as of the date of value, is \$26,402 per month or \$316,818 for the year.

Per the Lease Agreement, the actual contract rent, as of the date of value, for the Subject Property is reported to be \$14,220 per month on a NNN basis or \$170,640 for the year. Since the fair market rent concluded for the Subject Property is greater than the contract rent reported, the Lessee is considered to have a positive leasehold interest. The contract rent is scheduled to increase at a fixed rate of 2% per year. The Lessee has 133 months remaining under the Lease Agreement including the two, five-year options to renew the lease at their option.

Based on the lease survey and the comparable leases found in the market, the fixed increases in market rent are primarily reported at 3% per year. Thus, the scheduled annual 2% increases per the Lease Agreement also provide a further positive leasehold interest to the Lessee of the Subject Property.

To determine the Net Present Value of the leasehold interest in the Subject Property the difference in the current fair market rent and the contract rent is calculated over the remaining term of the lease, annualized, then an appropriate discount rate is applied to bring the anticipated cash flow, or leasehold interest savings, to a present value for use in determining the Just Compensation to be offered to the tenant in an equivalent lump sum payment, or buy-out. The appraiser determined a yield rate, or discount rate of 7.0% to be appropriate for an investment property similar to an income producing industrial property, such as the Subject Property. See Exhibit B for a listing of comparables (indicators) used in the capitalization rate analysis by the appraiser.

Note: An owner-occupant of a residential property containing four (4) units or less has a right to review the appraisal on which the written offer to purchase is based.

Appraisal Summary and Offer of Just Compensation
Authorized and Approved for Presentation:

CITY AND COUNTY OF SAN FRANCISCO

By: _____

Title: _____

Date: _____

APPRAISAL SUMMARY STATEMENT
SUMMARY OF THE BASIS FOR JUST COMPENSATION
(Pursuant to Government Code Section 7267.2)

EXHIBIT A**Industrial Property Lease Comparables**

Comp. #	Address	Rent \$/Month	Starting Lease Rate - Land Only \$/ Sq. Ft. / Mo.	Avg. Effective NNN Lease Rate - Bldg. Rate - Land \$/ Sq. Ft. / Mo.	Leased Area Building (Sq. Ft.)	Total Land Area (Sq. Ft.)	Lease Date
IP-01	Confidential, South San Francisco	\$20,909	\$0.50	<u>\$5.13</u> \$0.52	4,200	41,818	July-16
IP-02	601 Selby Street, San Francisco -	\$17,186	\$0.29	<u>\$1.10</u> \$0.29	15,624	59,634	June-16
IP-03	263 S. Maple Street, South San	\$18,002	\$0.81	<u>\$1.49</u> \$0.74	12,330	22,330	May-16
		\$20,000	\$0.54	\$0.51	0	36,755	Listing 7/2016
IP-04	1250 Van Dyke Avenue, San Francisco - Bayview	\$20,500	\$0.576	<u>\$0.93</u> \$0.58	20,500	35,585	May-16
IP-05	111 Toland Street, San Francisco - Bayview	\$17,500	\$0.92	<u>\$1.17</u> \$0.81	14,000	19,000	April-16
			N/A	<u>\$1.36</u>	10,000 to 30,000		Asking
IP-06	Confidential - South San Francisco	\$56,606	\$0.565	<u>\$5.50</u> \$0.58	10,600	100,188	March-15
IP-07	160 S. Linden Avenue - South San Francisco	\$40,000	\$0.42	<u>\$5.80</u> \$0.37	6,000 All Office	94,427	November-13
IP-08	555 Selby Street, San Francisco, Bayview	\$20,500	\$0.28	<u>\$1.36</u> \$0.28	16,600 9,600 Ground Fl.	72,788	July-08 May-11 Extension May-18 Mo-to-Mo.
IP-09	7 South Linden Avenue, South San Francisco	\$22,950	\$0.55	<u>\$2.23</u> \$0.58	10,935	41,818	Listing 7/2016
Subject	1975 Galvez Avenue, San Francisco - Bayview	\$14,220	\$0.29	\$2.18	7,050	48,338	DOV = 8/4/2016 Lease Date 09/25/12

APPRAISAL SUMMARY STATEMENT
SUMMARY OF THE BASIS FOR JUST COMPENSATION
(Pursuant to Government Code Section 7267.2)

EXHIBIT B

Income Capitalization Rate Indicators

	Address	Recording Date	Sale Price	Estimated Net Operating Income	=	Indicated Cap Rate
CR-01	555 Selby Street	2/1/2016	\$6,300,000	\$246,000	=	3.9%
	San Francisco, CA					
CR-02	111 Toland Street	6/18/2015	\$4,750,000	\$482,664	=	10.2%
	San Francisco, CA					
CR-03	2495-2501 Ingalls Street	5/22/2015	\$3,508,000	\$138,661	=	4.0%
	San Francisco, CA					
CR-04	485 Irwin Street	1/24/2013	\$1,600,000	\$168,000	=	10.5%
	San Francisco, CA					
Subject	1975 Galvez Avenue	3/14/2016	\$5,000,000	\$170,640	=	3.4%
	San Francisco, CA					

Blueline-CCSF Discussions

3/14/2016		Closed Escrow
3/22/2016	e-mail	Confirmation from Cliff Lease requires 24 hour notice
4/7/2016	e-mail	Conformation of site visit
4/7/2016	TC	Conference Call with John Updike, Jeff Suess and Cliff Eckberg
4/19/2016	e-mail	Short notice for site visit
4/29/2016	e-mail	Site visit
4/29/2016	e-mail	Request from Cliff for list of properties
5/2/2016	e-mail	Confirmation of site visit notice
5/10/2016	TC	Discuss options for relocation
5/11/2016	TC	Weekly call reviewing available properties
5/24/2016	TC	
		Discussion of available properties and relocation
6/14/2016	e-mail	City sent the following documents; Loss o Business Goodwill Advisory, Business Relocation Handbook, Notice of Eligibility
6/28/2016		Conference Call with Blueline; Cliff Eckberg and Brian Ardire. ARWS Karen Edleman, CCSF Jeff Suess
7/12/2016	TC	Cliff Eckberg re: relocation options
7/22/2019	TC	Phone conversation with Sean Sherlock.
		Introduction and next steps
9/21/2016	TC	Discussion of offer and understanding that Blueline is seriously considering City offer, but needs to engage appraisers to complete their own internal analysis.
10/18/2016	e-mail	Request for status of counter offer
11/8/2016	TC	John Updike, Jeff Suess, Cliff Eckberg, Sean Sherlock, Brian Aidire. Regarding Offer and counter from Blueline. Status of Appraisals

Suess, Jeff (ADM)

From: Cliff Eckberg <cliff.eckberg@bluelinerental.com>
Sent: Thursday, July 28, 2016 5:03 PM
To: Karen Eddleman
Cc: Suess, Jeff (ADM)
Subject: Re: Available Replacement Sites

Karen,

Can you find out how much the additional 2/3 acre leases for?

Thanks

Best Regards,

Cliff Eckberg
Senior Manager
Real Estate & Construction

BlueLine Rental
[8401 New Trails Drive, Suite 150](#)
[The Woodlands, TX 77380](#)
Direct: [832-299-7525](#)
Fax: [281-292-6675](#)
Cell: [832-653-1542](#)
BLR x10036
cliff.eckberg@bluelinerental.com

On Jul 28, 2016, at 6:34 PM, Karen Eddleman <keddleman@arws.com> wrote:

Cliff,

I was able to tour the property at 7 South Linden this morning with the property owner, Bert Sandell. It is a nice facility that should accommodate Blue Line. Mr. Sandell is installing fencing to partition the yard and warehouse that is available. There are two wide, gently sloping forklift ramps that will facilitate the moving of equipment into and out of the warehouse.

The property is 6.4 miles from your current site and has easier freeway access. It is a clean property and much more accessible and visible than the Galvez site. There is also an adjacent 2/3 acres along the eastern property line that is available for lease from the railroad. Mr. Sandell is happy to provide you with contact information for the railroad if you are interested.

It seems there is a lot of interest in this site so I am anxious to have you or a member of your team tour it as quickly as possible. Mr. Sandell has asked for your contact information. Would you be opposed to me giving that to him? His contact information is below.

Bert Sandell, Principal

San Hill Advisors, LLC
3348 paradise Drive
Tiburon, CA 94920
(650) 224-3274 cell
bertsandell@gmail.com

Karen Eddleman, SR/WA, R/W-RAC | Relocation Consultant
2300 Contra Costa Blvd., Suite 525 | Pleasant Hill, CA 94523
(925) 691-8500 | (925) 691-6505
<image001.jpg>

From: Karen Eddleman
Sent: Wednesday, July 27, 2016 4:36 PM
To: 'Cliff.Eckberg@bluelinerental.com' <Cliff.Eckberg@bluelinerental.com>
Cc: 'ssherlock@swlaw.com' <ssherlock@swlaw.com>; Emily Plurkowski <eplurkowski@arws.com>
Subject: Available Replacement Sites

Cliff,

I wanted to make you aware of several properties that I think might be ideal for Blue Line as a replacement site. It is important that you look at these as quickly as possible. I would be happy to arrange a time to tour the sites with someone on your team this week. Please let me know who I could schedule a tour with. I welcome any feedback you have on these sites.

Also, you had mentioned that you would send me your Broker contact information. If you would do that, I could coordinate the search effort with them.

7 South Linden Avenue, South San Francisco

- 41,818 sf fenced lot
- 10,935 sf clean, well-lit warehouse with 32 skylights, fully sprinklered
- 200 sf office
- \$0.55/sf/month (\$22,950/month)
- 36 month lease
- Zoning is Mixed Industrial
- 6 dock high doors and 2 grade level doors
- 123 linear feet of truck staging
- 22' clear ceiling height at mid-span with new T-8 high bay lighting and two-year-old roof
- Easy access to SFO, US Highway 101 and I-280, close to BART and Caltrain
- Listing ID is 18703644
- Contact: Bert Sandell (650) 224-3274

\$22,950 NNN for the entire 41,818 sf site including 10,935 sf warehouse, large paved, fenced yard and pro-rata share of common area driveways and landscaping. NNN expenses are estimated at \$2,850/month (\$0.068/sf/mo)

2590 Oakdale Avenue, San Francisco

- 25,251 sf fenced yard
- 5,323 sf clear span warehouse
- \$25,000/month
- Close to US Highway 101 and Bayshore Boulevard
- Listing ID is 19674640
- Contact: Zach Hauptert (415) 539-1121 or Michael Sanberg (415) 539-1103

Thank you,

Karen Eddleman, SR/WA, R/W-RAC | Relocation Consultant
2300 Contra Costa Blvd., Suite 525 | Pleasant Hill, CA 94523
(925) 691-8500 | (925) 691-6505
<image001.jpg>

Suess, Jeff (ADM)

From: Cliff Eckberg <cliff.eckberg@bluelinerental.com>
Sent: Monday, October 17, 2016 9:36 AM
To: Suess, Jeff (ADM)
Cc: Brian Ardire; Sherlock, Sean
Subject: Re: (*EXTERNAL*) Re: Notice of entry for air sampling

Jeff,

Your confirmed for today.

Best Regards,

Cliff Eckberg
Senior Manager
Real Estate & Construction

BlueLine Rental
[8401 New Trails Drive, Suite 150](#)
[The Woodlands, TX 77380](#)
Direct: [832-299-7525](#)
Fax: [281-292-6675](#)
Cell: [832-653-1542](#)
BLR x10036
cliff.eckberg@bluelinerental.com

On Oct 17, 2016, at 9:54 AM, Suess, Jeff (ADM) <jeff.suess@sfgov.org> wrote:

Cliff,

They would love to come this morning if possible. I know this makes it very short notice, but truly should not be intrusive at all.

Let me know

Thanks

Jeff

Sent from my iPhone

On Oct 17, 2016, at 07:47, Cliff Eckberg <cliff.eckberg@bluelinerental.com> wrote:

Jeff,

Let me know what day and I will confirm with the branch.

Best Regards,

Cliff Eckberg

Senior Manager - Real Estate & Construction

BlueLine Rental

8401 New Trails Drive, Suite 150

The Woodlands, TX 77380

Direct: 832-299-7525 Fax: 281-292-6675

Cell: 832-653-1542

BLR x10036

cliff.eckberg@bluelinerental.com

<image002.png>

<image003.png>

From: Suess, Jeff (ADM) [<mailto:jeff.suess@sfgov.org>]

Sent: Friday, October 14, 2016 4:07 PM

To: Cliff Eckberg <cliff.eckberg@bluelinerental.com>

Cc: Brian Ardire <Brian.Ardire@bluelinerental.com>; Sherlock, Sean
<ssherlock@swlaw.com>

Subject: (*EXTERNAL*) Notice of entry for air sampling

Cliff,

We need to access the air quality at the site. We have engaged a firm RGA. They only need access to the exterior of the site, one or two people maximum. They are taking air samples.

Will Friezell is their key contact. They are looking at this coming Monday for the visit. Please confirm.

Thank you.

Jeff Suess CCIM LEED AP

415-554-9873

<image004.gif>

City & County of San Francisco

Real Estate Division

25 Van Ness, Suite 400

San Francisco, CA. 94102

Suess, Jeff (ADM)

From: Cliff Eckberg <cliff.eckberg@bluelinerental.com>
Sent: Tuesday, October 25, 2016 6:20 AM
To: Suess, Jeff (ADM); Sherlock, Sean
Cc: Brian Ardire
Subject: RE: (*EXTERNAL*) Notification of Access needed

Confirmed.

Best Regards,

Cliff Eckberg
Senior Manager - Real Estate & Construction

BlueLine Rental
8401 New Trails Drive, Suite 150
The Woodlands, TX 77380
Direct: 832-299-7525 Fax: 281-292-6675
Cell: 832-653-1542
BLR x10036
cliff.eckberg@bluelinerental.com



From: Suess, Jeff (ADM) [mailto:jeff.suess@sfgov.org]
Sent: Friday, October 21, 2016 6:05 PM
To: Sherlock, Sean <:ssherlock@swlaw.com>
Cc: Brian Ardire <Brian.Ardire@bluelinerental.com>; Cliff Eckberg <cliff.eckberg@bluelinerental.com>
Subject: (*EXTERNAL*) Notification of Access needed

Gentlemen,

I have just received a request for a site walk through.

Date: Tuesday October 25 10:00 a.m. to 1:00 p.m.
(They are touring three sites so this is not how long they will be there, but rather range of time they could be onsite).

Scope of work: Walking around the site to get a better understanding of existing conditions and site logistics for future estimates.

Number of participants: 10-15

Suess, Jeff (ADM)

From: Cliff Eckberg <cliff.eckberg@bluelinerental.com>
Sent: Friday, November 04, 2016 2:03 PM
To: Suess, Jeff (ADM)
Cc: Brian Ardire; Sherlock, Sean
Subject: Notice of site visit

Jeff,

Your confirmed for the site visit on the 9th.

Best Regards,

Cliff Eckberg
Senior Manager - Real Estate & Construction

BlueLine Rental
8401 New Trails Drive, Suite 150
The Woodlands, TX 77380
Direct: 832-299-7525 Fax: 281-292-6675
Cell: 832-653-1542
BLR x10036
cliff.eckberg@bluelinerental.com



From: Suess, Jeff (ADM) [mailto:jeff.suess@sfgov.org]
Sent: Friday, November 04, 2016 3:46 PM
To: Cliff Eckberg <cliff.eckberg@bluelinerental.com>
Cc: Brian Ardire <Brian.Ardire@bluelinerental.com>; Sherlock, Sean <ssherlock@swlaw.com>
Subject: (*EXTERNAL*) Notice of site visit

Cliff,

We would like to visit the 1975 Galvez with some contractors to walk the site.

Wednesday November 9th between 8:00a.m. to 10:00 (they are going to three sites)

4-5 people
Silverado (demo sub)
Kier and Wright (civil engineers)

Should be minimally intrusive.

Suess, Jeff (ADM)

From: Sherlock, Sean <ssherlock@swlaw.com>
Sent: Tuesday, September 13, 2016 3:01 PM
To: Suess, Jeff (ADM)
Cc: Brian Ardire; Cliff Eckberg
Subject: RE: Appraisal work

Jeff, the on-site BlueLine folks will be Todd Kirk and Mark Hayes. They will be expecting your people at 8:00 a.m. on 9/28. Our FF&E expert will be there. Can you please provide me with the names of all attending on behalf of the City/County?

Sean M. Sherlock
Snell & Wilmer L.L.P.
600 Anton Boulevard, Suite 1400
Costa Mesa, California 92626
Office: (714) 427-7036
Cell: (949) 228-1433
ssherlock@swlaw.com www.swlaw.com/sean_sherlock/

From: Suess, Jeff (ADM) [mailto:jeff.suess@sfgov.org]
Sent: Monday, September 12, 2016 4:28 PM
To: Sherlock, Sean
Cc: Brian Ardire; Cliff Eckberg
Subject: RE: Appraisal work

Sean,

Yes, we will be there.

Thanks

Jeff Suess CCIM LEED AP
415-554-9873



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102

From: Sherlock, Sean [<mailto:ssherlock@swlaw.com>]

Sent: Monday, September 12, 2016 4:19 PM

To: Suess, Jeff (ADM) <jeff.suess@sfgov.org>

Cc: Brian Ardire <Brian.Ardire@bluelinerental.com>; Cliff Eckberg <cliff.eckberg@bluelinerental.com>

Subject: RE: Appraisal work

Jeff, Will the 28th work?

From: Sherlock, Sean

Sent: Wednesday, September 07, 2016 9:19 AM

To: Suess, Jeff (ADM)

Cc: Brian Ardire; Cliff Eckberg

Subject: RE: Appraisal work

Jeff. Our expert and on-site staff can facilitate this on September 28. Let me know if that date will work for your expert. Thanks.

Sean M. Sherlock

Snell & Wilmer L.L.P.

600 Anton Boulevard, Suite 1400

Costa Mesa, California 92626

Office: (714) 427-7036

Cell: (949) 228-1433

ssherlock@swlaw.com www.swlaw.com/sean_sherlock/

From: Suess, Jeff (ADM) [<mailto:jeff.suess@sfgov.org>]

Sent: Tuesday, August 23, 2016 11:10 AM

To: Sherlock, Sean

Cc: Brian Ardire

Subject: RE: Appraisal work

Sean,

That would be appreciated.

Hope your vacation was good.

Jeff Suess CCIM LEED AP

415-554-9873



City & County of San Francisco

Real Estate Division

25 Van Ness, Suite 400
San Francisco, CA. 94102

From: Sherlock, Sean [<mailto:ssherlock@swlaw.com>]
Sent: Tuesday, August 23, 2016 10:41 AM
To: Suess, Jeff (ADM) <jeff.suess@sfgov.org>
Cc: Brian Ardire <Brian.Ardire@bluelinerental.com>
Subject: RE: Appraisal work

Yes. I planned to get back to you today or tomorrow. I was out on vacation last week. I'll get back with a proposed date asap. Thanks.

Sean M. Sherlock
Snell & Wilmer L.L.P.
600 Anton Boulevard, Suite 1400
Costa Mesa, California 92626
Office: (714) 427-7036
Cell: (949) 228-1433
ssherlock@swlaw.com www.swlaw.com/sean_sherlock/

From: Suess, Jeff (ADM) [<mailto:jeff.suess@sfgov.org>]
Sent: Tuesday, August 23, 2016 9:58 AM
To: Sherlock, Sean
Cc: Brian Ardire
Subject: Appraisal work

Mr. Sherlock,

It has been a couple of weeks since we spoke and it is my hope that you are close to settling on a date for the appraisals. We still need to get out FF&E and Goodwill appraisers on site to complete their work.

If you could kindly provide an update, it would be appreciated.

Thanks

Jeff Suess CCIM LEED AP
415-554-9873



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102

Suess, Jeff (ADM)

From: Sherlock, Sean <ssherlock@swlaw.com>
Sent: Thursday, September 15, 2016 1:27 PM
To: Karen Eddleman
Cc: Suess, Jeff (ADM); Blake A. Milton (bmilton@sphvalue.com); 'Rich Hodges (rich@hlappraisal.com)'; 'Mike Lacey (mike@hlappraisal.com)'; Emily Plurkowski; 'Brian.Ardire@bluelinerental.com'; 'Cliff.Eckberg@bluelinerental.com'
Subject: RE: September 28 Meeting at BlueLine Rental - 1975 Galvez Avenue, San Francisco

Thank you. Will 8:00 a.m. work for everyone?

Sean M. Sherlock
Snell & Wilmer L.L.P.
600 Anton Boulevard, Suite 1400
Costa Mesa, California 92626
Office: (714) 427-7036
Cell: (949) 228-1433
ssherlock@swlaw.com www.swlaw.com/sean_sherlock/

From: Karen Eddleman [mailto:keddleman@arws.com]
Sent: Thursday, September 15, 2016 12:12 PM
To: Sherlock, Sean
Cc: Suess, Jeff (ADM); Blake A. Milton (bmilton@sphvalue.com); 'Rich Hodges (rich@hlappraisal.com)'; 'Mike Lacey (mike@hlappraisal.com)'; Emily Plurkowski; 'Brian.Ardire@bluelinerental.com'; 'Cliff.Eckberg@bluelinerental.com'
Subject: September 28 Meeting at BlueLine Rental - 1975 Galvez Avenue, San Francisco

Sean,

Thank you for scheduling the meeting for us to tour the BlueLine Site on Galvez Avenue in San Francisco. I've included a list of people who will be present on September 28. I will have my cell phone with me that morning. Please feel free to contact me at (925) 407-5656.

<i>Attendee</i>	<i>Role</i>	<i>Agency</i>
Jeff Suess	Acquisition Agent	City and County of San Francisco
Blake Milton	Loss of Business Goodwill Appraiser	Sanli Pastore & Hill
Rich Hodges	FF&E Appraiser	Hodges & Lacey
Mike Lacey	FF&E Appraiser	Hodges & Lacey
Emily Plurkowski	Relocation Advisor	Associated Right of Way Services
Karen Eddleman	Relocation Advisor	Associated Right of Way Services
Todd Kirk		BlueLine
Mark Hayes		BlueLine

Thank you,

Suess, Jeff (ADM)

From: Suess, Jeff (ADM)
Sent: Thursday, February 18, 2016 10:08 AM
To: 'Cliff Eckberg'
Subject: RE: Options for Blueline

Cliff,

Are you willing to look at areas a little down the Peninsula; South San Francisco, perhaps Burlingame?

Jeff Suess CCIM LEED AP
415-554-9873



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102

From: Cliff Eckberg [mailto:cliff.eckberg@bluelinerental.com]
Sent: Thursday, February 18, 2016 10:01 AM
To: Suess, Jeff (ADM) <jeff.suess@sfgov.org>
Subject: RE: Options for Blueline

Yes if possible/feasible.

Best Regards,

Cliff Eckberg
Senior Manager - Real Estate & Construction

BlueLine Rental
8401 New Trails Drive, Suite 150
The Woodlands, TX 77380
Direct: 832-299-7525 Fax: 281-292-6675
Cell: 832-653-1542
BLR x10036
cliff.eckberg@bluelinerental.com



From: Suess, Jeff (ADM) [<mailto:jeff.suess@sfgov.org>]
Sent: Thursday, February 18, 2016 11:54 AM
To: Cliff Eckberg <cliff.eckberg@bluelinerental.com>
Subject: RE: Options for Blueline

Cliff,

Understood and the size, but you are currently on just over an acre, with a building that is on the small size. Would Blueline like a larger facility (2 acres)?

I want to make sure we look at the right properties. Or perhaps this is too early to tell? Given the cost of real estate in San Francisco vs. other locations you might have, this is a critical component.

Thanks

Jeff Suess CCIM LEED AP
415-554-9873



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102

From: Cliff Eckberg [<mailto:cliff.eckberg@bluelinerental.com>]
Sent: Thursday, February 18, 2016 5:26 AM
To: Suess, Jeff (ADM) <jeff.suess@sfgov.org>
Subject: RE: Options for Blueline

Jeff,

Thanks for the e-mail.

Typically we look for a 2+ acre site with a 8,000 to 12,000 SF building.

Best Regards,

Cliff Eckberg
Senior Manager - Real Estate & Construction

BlueLine Rental

8401 New Trails Drive, Suite 150
The Woodlands, TX 77380
Direct: 832-299-7525 Fax: 281-292-6675
Cell: 832-653-1542
BLR x10036
cliff.eckberg@bluelinerental.com



From: Suess, Jeff (ADM) [<mailto:jeff.suess@sfgov.org>]
Sent: Wednesday, February 17, 2016 7:11 PM
To: Cliff Eckberg <cliff.eckberg@bluelinerental.com>
Subject: Options for Blueline

Cliff,

Attached are some locations that our Broker, who is very familiar with the area pulled for me. In addition, I have 1210 Armstrong Street, which is 37,500 sf and a 5,000 sf building. This is under the Port jurisdiction and I will not know if it is available for about 30 days, but your team should look at it and see if it is viable. Of course there is your previous location, which as I understand it is slightly too small.

What is the "right size" for this operation? I am sure with the number of facilities that you have, there must be a model based on volume of business, or other factors. Let me know and we will continue our efforts in searching. Also is there a geographical area that should be considered. I assume you would like to be nearby your current location as your customer base is likely similarly located. I show your current operation is about 48,000 sf, with a 7,000 sf building (including mezzanine).

Ideally this relocation will allow an opportunity to right size your facility and find a superior location (I am a glass half full guy).

Below is my contact information.

Thanks

Jeff

Jeff Suess CCIM LEED AP
415-554-9873 Direct
415-559-0827 Cell



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102

Suess, Jeff (ADM)

From: Suess, Jeff (ADM)
Sent: Thursday, May 05, 2016 1:38 PM
To: 'Cliff Eckberg'
Subject: Available properties San Francisco
Attachments: 2590 oakdale ave_flyer.pdf; 531_Bayshore_Brochure.pdf

Cliff,

Attached are a couple of options that are new to the market.

Can we set up a call for next week. Tuesday and Wednesday are generally good days for me. Let me know if we can book something then.

Thanks

Jeff

Jeff Suess CCIM LEED AP
415-554-9873



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102

Suess, Jeff (ADM)

From: Suess, Jeff (ADM)
Sent: Monday, May 16, 2016 9:18 AM
To: 'Cliff Eckberg'
Subject: RE: San Francisco

Cliff,

I sent the contract off to Associated Right of Way Services, or relocation firm.

The contract will include:

- Valuation of City potential obligations; leasehold interest, loss of good will and FF&E.
- Development of a work plan for relocation
- Assistance in relocation, moving expenses etc.

I expect to have the contract executed this week and they will contact you to set up a meeting and outline what is available. It is my understanding that since we have no Federal funds being used in this project that we have some flexibility in how we assist you to make this transition smooth, but I do not claim to have any expertise in this area, so will let ARWS and Karen Eddelman's team get into the details.

More soon,

Jeff

Jeff Suess CCIM LEED AP
415-554-9873



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102

From: Cliff Eckberg [mailto:cliff.eckberg@bluelinerental.com]
Sent: Monday, May 16, 2016 5:34 AM
To: Suess, Jeff (ADM) <jeff.suess@sfgov.org>
Subject: San Francisco

Jeff,

Just wanted to follow up and see when you expect to send the general summary for what's all available for the relocation assistance.

Best Regards,

Cliff Eckberg

Senior Manager - Real Estate & Construction

BlueLine Rental

8401 New Trails Drive, Suite 150

The Woodlands, TX 77380

Direct: 832-299-7525 Fax: 281-292-6675

Cell: 832-653-1542

BLR x10036

cliff.eckberg@bluelinerental.com



Suess, Jeff (ADM)

From: Suess, Jeff (ADM)
Sent: Thursday, June 16, 2016 1:32 PM
To: 'Cliff Eckberg'
Subject: Blueline Notification sent
Attachments: Blueline Appraisal letter 6.16.16.pdf; Blueline relocation notification 6.14.16.pdf; Business Relocation Handbook - June 2016.pdf

Cliff,

Attached are the two letters and handbook that have been sent out to you as notification of our need for you to relocate. This is the fully executed version of the letter I previously sent you as well as an additional letter regarding the City's Notification of your right to claim loss of goodwill and out intent of hiring an appraiser to determine said good will as well as FF&E.

Please let me know if you have any questions or concerns.

Thanks

Jeff

Jeff Suess CCIM LEED AP
415-554-9873



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102

Suess, Jeff (ADM)

From: Suess, Jeff (ADM)
Sent: Thursday, June 16, 2016 4:08 PM
To: 'Cliff Eckberg'
Subject: FW: Blue Line Land
Attachments: Land For Lease 1-2 Acres.pdf

Cliff,

I asked one of our local Brokers to run a fresh overall look at land for lease in the 1-2 acre range. Here is what came in and the area they looked at.

I did a quick scan and a couple of them stood out.

Not sure this is a help if you have Brokers working this, but thought I would contribute.

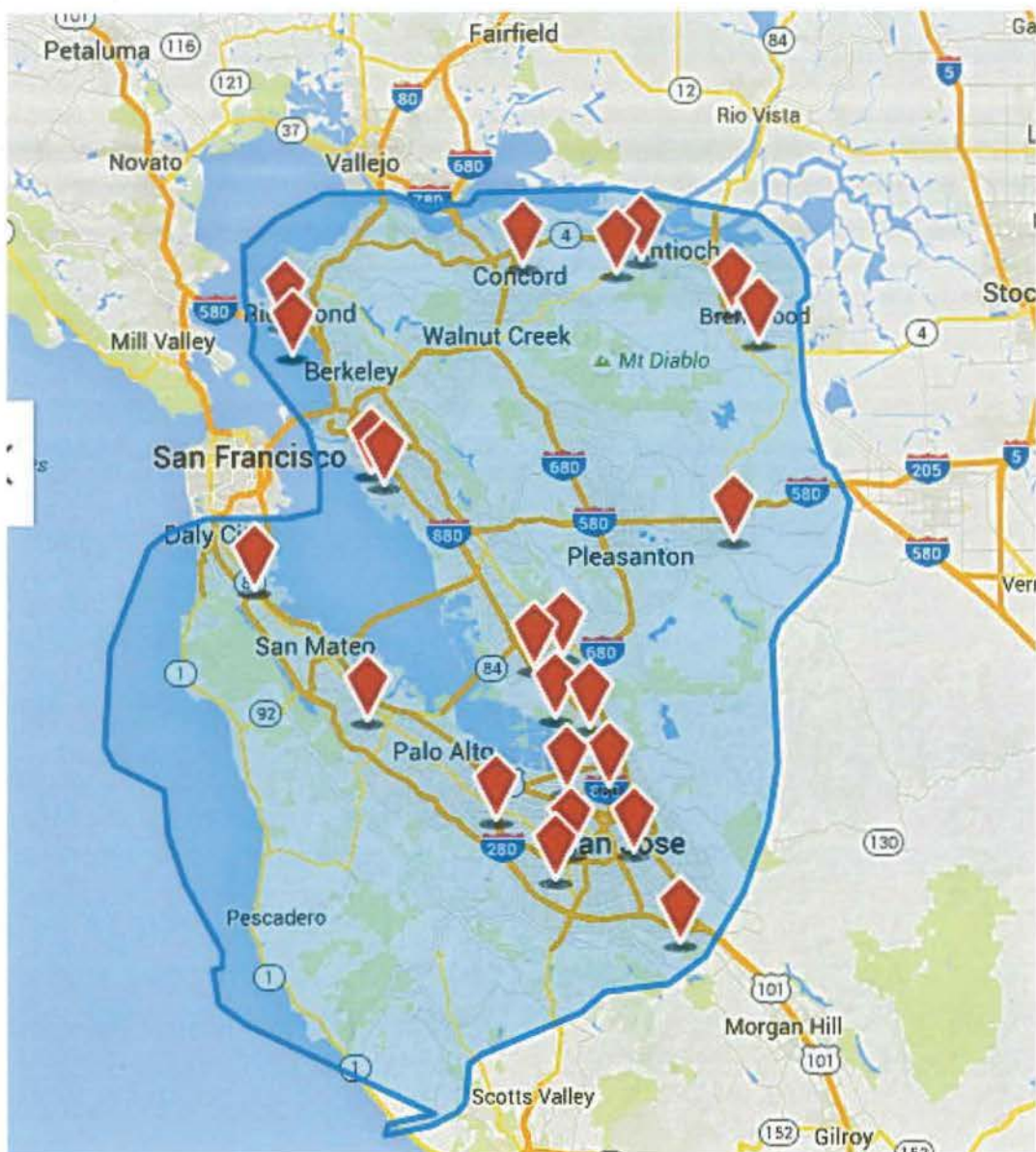
Thanks

Jeff

Jeff Suess CCIM LEED AP
415-554-9873



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102



Suess, Jeff (ADM)

From: Suess, Jeff (ADM)
Sent: Thursday, July 07, 2016 3:52 PM
To: 'Cliff Eckberg'
Subject: RE: Introduction of Appraisers

Cliff,

Does July 21st for a site visit work for you? Ideally you have been able to forward them any sort of inventory of FF&E's that they can use as a starting point and then pick up anything missed in the physical inspection.

I also have another set if inspections needed by a subcontractor for our development. I am nailing down a date for that visit and appreciate all the accommodations from your end.

Thanks

Jeff Suess CCIM LEED AP
415-554-9873



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102

From: Karen Eddleman [mailto:keddleman@arws.com]
Sent: Thursday, July 07, 2016 2:24 PM
To: Cliff.Eckberg@bluelinerental.com
Cc: Brian.Ardire@bluelinerental.com; Suess, Jeff (ADM) <jeff.suess@sfgov.org>; 'Rich Hodges (rich@hlappraisal.com)' <rich@hlappraisal.com>; 'fvickery@sphvalue.com' <fvickery@sphvalue.com>; Karen Couto <kcouto@arws.com>
Subject: Introduction of Appraisers

Cliff,

As promised, I am sending this email to provide you with an electronic introduction of our appraisers. These people and the firms they represent have been contracted by the City and County of San Francisco to appraise certain interests you might have related to your occupancy at 1975 Galvez Avenue in San Francisco. The City and County purchased that property in March of 2016 subject to your lease.

There are three appraisers who will be considering your interests over the next few months.

Furniture, Fixtures and Equipment. Rich Hodges and Mike Lacy of Hodges Lacey & Associates will be appraising both moveable and immovable improvements on the property. They would like to schedule a visit to the site on July 21 to

tour the site and begin their inventory efforts. Please provide a contact person who can work with them on that day. You had mentioned that you might provide a list of inventory and equipment so that their inspection time might be shortened. We understand that you are wanting to minimize the impact on your staff. If you could provide that early next week, that would be greatly appreciated.

Loss of Business Goodwill Appraisal. Forrest Vickery of Sanli Pastore & Hill will need to connect with you to gather the information he needs to develop an analysis of your potential loss of business goodwill that might be attributable to the City/County's purchase of the property.

Leasehold Bonus Value Analysis. Karen Couto of AR/WS, Inc. will be conducting an analysis of potential leasehold bonus value.

Rich Hodges and Mike Lacey
Hodges Lacey & Associates
P. O. Box 747
Woodland Hills, CA 91365

(310) 528-0608
rich@hlappraisal.com

Forrest A. Vickery, ASA
Sanli Pastore & Hill
701 University Avenue, Suite 108
Sacramento, CA 95825

(916) 614-0530
fvickery@sphvalue.com

Karen Couto, MAI
AR/WS, Inc.
2300 Contra Costa Blvd., Suite 525
Pleasant Hill, CA 94523

(925) 691-8500
kcouto@arws.com

I hope to accompany Rich Hodges when he visits the property on July 21. Our goal is to have minimal impact on your staff and operations. Thank you for working with us as we attempt to determine your compensable interests and attempt to find viable relocation sites that will accommodate Blueline.

Karen Eddleman, SR/WA, R/W-RAC | Relocation Consultant
2300 Contra Costa Blvd., Suite 525 | Pleasant Hill, CA 94523
(925) 691-8500 | (925) 691-6505



Suess, Jeff (ADM)

From: Suess, Jeff (ADM)
Sent: Monday, August 22, 2016 6:06 PM
To: 'Cliff Eckberg'
Cc: Brian Ardire; ssherlock@swlaw.com
Subject: Notice of access required for testing
Attachments: CS_Site_Plan Additional bore sites.jpg

Cliff,

As this is a new property acquisition, we need to obtain access for analysis of the soil. We have engaged a firm to do some core samplings and are looking to schedule this work for September 14th 2016 beginning at 7:00 a.m.

We expect to be onsite for a full work day beginning at approximately 7 am. The equipment used is essentially a large box truck with rough dimensions of 8' x 30' (see picture). Each exploration consists of pushing a 2.5" diameter rod into the ground to approximately 100' below the surface and should take approximately 2 hours. The truck will be centered over the location during the push. We can start at whatever location is most convenient for the tenants.



I am attaching a site plan for where we would like to pull the samples.

Please confirm the access and let us know of any questions or concerns that you might have.

Thanks

Jeff Suess CCIM LEED AP
415-554-9873



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102

Suess, Jeff (ADM)

From: Suess, Jeff (ADM)
Sent: Friday, June 10, 2016 8:25 AM
To: Cliff Eckberg
Subject: Re: Site visit

Cliff,
It looks like they were successful. I can imagine after being in and out of there so often, they have built some relationships. I am reviewing docs to come to you on relocation, so ideally you have them by end of day and we can bring Karen in on Tuesday for our call.
Jeff

Sent from my iPhone

On Jun 10, 2016, at 06:01, Cliff Eckberg <cliff.eckberg@bluelinerental.com> wrote:

Jeff,

I was traveling and just caught up on e-mails. Did they make a site visit yesterday to inspect the electrical?

Best Regards,

Cliff Eckberg
Senior Manager - Real Estate & Construction

BlueLine Rental
8401 New Trails Drive, Suite 150
The Woodlands, TX 77380
Direct: 832-299-7525 Fax: 281-292-6675
Cell: 832-653-1542
BLR x10036
cliff.eckberg@bluelinerental.com



From: Suess, Jeff (ADM) [<mailto:jeff.suess@sfgov.org>]
Sent: Thursday, June 09, 2016 11:22 AM
To: Cliff Eckberg <cliff.eckberg@bluelinerental.com>
Subject: Site visit

Cliff,

I received an urgent request from our developer who needs some vital information from the site (existing electrical system). They are hoping to come in this afternoon. I realize it is short notice and have reminded them that I really need 24-48 hours. Please let me know if there is some way you can accommodate.

On the relocation front, I have been working behind the scenes here and expect to have you initial notification and offering anytime now.

Thanks

Jeff Suess CCIM LEED AP
415-554-9873



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102

Suess, Jeff (ADM)

From: Suess, Jeff (ADM)
Sent: Thursday, July 21, 2016 5:36 PM
To: 'ssherlock@swlaw.com'
Cc: Cliff Eckberg; 'Brian Ardire'; 'jfrank@swlaw.com'
Subject: 1975 Galvez and Blueline Rental
Attachments: Introduction of Appraisers

Mr. Sherlock,

The e-mail sent on July 20th 2016, was only a reminder of the notice provided on July 7th 2016 by the relocation firm that we engaged (see attached e-mail). We also had a conference call on July 5th and in the conversation had discussions about the upcoming July 21st inspections, meeting notes were provided to your client (so verbal notice on 7/5 and written confirmation on 7/7). We consider our notice as sufficient and reasonable under the provisions of the Lease. This short notice cancelation of our reasonably noticed access to the property has caused unnecessary and costly delays. We had several appraisers who had traveled in the day before, so they could be onsite at 8:00 a.m.

Under the provisions of the lease agreement (as successor Landlord):

31. ENTRY BY LESSOR. Lessor and its authorized representatives shall have the right to enter the Premises at all reasonable times and upon reasonable notice (provided that in the event of an emergency, notice need not be given) for the purpose of inspecting the same or taking any action or doing any work permitted hereunder (but nothing herein contained in this Lease shall create or imply any duty on the part of Lessor to make any such inspection or to take any such action or do any such work). No such entry shall constitute an eviction of Lessee. In connection with any such entry, Lessor will use reasonable efforts not to disrupt or interfere with the normal operation of Lessee's business. Reasonable notice for entry by Lessor during non-business hours shall be 24 hours.

We do not feel that additional delays are necessary or conducive to moving this forward to resolution, nor do we feel that all the appraisers being onsite at the same time has a benefit.

We too intend to be cooperative and desire an amicable solution, we greatly appreciate the excellent relationship with Mr. Eckberg we've enjoyed to date, and hope to work with all of you to resolve these issues going forward.

Hodges and Lacey, our FF&E appraisal firm have agreed to reschedule for August 4th 2016 at 8:00 a.m. and are indicating they will need a good portion of the day to complete their inspection. Mr. Eckberg had agreed to provide us with some supporting information and had indicated it would be available prior to today. Would it be possible to obtain this so that we can make as accurate of an assessment as possible? It would likely also speed up the inspection and minimize any potential for disruption.

I am still waiting for ARWS to reschedule their appraiser. I should have a date next week.

With all of our appraisal inspections, we invite Blueline to have designated staff accompany them on their inspection if they so desire.

Sincerely,

Jeff Suess CCIM LEED AP
415-554-9873



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102

Suess, Jeff (ADM)

From: Suess, Jeff (ADM)
Sent: Tuesday, August 23, 2016 9:58 AM
To: ssherlock@swlaw.com
Cc: Brian Ardire
Subject: Appraisal work

Mr. Sherlock,

It has been a couple of weeks since we spoke and it is my hope that you are close to settling on a date for the appraisals. We still need to get out FF&E and Goodwill appraisers on site to complete their work.

If you could kindly provide and update, it would be appreciated.

Thanks

Jeff Suess CCIM LEED AP
415-554-9873



City & County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA. 94102



NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with Code of Civil Procedure, Section 1245.235, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: Tuesday, November 29, 2016

Time: 3:00 p.m.

Location: City Hall, 1 Dr. Carlton B. Goodlett Place, Legislative Chamber, Room 250, San Francisco, CA 94102

Subject: File No. 161211. Hearing of the Board of Supervisors sitting as a Committee of the Whole on November 29, 2016, at 3:00 p.m., to hold a public hearing on a Resolution of Necessity (File No. 161101) authorizing the acquisition of a lease at the real property commonly known as 1975 Galvez Avenue, Assessor's Parcel Block No. 5250, Lot No. 016, by eminent domain for the public purpose of completing and constructing the Central Shops Relocation, scheduled pursuant to Motion No. M16-155, approved by the Board on November 1, 2016.

This noticed public hearing will be held to make findings of whether public interest and necessity require the City and County of San Francisco to acquire, by eminent domain, the following interests in real property: a leasehold interest at the real property commonly known as 1975 Galvez Avenue, San Francisco, California, Assessor's Parcel Block No. 5250, Lot No. 016, for the public purpose of completing and constructing the Central Shops Relocation; affirming the Planning Department's Categorical Exemption determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. A description of the real property and leasehold interest to be acquired are set forth in the official file, available for review in the Office of the Clerk of the Board in File No. 161101.

Continued on next page


The purpose of this noticed hearing is to hear all persons interested in the matter. You have a right to appear and be heard on the matters referred to in California Code of Civil Procedure, Section 1240.030, including whether: (1) the public interest and necessity require the project; (2) the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury; (3) the property sought to be acquired is necessary for the proposed project; and (4) the City has made the required offers to the owners of the property to be acquired.

Persons who have been notified of such public hearing and who, within fifteen (15) days after the mailing of such notice, have filed a written request to do so, may appear and be heard at the public hearing. Failure to file a written request to appear and be heard within this period may result in waiver of the right to appear and be heard.

The procedure of the Board requires that the finding of public interest and necessity be made by a two-thirds vote of all its members.

At the close of the public hearing, a vote will be made on a resolution, entitled **"Resolution authorizing the acquisition of a lease at the real property commonly known as 1975 Galvez Avenue, Assessor's Parcel Block No. 5250, Lot No. 016, by eminent domain for the public purpose of completing and constructing the Central Shops Relocation; affirming the Planning Department's Categorical Exemption determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1."**

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94012. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Wednesday, November 23, 2016.


Angela Calvillo
Clerk of the Board

ADVERTISEMENT FOR BIDS & COUNTY OF SAN FRANCISCO SAN FRANCISCO PUBLIC WORKS

at No. 7440A (ID No. FCA17053) ESER BOND 2010 - FIRE STATION NO. 5

ived at 1155 Market Street, 4th Floor, San Francisco, California 94103 until 2:30 p.m. on
er which they will be publicly opened and read. Digital files of Bid Documents, Plan Holders
be downloaded at no cost from the Public Works Electronic Bid Documents Download site at
iddocs. Please visit the Contracts, Bids and Payments webpage at www.sfpublicworks.org
k on Resources > Contractor Resources). Notices regarding Addenda and other bid changes
all to Plan Holders.

y from the following prequalified Contractors:

n, Inc.	Arntz Builders, Inc. 19 Pamaron Way Novato, California 94949 (415) 382-1188 Contact: Brian Proteau
rnia 94801	
n M. Alten	C. Overaa & Co. 200 Parr Boulevard Richmond, California 94801 (510) 234-0926 Contact: Carl Overaa
n, Inc.	
ad West, Suite 405	
94558	
Vazet	
rs	Thompson Builders Corporation 250 Bel Marin Keys Blvd, Bldg A Novato, California 94949 (415) 456-8972 Contact: Clayton Fraser
street	
A 94107	
-Keelips	

plete and total demolition of the existing fire station; hazardous material abatement as
derground fuel tanks and associated fuel system; reconstruction of streets and sidewalks;
on building with elevator. Fire Station 5 is pursuing LEED Building Design and Construction
The time allowed for completion is 450 consecutive calendar days. The Engineer's estimate
3,000. For more information, contact the Project Manager, Gabriella Cirelli at 415-557-4707.

gistration program under section 1725.5 of the California Labor Code went into effect.
that all contractors and subcontractors who bid or work on a public works project
nual fee to the California Department of Industrial Relations ("DIR").

contractor may be listed in a bid or awarded a contract for a public works project
the DIR as required by Labor Code section 1725.5 [with limited exceptions from this
poses only under Labor Code section 1771.1(a)].

orate the required partnering elements for Partnering Level 2. Refer to Section 01 31 33 for

isco Administrative Code ("Administrative Code") Section 6.25 and Chapter 25 of the
an Construction" is required for the performance of all work.

de liquidated damages. Contract will be on a Lump Sum Bid Items With Unit Prices basis.
ill be made.

arded to the lowest responsible responsive bidder.

the City determines that any of the bid item prices are materially unbalanced to the potential

applied as per Administrative Code Chapter 14B. LBE Subcontracting Participation
ll Kelly Dwyer at 415-558-4080 for details. In accordance with Administrative Code Chapter
ders shall submit documented good faith efforts with their bids, except those who exceed
ubcontracting Participation Requirement by 35%. Bidders must achieve 80 out of 100 points
e. Bidders will receive 15 points for attending the pre-bid conference, if scheduled. Refer to

ll be held on **November 15, 2016** at 1:30 p.m. at 30 Van Ness Avenue, Suite 4100, Main
ved by a site visit at 2:30 p.m. at Fire Station 5, 1301 Turk Street, San Francisco, CA 94115.

ity's Surety Bond Program, call Jennifer Elmore at (415) 217-6578.

1 or certified check for ten percent (10%) of the amount bid must accompany each bid.
ction 6.22(a) requires all construction greater than \$25,000 to include performance and
6 of the contract award.

ed to bid.

ministrative Code Chapter 6, no bid is accepted and no contract in excess of \$600,000 is
County of San Francisco until such time as the Mayor or the Mayor's designee approves the
ne Director of Public Works then issues an order of award. Pursuant to Charter Section 3.105,
subject to certification by the Controller as to the availability of funds.

r this project must comply with the current General Prevailing Wage as determined by the
ustrial Relations. Minimum wage rates other than applicable to General Prevailing Wage must
ve Code Chapter 12P, Minimum Compensation Ordinance.

o the requirements of the San Francisco Local Hiring Policy for Construction ("Policy") as
e Code Section 6.22(g). Bidders are hereby advised that the requirements of the Policy will
terial term of any contract awarded for the Project. Refer to Section 00 73 30 of the Project
tion.

sed that the Contractor to whom the Contract is awarded must be certified by the Contract
eing in compliance with the Equal Benefits Provisions of Chapter 12B of the Administrative
fter notification of award.

ny ground to any bid specification or legal requirement imposed by this Advertisement for
o later than the 10th working day prior to the date of Bid opening, provide written notice to
ion Division, San Francisco Public Works, setting forth with specificity the grounds for the

any or all bids and waive any minor irregularities.

CNS-2945415#

GOVERNMENT

**NOTICE OF REGULAR
MEETING SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND FINANCE
COMMITTEE, WEDNESDAY,
NOVEMBER 16, 2016 -
10:00 AM CITY HALL,
LEGISLATIVE CHAMBER,
ROOM 250 1 DR. CARLTON
B. GOODLETT PLACE SAN
FRANCISCO, CA 94102**

The agenda packet and
legislative files are available at
www.sfgov.org, in Room 244
at the address listed above or
by calling 415-554-5184

**NOTICE OF PUBLIC
HEARING BOARD OF
SUPERVISORS OF THE
CITY AND COUNTY OF SAN
FRANCISCO**

NOTICE IS HEREBY GIVEN
THAT, in accordance with
Code of Civil Procedure,
Section 1245.235, the Board
of Supervisors of the City and
County of San Francisco, as
a Committee of the Whole,
will hold a public hearing to
consider the following
proposal and said public
hearing will be held as follows,
at which time all interested
parties may attend and be
heard:

Date: Tuesday, November
29, 2016 **Time:** 3:00 p.m.
Location: City Hall, 1 Dr.
Carlton B. Goodlett Place,
Legislative Chamber, Room
250, San Francisco, CA
94102

Subject: File No. 161211.
Hearing of the Board of
Supervisors sitting as a
Committee of the Whole on
November 29, 2016, at 3:00
p.m., to hold a public hearing
on a Resolution of Necessity
(File No. 161101) authorizing
the acquisition of a lease at
the real property commonly
known as 1975 Galvez
Avenue, Assessor's Parcel
Block No. 5250, Lot No. 016,
by eminent domain for the
public purpose of completing
and constructing the Central
Shops Relocation, scheduled
pursuant to Motion No. M16-
155, approved by the Board
on November 1, 2016.

This noticed public hearing will
be held to make findings of
whether public interest and
necessity require the City and
County of San Francisco to
acquire, by eminent domain,
the following interests in real
property: a leasehold interest
at the real property commonly
known as 1975 Galvez
Avenue, San Francisco,
California, Assessor's Parcel
Block No. 5250, Lot No. 016,
for the public purpose of
completing and constructing
the Central Shops Relocation;
affirming the Planning
Department's Categorical
Exemption determination
under the California
Environmental Quality Act;
and making findings of
consistency with the General
Plan, and the eight priority
policies of Planning Code,
Section 101.1. A description
of the real property and
leasehold interest to be
acquired are set forth in the
official file, available for review
in the Office of the Clerk of
the Board in File No. 161101.
The purpose of this noticed
hearing is to hear all persons
interested in the matter. You
have a right to appear and
be heard on the matters
referred to in California Code

of Civil Procedure, Section
1240.030, including whether:
(1) the public interest and
necessity require the project;
(2) the project is planned or
located in the manner that
will be most compatible with
the greatest public good and
the least private injury; (3) the
property sought to be acquired
is necessary for the proposed
project; and (4) the City has
made the required offers to the
owners of the property to be
acquired.

Persons who have been
notified of such public hearing
and who, within fifteen (15)
days after the mailing of such
notice, have filed a written
request to do so, may appear
and be heard at the public
hearing. Failure to file a written
request to appear and be
heard within this period may
result in waiver of the right to
appear and be heard.

The procedure of the Board
requires that the finding of
public interest and necessity
be made by a two-thirds vote
of all its members.

At the close of the public
hearing, a vote will be made
on a resolution, entitled
"Resolution authorizing the
acquisition of a lease at
the real property commonly
known as 1975 Galvez
Avenue, Assessor's Parcel
Block No. 5250, Lot No. 016,
by eminent domain for the
public purpose of completing
and constructing the Central
Shops Relocation; affirming
the Planning Department's
Categorical Exemption
determination under the
California Environmental
Quality Act; and making
findings of consistency
with the General Plan, and
the eight priority policies of
Planning Code, Section
101.1."

In accordance with
Administrative Code, Section
67.7-1, persons who are
unable to attend the hearing
on this matter may submit
written comments prior to
the time the hearing begins.
These comments will be made
as part of the official public
record in this matter and shall
be brought to the attention
of the Board of Supervisors.
Written comments should be
addressed to Angela Calvillo,
Clerk of the Board, City Hall,
Room 244, San Francisco, CA,
94102. Information relating
to this matter is available in
the Office of the Clerk of the
Board. Agenda information
relating to this matter will be
available for public review on
Wednesday, November 23,
2016. Angela Calvillo Clerk of
the Board

**NOTICE OF SPECIAL JOINT
MEETING SAN FRANCISCO
BOARD OF SUPERVISORS
AND SAN FRANCISCO
POLICE COMMISSION
TUESDAY, NOVEMBER 15,
2016 - 5:00 PM CITY HALL,
LEGISLATIVE CHAMBER,
ROOM 250, 1 DR. CARLTON
B. GOODLETT PLACE, SAN
FRANCISCO, CA 94102**

The agenda packet and
legislative files are available at
www.sfbos.org, in Room 244
at the address listed above,
or by calling (415) 554-5184.

**NOTICE OF REGULAR
MEETING SAN FRANCISCO
BOARD OF SUPERVISORS
TUESDAY, NOVEMBER 15,
2016 - 2:00 PM CITY HALL,
LEGISLATIVE CHAMBER,
ROOM 250, 1 DR. CARLTON**

**B. GOODLETT PLACE, SAN
FRANCISCO, CA 94102**
The agenda packet and
legislative files are available at
www.sfbos.org, in Room 244
at the address listed above,
or by calling (415) 554-5184.

FICTITIOUS BUSINESS NAMES

**STATEMENT OF
ABANDONMENT
OF USE OF FICTITIOUS
BUSINESS NAME**
File No. M-260368

Name of person(s)
abandoning the use of the
Fictitious Business Name:
Grizzly NorCal, LLC

Name of Business: 1. Tek
Services, 2. Pinnacle
Lumber, 3. Skyline
Construction Supply, 4. Bay
Area Wireless Services
Date of original filing: April
11, 2014

Address of Principal Place
of Business: 25886 Clawiter
Road, Hayward, CA 94545
Registrant's Name:
Grizzly NorCal, LLC, 25886
Clawiter Road, Hayward, CA
94545

The business was conducted
by limited liability company.
S/ David C. Becker, Manager
This statement was filed
with the County Clerk of San
Mateo County on October 18,
2016.

Mark Church, County Clerk
Glenn S. Changlin, Deputy
Clerk
10/30, 11/6, 11/13, 11/20/16
NPEN-2934616#
**EXAMINER - BOUTIQUE &
VILLAGER**

GOVERNMENT

**CITY OF DALY CITY
NOTICE OF PUBLIC
HEARING REGARDING
THE ASSESSMENT OF
COMMUNITY NEEDS
ELIGIBLE FOR FUNDING
UNDER THE COMMUNITY
DEVELOPMENT BLOCK
GRANT (CDBG) AND
HOME PROGRAMS FOR
PROGRAM YEAR 2017-2018**
NOTICE IS HEREBY GIVEN
that on Monday, December
12, 2016, at 7:00 p.m., the City
Council of Daly City will hold a
public hearing at the City Hall,
City of Daly City, located at
333 - 90th Street, Daly City,
California, concerning the
following:

A. Obtain all interested
citizens' views on community
development and housing
needs that are eligible for
Community Development
Block Grant (CDBG) and
HOME funding from the federal
Department of Housing and
Urban Development (HUD) for
fiscal year (FY) 2017-18.

B. Address the citizen
participation and planning
process for preparation of the
City's annual HUD Action Plan
for FY17-18. This One Year
Action Plan will describe the
City's community development
and housing needs priorities,
strategies and goals, along
with identifying specific
projects and programs for
funding under the CDBG and
HOME programs. FY17-18 is
the final year of the City's
Five Year HUD Consolidated

CALIFORNIA NEWSPAPER SERVICE BUREAU

DAILY JOURNAL CORPORATION

Mailing Address : 915 E FIRST ST, LOS ANGELES, CA 90012
Telephone (800) 788-7840 / Fax (800) 464-2839
Visit us @ www.LegalAdstore.com

John Carroll
CCSF BD OF SUPERVISORS (OFFICIAL NOTICES)
1 DR CARLTON B GOODLETT PL #244
SAN FRANCISCO, CA 94102

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description JEC - 161211 - 1975 Galvez Avenue - Eminent Domain

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

11/13/2016

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

EXM# 2945065

NOTICE OF PUBLIC HEARING BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO
NOTICE IS HEREBY GIVEN THAT, in accordance with Code of Civil Procedure, Section 1245.235, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:
Date: Tuesday, November 29, 2016 Time: 3:00 p.m.
Location: City Hall, 1 Dr. Carlton B. Goodlett Place, Legislative Chamber, Room 250, San Francisco, CA 94102
Subject: File No. 161211.
Hearing of the Board of Supervisors sitting as a Committee of the Whole on November 29, 2016, at 3:00 p.m., to hold a public hearing on a Resolution of Necessity (File No. 161101) authorizing the acquisition of a lease at the real property commonly known as 1975 Galvez Avenue, Assessor's Parcel Block No. 5250, Lot No. 016, by eminent domain for the public purpose of completing and constructing the Central Shops Relocation, scheduled pursuant to Motion No. M16-155, approved by the Board on November 1, 2016.
This noticed public hearing will be held to make findings of whether public interest and necessity require the City and County of San Francisco to acquire, by eminent domain, the following interests in real property: a leasehold interest at the real property commonly known as 1975 Galvez Avenue, San Francisco, California, Assessor's Parcel Block No. 5250, Lot No. 016, for the public purpose of completing and constructing the Central Shops Relocation; affirming the Planning Department's Categorical Exemption determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. A description of the real property and leasehold interest to be acquired are set forth in the official file, available for review in the Office of the Clerk of the Board in File No. 161101.

The purpose of this noticed hearing is to hear all persons interested in the matter. You have a right to appear and be heard on the matters referred to in California Code of Civil Procedure, Section 1240.030, including whether: (1) the public interest and necessity require the project; (2) the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury; (3) the property sought to be acquired is necessary for the proposed project; and (4) the City has made the required offers to the owners of the property to be acquired.
Persons who have been notified of such public hearing and who, within fifteen (15) days after the mailing of such notice, have filed a written request to do so, may appear and be heard at the public hearing. Failure to file a written request to appear and be heard within this period may result in waiver of the right to appear and be heard.
The procedure of the Board requires that the finding of public interest and necessity be made by a two-thirds vote of all its members.
At the close of the public hearing, a vote will be made on a resolution, entitled "Resolution authorizing the acquisition of a lease at the real property commonly known as 1975 Galvez Avenue, Assessor's Parcel Block No. 5250, Lot No. 016, by eminent domain for the public purpose of completing and constructing the Central Shops Relocation; affirming the Planning Department's Categorical Exemption determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1."
In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94012.



* A 0 0 0 0 0 4 2 7 1 5 1 1 *

Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Wednesday, November 23, 2016. Angela Calvillo Clerk of the Board

Carroll, John (BOS)

From: SF Docs (LIB)
Sent: Thursday, November 10, 2016 1:48 PM
To: Carroll, John (BOS)
Subject: RE: Please Post the Attached Hearing Notice for Public Viewing

Hi John,

I have posted the hearing notice.

Thank you,

Michael

From: Carroll, John (BOS)
Sent: Thursday, November 10, 2016 11:57 AM
To: SF Docs (LIB) <sfdocs@sfpl.org>
Cc: BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>
Subject: Please Post the Attached Hearing Notice for Public Viewing

Good morning,

Please post the attached hearing notice for public viewing in the library:

BOS File No. 161211 - Hearing - Committee of the Whole - Resolution of Necessity to Acquire a Lease by Eminent Domain - Central Shops Relocation - 1975 Galvez Avenue

John Carroll
Legislative Clerk
Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
(415)554-4445 - Direct | (415)554-5163 - Fax
john.carroll@sfgov.org | bos.legislation@sfgov.org



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RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2016 NOV 10 AM 10:05

BY _____



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

PROOF OF MAILING

Legislative File No. 161211

Description of Items:

Two USPS certified ^{MAIL} copies of hearing notice for:

Hearing of the Board of Supervisors sitting as a Committee of the Whole on November 29, 2016, at 3:00 p.m., to hold a public hearing on a Resolution of Necessity (File No. 161101) authorizing the acquisition of a lease at the real property commonly known as 1975 Galvez Avenue, Assessor's Parcel Block No. 5250, Lot No. 016, by eminent domain for the public purpose of completing and constructing the Central Shops Relocation, scheduled pursuant to Motion No. M16-155, approved by the Board on November 1, 2016.

Certified Mail Nos. 7008 1300 0000 0913 0628; and
7008 1300 0000 0913 0611

I, John Carroll, an employee of the City and County of San Francisco, mailed the above described document(s) by depositing the sealed items with the United States Postal Service (USPS) with the postage fully prepaid as follows:

Date: November 10, 2016

Time: 10:00 a.m.

USPS Location: Clerk's Office USPS pickup

Mailbox/Mailslot Pick-Up Times (if applicable): N/A

Signature: _____

Instructions: Upon completion, original must be filed in the above referenced file.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with Code of Civil Procedure, Section 1245.235, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: Tuesday, November 29, 2016

Time: 3:00 p.m.

Location: City Hall, 1 Dr. Carlton B. Goodlett Place, Legislative Chamber, Room 250, San Francisco, CA 94102

Subject: File No. 161211. Hearing of the Board of Supervisors sitting as a Committee of the Whole on November 29, 2016, at 3:00 p.m., to hold a public hearing on a Resolution of Necessity (File No. 161101) authorizing the acquisition of a lease at the real property commonly known as 1975 Galvez Avenue, Assessor's Parcel Block No. 5250, Lot No. 016, by eminent domain for the public purpose of completing and constructing the Central Shops Relocation, scheduled pursuant to Motion No. M16-155, approved by the Board on November 1, 2016.

This noticed public hearing will be held to make findings of whether public interest and necessity require the City and County of San Francisco to acquire, by eminent domain, the following interests in real property: a leasehold interest at the real property commonly known as 1975 Galvez Avenue, San Francisco, California, Assessor's Parcel Block No. 5250, Lot No. 016, for the public purpose of completing and constructing the Central Shops Relocation; affirming the Planning Department's Categorical Exemption determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. A description of the real property and leasehold interest to be acquired are set forth in the official file, available for review in the Office of the Clerk of the Board in File No. 161101.

Continued on next page


The purpose of this noticed hearing is to hear all persons interested in the matter. You have a right to appear and be heard on the matters referred to in California Code of Civil Procedure, Section 1240.030, including whether: (1) the public interest and necessity require the project; (2) the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury; (3) the property sought to be acquired is necessary for the proposed project; and (4) the City has made the required offers to the owners of the property to be acquired.

Persons who have been notified of such public hearing and who, within fifteen (15) days after the mailing of such notice, have filed a written request to do so, may appear and be heard at the public hearing. Failure to file a written request to appear and be heard within this period may result in waiver of the right to appear and be heard.

The procedure of the Board requires that the finding of public interest and necessity be made by a two-thirds vote of all its members.

At the close of the public hearing, a vote will be made on a resolution, entitled **"Resolution authorizing the acquisition of a lease at the real property commonly known as 1975 Galvez Avenue, Assessor's Parcel Block No. 5250, Lot No. 016, by eminent domain for the public purpose of completing and constructing the Central Shops Relocation; affirming the Planning Department's Categorical Exemption determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1."**

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94012. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Wednesday, November 23, 2016.


Angela Calvillo
Clerk of the Board

UNITED STATES POSTAL SERVICE

16 NOV '16

PM 2:1



First-Class Mail
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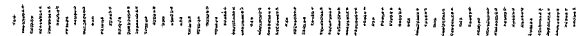
• Sender: Please print your name, address, and ZIP+4 in this box •

~~BOARD OF SUPERVISORS~~

~~1 DR. CARLTON B. GOODLETT PLACE~~

~~CITY HALL, ROOM 244~~

~~SAN FRANCISCO, CA 94102~~

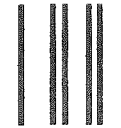


UNITED STATES POSTAL SERVICE

CA 940

16 NOV '16

PM 4:1



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

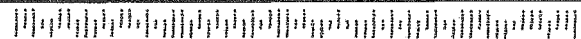
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~~BOARD OF SUPERVISORS~~

~~1 DR. CARLTON B. GOODLETT PLACE~~

~~CITY HALL, ROOM 244~~

~~SAN FRANCISCO, CA 94102~~



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BlueLine Rentals, LLC
Mr. Cliff Eckberg
~~8001 New Town Drive Suite 150~~
The Woodlands, TX 77380

2. Article Number

(Transfer from service label)

7008 1300 0000 0913 0611

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-154

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BlueLine Rentals, LLC
C T CORPORATION SYSTEM
~~360 N Crescent Drive S Bldg~~
Beverly Hills, CA 90210

2. Article Number

(Transfer from service label)

7008 1300 0000 0913 0628

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-154

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- ☐ 2. Request for next printed agenda Without Reference to Committee.
- ☐ 3. Request for hearing on a subject matter at Committee.
- ☐ 4. Request for letter beginning "Supervisor inquires"
- ☐ 5. City Attorney request.
- ☐ 6. Call File No. from Committee.
- ☐ 7. Budget Analyst request (attach written motion).
- ☐ 8. Substitute Legislation File No.
- ☐ 9. Reactivate File No.
- ☐ 10. Question(s) submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Subject:

Hearing - Committee of the Whole - Resolution of Necessity to Acquire a Lease by Eminent Domain - Central Shops Relocation - 1975 Galvez Avenue

The text is listed below or attached:

Hearing of the Board of Supervisors sitting as a Committee of the Whole on November 29, 2016, at 3:00 p.m., to hold a public hearing on a Resolution of Necessity (File No. 161101) authorizing the acquisition of a lease at the real property commonly known as 1975 Galvez Avenue, Assessor's Parcel Block No. 5250, Lot No. 016, by eminent domain for the public purpose of completing and constructing the Central Shops Relocation, scheduled pursuant to Motion No. M16-155, approved by the Board on November 1, 2016.

Signature of Sponsoring Supervisor: *Alia Gomerai*

For Clerk's Use Only: