

AMENDED IN COMMITTEE

12/9/15

FILE NO. 151215

RESOLUTION NO. 525-15

1 [Real Property Lease - 450 Toland Street - Four Fifty Toland, LLC - \$735,600 per Year -  
2 Purchase and Sale Agreements - 555 Selby Street, and 1975 Galvez Avenue - Selby and  
3 Hudson Corporation, W.Y.L. Five Star Service Industries - \$6,300,000 and \$5,000,000]

4 **Resolution authorizing the execution and acceptance of a Lease by and**  
5 **between the City and County of San Francisco and Four Fifty Toland, LLC, a**  
6 **California Limited Liability Company, for the real property located at 450 Toland**  
7 **Street with an initial lease amount of \$735,600 per year; the execution and**  
8 **acceptance of a Purchase and Sale Agreement by and between City and Selby**  
9 **and Hudson Corporation, a California corporation, for the real property located**  
10 **at 555 Selby Street for \$6,300,000; the execution and acceptance of a Purchase**  
11 **and Sale Agreement by and between the City and W.Y.L. Five Star Service**  
12 **Industries, Inc., a California corporation, for the real property located at 1975**  
13 **Galvez Avenue for \$5,000,000; and finding the proposed transactions are in**  
14 **conformance with the City's General Plan, and the eight priority policies of**  
15 **Planning Code, Section 101.1.**

16  
17 WHEREAS, The SFPUC now seeks to secure land necessary to support its  
18 current and future obligation to provide essential utility services, and there is a very  
19 limited supply of such available land in the vicinity of its existing facilities; and

20 WHEREAS, The Real Estate Division has identified, through both leasing and  
21 purchase, of three separate properties, consisting of the purchases of 555 Selby  
22 Street and 1975 Galvez Avenue ("Acquisition Sites") and a long-term lease of 450  
23 Toland Street ("Leased Site"); and

24 WHEREAS, On October 28, 2015, The Planning Department's CEQA  
25 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

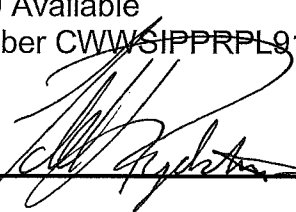
6 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director  
7 of Property (or his designee), in consultation with the City Attorney, and with the  
8 approval of the Controller, to enter into any additions, amendments or other  
9 modifications to the Lease and Purchase Agreements and 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

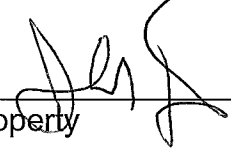
23 FURTHER RESOLVED, That all actions authorized and directed by this  
24 Resolution and heretofore taken are hereby ratified, approved and confirmed by this  
25 Board of Supervisors; and, be it

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 CWW/SIP/PR/PL91

8   
9 \_\_\_\_\_  
10 Controller  
11 Availability of funds for future fiscal years  
12 subject to the enactment of the annual  
13 appropriation ordinance.

14 RECOMMENDED:

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16 \_\_\_\_\_  
17 Director of Property

18   
19 \_\_\_\_\_  
20 General Manager  
21 San Francisco Public Utilities Commission  
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

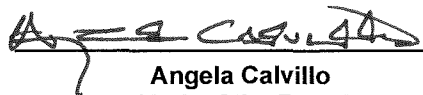
December 09, 2015 Budget and Finance Committee - RECOMMENDED AS AMENDED

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