Resolution approving and authorizing an agreement with Martin McNerney Development, Inc. dba Martin Building Company, Inc. for the sale of real property consisting of a former fire station on the first and second floors and vacant warehouse space on the upper six floors, for a purchase price of $2,900,000; finding that competitive bidding is impractical or impossible; adopting findings pursuant to the California Environmental Quality Act; adopting findings that the conveyance is consistent with the City's General Plan and Eight Priority Policies of City Planning Code Section 101.1; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of this resolution.

WHEREAS, The San Francisco Fire Department currently has jurisdiction over certain real property located in the South of Market area at 418-420 Jessie Street in the City and County of San Francisco and designated as Assessor Lot 006 in Block 3704 (the "Property"); and,

WHEREAS, The Property is an eight story concrete frame building constructed in the 1920's and contains a gross building area of 39,375 square feet, including the basement. Said improvements more specifically include an inactive fire station on the 1st and 2nd stories and vacant space on the remaining upper six stories which open directly to the adjoining building to the west, owned by 424 Jessie Properties, LLC, an affiliate of Martin McNerney Development, Inc. dba Martin Building Company, Inc. (in which Martin McNerney Supervisors Dufty, Daly, Hall Real Estate BOARD OF SUPERVISORS
Development, Inc. has a controlling interest). Additionally, the sprinkler supply system and vertical access for the Property are located in the adjoining, privately-owned building; and,

WHEREAS, The Property was damaged in the 1989 Loma Prieta earthquake, causing the occupying fire company to be relocated to Station 1 at 676 Howard Street, leaving the Property vacant; and

WHEREAS, San Francisco Fire Commission adopted Resolution No. 03-4 on March 27, 2003 declaring the Property surplus and authorizing the Director of Property to sell the Property in accordance with Article 1, Chapter 23, Section 23.3 of the San Francisco Administrative Code; and

WHEREAS, The Director of Property has determined, based on an independent appraisal, that a direct sale to Martin McNerney Development, Inc. dba Martin Building Company, Inc. ("Buyer"), would yield the highest purchase price to the City; and,

WHEREAS, The development of the Property by any party other than a Martin McNerney Development Entity would be impractical or impossible due to the unusual nature of the open floor plan connecting the upper floors of the Property directly to the Martin McNerney Development Entity's adjacent property, which upper floors can only be accessed from the adjacent property, and the location of the Property's sprinkler supply system in the adjacent property; and

WHEREAS, A copy of the proposed Agreement for Sale of Real Estate (the "Sale Agreement") between the City, as Seller, and the Buyer, is on file with the Clerk of the Board of Supervisors in File No. 031517; and,
WHEREAS, The Sale Agreement provides or will provide for the conveyance of the Property to Buyer, subject to the satisfaction of certain conditions, including the payment of a purchase price of $2,900,000, with $100,000 payable within five business days after execution of the Sale Agreement and an additional $117,500 payable upon the Board of Supervisors' approval of the Sale Agreement and the balance payable upon the closing of the Sale Agreement; and,

WHEREAS, In a letter dated February 13, 2003, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 031517, the Director of City Planning found that the sale is consistent with the City's General Plan and with the Eight Priority Policies of City Planning Code Section 101.1; and pursuant to the California Environmental Quality Act ("CEQA"), State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code, the Director of City Planning also found that the sale is categorically exempt from CEQA; now, therefore, be it

RESOLVED, That the Board of Supervisors adopts as its own and incorporates by reference herein, as though fully set forth, the findings in the Director of City Planning's letter referred to above, that the sale is in conformity with the General Plan and consistent with the Eight Priority Policies of City Planning Code Section 101.1; and, be it

FURTHER RESOLVED, That the Board of Supervisors finds, based on the record before it and in its independent judgment, that the action proposed in this legislation is categorically exempt from CEQA for the reasons set forth in the CEQA findings of the Director of City Planning set forth above and adopts as its own and incorporates by reference herein, as though fully set forth, said findings; and, be it

FURTHER RESOLVED, That in accordance with the recommendations of the San Francisco Fire Commission and the Director of Property, the Board of Supervisors hereby
approves the Sale Agreement and the transaction contemplated thereby; and, be it

FURTHER RESOLVED, That in consideration of the conveyance of the Property, the Buyer shall pay to the City the full purchase price of $2,900,000; and, be it

FURTHER RESOLVED, That it is in the City's best interest to convey the Property directly to the Buyer, that the public interest or necessity demands, or will not be inconvenienced by the sale of the Property directly to the Buyer pursuant to the Sale Agreement, and that competitive bidding would be impractical or impossible in this instance because the upper six floors of the building are not accessible from the Property and only accessible from Buyer's adjacent property and the sprinkler supply for the Property is located in the Buyer's adjacent property, and therefore, Buyer is the only practical purchaser of the Property; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Property to enter into any additions, amendments or other modifications to the Sale Agreement (including, without limitation, the attached exhibits) that the Director of Property determines are in the best interests of the City, do not decrease the sales price for the Property or otherwise materially increase the obligations or liabilities of the City, and are necessary or advisable to complete the transaction contemplated in the Sale Agreement and effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by the Director of Property of the Sale Agreement and any amendments thereto; and, be it

FURTHER RESOLVED, That the Director of Property is hereby authorized and urged in the name and on behalf of the City and County, to execute and deliver the deed to the Property to the Buyer upon the closing in accordance with the terms and conditions of the
Sale Agreement, and to take any and all steps (including, but not limited to, the execution and
delivery of any and all certificates, agreements, notices, consents, escrow instructions,
closing documents and other instruments or documents) as the Director of Property deems
necessary or appropriate in order to consummate the conveyance of the Property pursuant to
the Sale Agreement, or to otherwise effectuate the purpose and intent of this resolution, such
determination to be conclusively evidenced by the execution and delivery by the Director of
Property of any such documents.

RECOMMENDED:

[Signature]

Acting Director of Property
Resolution approving and authorizing an agreement with Martin McNerney Development, Inc. dba Martin Building Company, Inc. for the sale of real property consisting of a former fire station on the first and second floors and vacant warehouse space on the upper six floors, for a purchase price of $2,900,000; finding that competitive bidding is impractical or impossible; adopting findings pursuant to the California Environmental Quality Act; adopting findings that the conveyance is consistent with the City's General Plan and Eight Priority Policies of City Planning Code Section 101.1; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of this resolution.

October 28, 2003  Board of Supervisors — ADOPTED
   Ayes: 9 - Daly, Gonzalez, Hall, Ma, Maxwell, McGoldrick, Newsom, Peskin, Sandoval
   Absent: 1 - Ammiano
   Excused: 1 - Dufty
I hereby certify that the foregoing Resolution was ADOPTED on October 28, 2003 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Mayor Willie L. Brown Jr.