COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 10-2025

AUTHORIZING THE SUCCESSOR AGENCY'S EXECUTION OF A LEASE FOR AN INITIAL TERM OF TWO YEARS WITH THREE ONE-YEAR OPTION PERIODS IN AN AMOUNT NOT TO EXCEED $169,200.00 WITH SHEEDY DRAYAGE COMPANY, A CALIFORNIA CORPORATION, TO STORE AN ART DECO PAVILION BUILDING UNTIL ITS RELOCATION TO UNDER RAMP PARK; TRANSBAY REDEVELOPMENT PROJECT AREA

WHEREAS, The Board of Supervisors of the City and County of San Francisco approved a Redevelopment Plan for the Transbay Redevelopment Project Area (the "Project Area") by Ordinance No. 124-05, adopted on June 21, 2005 and by Ordinance No. 99-06, adopted on May 9, 2006 (the "Redevelopment Plan"). The Redevelopment Plan provided for the financing of the new Transbay Transit Center ("TTC"), now commonly referred to as the Salesforce Transit Center, and established a program for the Redevelopment Agency of the City and County of San Francisco (the "Former Agency") to redevelop and revitalize the blighted Project Area, including the adoption of a Streetscape and Public Open Space Plan providing for standards and specifications for new parks, plazas, playgrounds and other public improvements in the Project Area; and,

WHEREAS, In 2006, the TJPA and the Former Agency executed an agreement ("Implementation Agreement"), which required the Former Agency to take the lead role in facilitating the development of approximately 10 acres of State-owned property ("the State-owned parcels") and in executing all activities related to the implementation of the Transbay Redevelopment Plan, including new public parks, as well as programs to support historic preservation; and,

WHEREAS, In 2008, the City, the Former Agency and the TJPA entered into an agreement (the "Option Agreement") that granted options to the Former Agency to acquire the State-owned parcels, arrange for development of the parcels, and distribute the net tax increment to the TJPA to use for the TTC. The Option Agreement provided the means by which the Former Agency could fulfill its obligations under the Implementation Agreement to prepare and sell the State-owned parcels. The Option Agreement granted to the Former Agency "the exclusive and irrevocable option to purchase" the former State-owned parcels in the Project Area that are programmed for development, which are listed in the Option Agreement, including Block 5 (Section 2.1 of the Option Agreement at p. 4); and,

WHEREAS, On April 2, 2014, pursuant to the Implementation Agreement, the Former Agency issued a Request for Proposals (the "RFP") from development teams to design and develop a 550-foot-tall office tower and public open space on and surrounding the property commonly known as Transbay Block 5. Block 5 is comprised of portions of Assessor's Block 3718, Lots 025 and 027. The component of Block 5 that is the site of the tower is also known as "Parcel N1", and is an approximately 26,300-square-foot parcel on Howard and Beale Streets, across from the TTC. The components of the Block 5 site that are public open space are known as "Parcel M1" and "Parcel N3"; and,

WHEREAS, On September 12, 2014, after a competitive selection process, the Commission on Community Investment and Infrastructure ("Commission") authorized, by Resolution No. 79-2014, the Executive Director to execute an Exclusive Negotiation Agreement ("ENA") for the development of Block 5 with MA West, LLC ("Developer"), a Delaware limited liability company and joint venture between affiliates of Golub Real Estate Corporation ("Golub"), and The John Buck Company ("John Buck"); and,

WHEREAS, On June 16, 2015, the Successor Agency to the Redevelopment Agency of the City of San Francisco ("Successor Agency" or "OCII") entered into an Owner Participation/Development and Disposition Agreement ("OP/DDA") with MA West, LLC, ("MA West" or "Developer") for the Sale and Development of Transbay Block 5. The Developer constructed a commercial project, consisting of 766,745 gross square feet of office area and 8,642 square feet of retail area, 20,621 square feet of open space, two levels of underground parking with up to 127 stalls, streetscape improvements, a partial extension of Natoma from Beale Street to Main Street, streetscape improvements, and the relocation of an Art Deco Pavilion previously located on the Transbay Block 5 development site at 195 Beale Street at the northeast intersection of Howard and Beale Streets ("Pavilion"); and,

WHEREAS, On September 22, 2015, MA West assigned all its rights and obligations under the OP/DDA to Park Tower Owner, LLC ("Park Tower Owner" or "Successor"), an entity wholly owned by Park Tower Holdings, LLC, ("Holdings") a joint venture between MA West and an affiliate of Metropolitan Life Insurance Company ("MetLife"). Under the assignment, Park Tower Owner assumed all the Developer's duties, obligations, and liabilities under the OP/DDA; and,

WHEREAS, The Pavilion has long garnered interest and a following by the San Francisco historic preservation community, even though the Pavilion is not a historically designated building. Nonetheless, the Pavilion has distinct Zig-Zag Moderne motifs and Art Deco style. The structure was built in 1931 as a Union Oil gas station at the corner of Larkin and Pacific. In 1990, it was moved to the northeast corner of Beale and Howard Streets as part of a conditional use authorizing residential development at the gas station site. The Pavilion was repurposed in 2001, after which it served as a South of Market hot dog stand for many years on Block 5; and,

WHEREAS, The OP/DDA requires the Developer and its successors to relocate and install the Pavilion before the clearance of the Transbay Block 5 site for development. In 2015, before the commencement of the construction of Transbay Block 5, the Developer relocated the Pavilion to the Sheedy Drayage Company, LLC ("Sheedy") storage yard at 1215 Michigan Street in San Francisco, where it continues to be stored, first at the Developer's and now at Park Tower Owner's expense; and, WHEREAS, Under the terms of the Resolution No. 09-2025, OCII will accept ownership of the Pavilion and accept a payment in lieu of the Park Tower Owner's obligation to install the Pavilion to its new permanent home at Under Ramp Park. Construction of Under Ramp Park, however, is not expected to commence until mid-2026. Park Tower Owner and OCII staff agreed that Park Tower Owner could satisfy its OP/DDA Section 9.06 Pavilion relocation obligation by making an in-lieu fee payment to OCII. Park Tower Owner and OCII negotiated an in-lieu fee payment amount of $178,652.00; and,

WHEREAS, Upon accepting ownership of the Pavilion, OCII has negotiated the terms of a lease with Sheedy for the continued storage of the Pavilion until the Under Ramp Park site is ready to receive the structure during construction of the park ("Lease"). The lease term is for two years ("Initial Lease Term"), with three one-year options. The monthly lease rent is $4,700, but OCII proposes to use a portion of the in-lieu fee to cover the Initial Lease Term by having the Park Tower Owner pay Sheedy $112,800. ("Initial Lease Term Payment"). The Initial Lease Term Payment is calculated by multiplying the monthly lease rent by 24 months. If OCII opts to extend the Term, the monthly rent will be the same $4,700 during the extension period. OCII may terminate the Lease without **cause** upon 60 days' written notice; and,

WHEREAS, Executing the Lease does not constitute a "project" as defined by the California Environmental Quality Act ("CEQA") Guidelines Section 15378(b)(5) because it is an administrative activity of government that will not independently result in a physical change in the environment, and as such, is not subject to environmental review under CEQA; now, therefore, be it,

RESOLVED, That the Commission authorize the Executive Director to execute a Lease substantially in the form attached as Exhibit A between the Successor Agency and Sheedy Drayage Company for two years, with three one-year options, until the construction of Under Ramp Park is underway and the Park site is ready for the Pavilion's installation.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of April 15, 2025.

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Commission Secretary

Exhibit A: Lease between Sheedy Drayage Company, LLC and Successor Agency to the Redevelopment Agency of the City and County of San Francisco

This lease is made by and between **SHEEDY DRAYAGE CO**. herein called Lessor, and **Office of Community Investment and Infrastructure (OCII)**, herein called Lessee and is dated for reference purposes only, Dated**: _________________________, 2025**. Lessee hereby agrees to lease from Lessor that certain portion of the yard, commonly known as **EAST CORNER**, at 1215 Michigan Street, in the City and County of San Francisco, State of California, generally described as approximately **500** square feet of yard space (the "Premises"). The approximate location of the Premises is shown on Exhibit A attached hereto and incorporated herein.

1. **Term.** The term shall commence on (i) **__/___/20__** or (ii) the date Lessor delivers possession of the Premises to Lessee following the mutual execution of this lease and shall continue for a period of 24-months ("Initial Lease Term"), with three one-year increment extensions at the option of the Lessee ("Lessee Extension Options"). No later than 60 days prior to the expiration of the Initial Lease Term or of any one-year incremental extension, Lessee must provide written notice to Lessor that it will exercise its option to extend the lease by one year.

2. **Rent.** The monthly rental rate shall be **$4,700.00 per month,** payable in advance on the first day of each month during the term of this lease. All rental payments shall be made to Lessor at the following address or as otherwise may be directed from time to time; **P.O. BOX 77004, San Francisco, CA 94107-004**. In the event rent is not paid within ten (10) days from the due date, lessee shall pay to Lessor a late fee equal to six (6%) percent of the monthly rental amount. In the event Lessee's check is dishonored for any reason, a $50.00 bank charge will be assessed, and all future payments shall be in the form of a cashier's check or money order. All monetary obligations of Lessee to Lessor under the terms of this Lease are deemed to be rent.

3. **Rent Paid Upon Lease Execution.** Lessee will guarantee that within five business days of execution of the Lease, Lessor will be paid in the amount of $112,800 ("Initial Rent") for the two-year Initial Lease Term.

4. **Use.** Lessee shall use and occupy the Premises only for storing **The Pavilion** and for no other purpose; provided, however, that Lessor shall be authorized to use the Premises for storage of Lessor's material and equipment used in the ordinary course of Lessor's business; provided, however, that Lessor does not cause or permit any Hazardous Materials to be brought on, stored, or otherwise handled at the Premises unless those Hazardous Materials are used in the ordinary course of Lessor's business and used in strict compliance with applicable laws and provided further that the storage use does not interfere with, or cause damage to, The Pavilion ("Lessor's Storage Use"); and provided further that Lessor shall assume full responsibility for managing the Lessor's Storage Use. Lessee and Lessor shall not use or permit the use of the Premises in a manner that creates waste or nuisance, or that unreasonably disturbs the Lessee's use of the Premises for storage of The Pavilion or with Lessor's use of its property adjoining the Premises.

5. **Non-Disturbance.** The Premises are rented to the Lessee on normal business hours access basis. Entering the Premises will require Lessee to sign Sheedy's hold harmless Visitor Release. Lessee may permit its employees, agents, contractors, and invitees to inspect and use the Premises under the terms of this Lease.

6. **Animals.** No animals shall be brought on the Premises without the written consent of the owner.

7. **Ordinances and Statutes.** Lessee shall comply with all statutes, ordinances, and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the Premises, occasioned by or affecting the use thereof by Lessee.

8. **Assignment and Subletting.** Lessee shall not assign this lease or sublet any portion of the Premises without prior written consent of the Lessor. Any such assignment or subletting without consent shall be void and, at the option of the Lessor, may terminate this lease. Written requests for consent to an assignment or subletting shall be accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any. Lessor, as a condition to giving its consent to any assignment or subletting, may require that the amount and adjustment structure of the rent payable under this lease be adjusted to what is then the market value and/or adjustment structure for property similar to the Premises as then constituted as determined by Lessor. No sublessee or assignee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

9. **Security Measures.** Lessee hereby acknowledges that the rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide the same; provided, however, that Lessee assumes no responsibility for the Lessor's Storage Use; and provided further that Lessor shall be responsible for any damage or destruction to The Pavilion caused by Lessor.

10. **Possession.** If Lessor is unable to deliver possession of the Premises at the commencement hereof, Lessor shall not be liable for any damage caused thereby, nor shall this lease be void or voidable, but Lessee shall not be liable for any rent until possession is delivered. Lessee may terminate this lease if possession is not delivered within sixty (60) days of the commencement of the term hereof, by giving Lessor written notice thereof.

11. **Indemnification of Lessor.** Lessee will indemnify, hold harmless, and defend Lessor from and against any and all claims, actions, demands, expenses, and liability whatsoever, including reasonable attorney fees, on account of any such real or claimed damage or liability and from all liens, claims, demands, expenses, and liability whatsoever arising from any damage to property or injury to or death of any person occurring (a) within the Premises, except to the extent caused by the negligent or intentional act or omission of Lessor or Lessor's Agents; or (b) elsewhere in the Lessor's property other than the Premises or on other adjoining property owned or controlled by Lessor or Lessor's Agents, to the extent caused by the negligent or intentional act or omission of Lessee or Lessee's Agents. Lessor will promptly notify Lessee of any actions, proceedings, claims, or demands for which Lessor requests indemnification from Lessee. Lessee will have the right to assume the entire control of the defense thereof, and Lessor and Lessor's Agents will cooperate fully with Lessee in such defense at Lessee's cost. "Agents" means the employees, agents, officers, directors, licensees, contractors, and subcontractors of such party.

12. **Indemnification of Lessee.** Lessor will indemnify, hold harmless, and defend Lessee from and against any and all claims, actions, demands, expenses, and liability whatsoever, including reasonable attorney fees, on account of any such real or claimed damage or liability and from all liens, claims, demands, expenses, and liability occurring (a) in any portion of the Lessor's property other than the Premises or on other adjoining property owned or controlled by Lessor or Lessor's Agents, except to the extent caused by the negligent or intentional act or omission of Lessee or Lessee's Agents; or (b) within the Premises, to the extent caused by the negligent or intentional act or omission of Lessor or Lessor's Agents. Lessee will promptly notify Lessor of any actions, proceedings, claims, or demands for which Lessee requests indemnification from Lessor. Lessor will have the right to assume the entire control of the defense thereof, and Lessee and Lessee's Agents will cooperate fully with Lessor in such defense at Lessor's cost. "Agents" means the employees, agents, officers, directors, licensees, contractors, and subcontractors of such party.

13. **Insurance.** Lessee shall obtain and keep in force during the term of this Lease, a

Commercial General Liability policy of insurance protecting Lessee and Lessor (as an additional insured) against claims for bodily injury, personal injury and property damage based upon, involving or arising out of use of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $1,000,000 per occurrence with a "Blanket Additional Insured Endorsement" naming Lessor as additional insured. OCII will provide a certificate of insurance coverage. Should any of the above-described policies be cancelled before the expiration date thereof, a thirty day notice will be delivered TO LESSOR. Notwithstanding the foregoing, so long as OCII is the Lessee under this Lease, Lessee shall be entitled to self-insure for all insurance required to be carried by Lessee, and compliance with such insurance requirements may be evidenced by a letter from Lessee's Insurance Department. To the maximum extent permitted by insurance policies which may be owned by Lessor or Lessee, Lessee and Lessor, for the benefit of each other, waive any and all rights of subrogation which might otherwise exist.

14. 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 with the party effecting the eminent domain action for any taking of fixtures and improvements owned by Lessee, and for moving expenses.

15. Destruction of Premises. In the event of a partial destruction of the Premises during the term hereof, from any cause, Lessor shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under existing governmental laws and regulations, but such partial destruction shall not terminate this lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Lessee on the Premises. If such repairs cannot be made within said sixty (60) days, Lessor shall make the same within a reasonable time, this lease continuing in effect. In the event that The Pavilion is destroyed or partially destroyed, Lessor or Lessee may elect to terminate this Lease whether the demised Premises be injured or not. A total destruction of the building in which the Premises may be situated shall terminate this Lease. In the event the Lessor is the cause of the partial or total destruction of the Premises is due to the actions of the Lessor, Lessor will fully compensate Lessee for such loss.

16. **Lessor's Remedies on Default (Financial).** If Lessee defaults in the payment of rent, Lessor may give Lessee notice of such default. If Lessee does not cure any such default within three (3) days, after the giving of such notice, then Lessor may terminate this lease, and Lessee shall then quit and surrender the Premises to Lessor, but Lessee shall remain liable as hereinafter provided. If this lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the Premises by any lawful means and remove Lessee or other occupants and their effects.

17. **Lessor’s Remedies on Default (Performance).** If Lessee defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Lessee notice of such default and if Lessee does not cure any such default within thirty (30) days, after the giving of such notice (or if such other default is of such nature that it cannot be completely cured within such period, if Lessee does not commence such curing within such thirty (30) days and thereafter proceeds with reasonable diligence and in good faith to cure such default), then Lessor may terminate this lease on thirty (30) days' notice to Lessee. Upon the expiration of the

period specified in such notice, the term of this lease shall terminate, and Lessee shall then quit and surrender the Premises to Lessor, but Lessee shall remain liable as hereinafter provided. If this lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the Premises by any lawful means and remove Lessee or other occupants and their effects.

18. **Attorney's Fees.** In case suit should be brought for recovery of the Premises, or for any sum due hereunder, or because of any act which may arise out of the possession of the Premises, by either party, fees shall not be computed in accordance with any court fee schedule but shall be such as to fully reimburse all attorney's fees reasonable incurred.

19. **Waiver.** No failure of Lessor or Lessee to enforce any term hereof shall be deemed to be a waiver.

20. **Notices.** Any notice which either party may or is required to give, shall be given by mailing the same, postage prepaid, to Lessee at the addresses set forth below, or Lessor at the address specified above, or at such other places as may be designated by the parties from time to time. Notices shall be effective upon receipt.

To Lessee:

Benjamin Brandin

Transbay Project Manager

Office of Community Investment and Infrastructure One South Van Ness, 5th Floor.
San Francisco, CA 94103 Benjamin.brandin@sfgov.org

415-749-2533

With a concurrent copy to:

Office of Community Investment and Infrastructure

One South Van Ness, 5^{th} Floor.
San Francisco, CA 94103

21. **Holding Over.** If Lessee, with Lessor's consent, remains or on the Premises after the expiration of the maximum 60 months term hereof, such occupancy shall be in accordance with the terms hereof, as applicable, except for Paragraph 25, Rental Rate Adjustment, until either party shall terminate the same by giving thirty (30) days written notice, delivered either in person or by mail.

22. **Heirs, Assigns, Successors.** This lease is binding upon and inures to the benefit of the heirs, assigns and successors in interest to the parties.

23. **Time of Essence.** Time is of the essence with respect to the performance of all obligations to be performed or observed by the parties under this Lease.

24. **Hazardous Substances.** Lessor represents, to the best of Lessor's knowledge, that no release, leak, discharge, spill, disposal, or emission of hazardous substances has occurred in, on, under, or from the Premises and that the Premises are free of hazardous substances as of the date hereof. Lessee agrees to indemnify, defend (with counsel reasonably acceptable to Lessor) and hold harmless the Lessor from any and all claims, damages, fines, judgments, penalties, costs, causes of action, liabilities, losses or expenses (including, without limitation, any and all sums paid for settlement of claims and attorneys', consultants' and experts' fees), whether arising during the initial term or thereafter, and resulting from or arising in connection with any hazardous substance brought onto the premises by or for Lessee and solely under Lessee's control, including the presence (or suspected presence), disposal, release (or threatened release), in, on, under, from or affecting the Premises, unless caused by the acts or omission of Lessor or its agents, employees or contractors ("Liabilities"). Without limiting the generality of the foregoing, Lessee's indemnity

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shall apply to any and all Liabilities resulting from or arising out of (i) any investigation of the Premises, any required cleanup, removal or restoration of the Premises and (ii) any hazardous substance which flows, diffuses, migrates, or percolates into, onto or under the Premises.

25. **Rental Rate Adjustment.** In the event occupancy continues beyond 60 months (see paragraph 21 - Holding Over), subsequent rental rate adjustments shall be determined by Lessor. The Lessor shall notify Lessee, in writing not less than 30 days in advance, of any monthly rental rate adjustments.

26. **Removal of The Pavilion Upon Termination.** If after the Initial 24 months period, Lessee has not exercised Lessee Extension Options, Lessor may elect to terminate this agreement, with or without cause, Lessee will be required within the 60-day period after the date Lessee was given 30 days' notice to terminate, remove The Pavilion from the Premises without cost or disruption to Lessor. If the Lessee does not remove The Pavilion from the Premises within 60 days of receiving notice, any cost associated with its removal by Lessor will be borne by the Lessee, including all attorney fees and costs.

27. **Termination.** Lessee may terminate this lease without cause upon 60 days written Notice of Termination to the Lessor, provided, however, that in the event of such termination during the Initial Lease Term there will be no refund of the Initial Rent. If, however, the Lessee chooses to terminate the Lease during a one-year extension, the Lessee will be responsible for up to 6 months rent of the remaining one-year extension term after giving 60 days written notice, and provided The Pavilion is removed from the property within that 60-day period. If Lessee does not exercise a one-year extension, as described in Section 1 of this Lease, the Lease will terminate at the end of the Initial Term.

28. **Transmittal - Counterpart; Electronic Copies.** The lease may be executed in one or more separate counterparts, each of which, when so executed, shall be deemed to be an original. Such counterparts shall together constitute and be one and the same instrument. Further, either party may deliver its signature hereon via facsimile or electronic (PDF) transmission, and any such signature so delivered shall be binding on that party.

29. **Entire Agreement.** The foregoing constitutes the entire agreement between the parties and may be modified only in writing. Lessor and Lessee have carefully read and reviewed this Lease and each term and provision contained herein, and by the execution of this Lease show their informed and voluntary consent thereto. The parties hereby agree that, at the time this Lease is executed, the terms of this lease are commercially reasonable and effectuate the intent and purpose of Lessor and Lessee with respect to the Premises. The parties hereto have executed this Lease on the dates specified above their respective signatures.

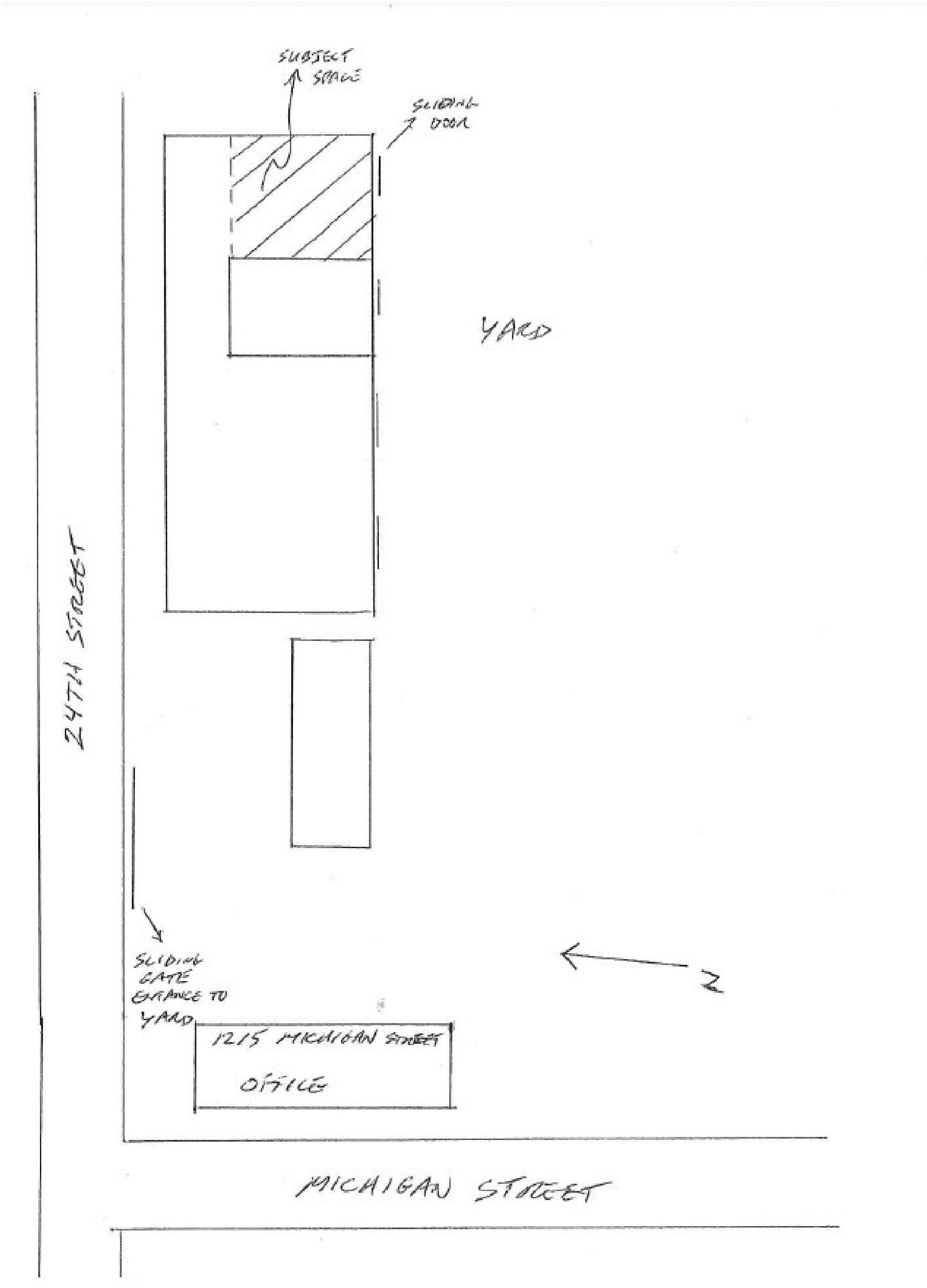
ALL SIGNATURES ON FOLLOWING PAGE

Executed at ______________________ (Location)	Executed at ______________ (Location)
On ______________________________ (date)	On ___________________ (date)
By: ______________________________ (signature)	By: ___________________ (signature)
Name printed: ____________________ Sheedy Drayage Co., Lessor	Name printed: Thor Kaslofsky OCII Executive Director, Lessee
Address: 1215 Michigan Street San Francisco, CA 94107 Telephone: (415) 648-7171	Address: OCII One South Van Ness Avenue, 5th Floor San Francisco, CA 94103

AS TO FORM

By: ____________________
Name printed: James Morales
OCII General Counsel

EXHIBIT A


SUBJECT SPACE
SLIDING DOOR
YARD
24TH STREET
SLIDING GATE ENTRANCE TO YARD
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1215 MICHIGAN STREET
OFFICE
MICHIGAN STREET