



## MEMORANDUM

April 8, 2022

**TO:** MEMBERS, PORT COMMISSION  
Hon. Willie Adams, President  
Hon. Doreen Woo Ho, Vice President  
Hon. Kimberly Brandon  
Hon. John Burton  
Hon. Gail Gilman

**FROM:** Elaine Forbes  
Executive Director 

**SUBJECT:** Request authorization for Port staff to enter into a Memorandum of Understanding between the Port and the City's Real Estate Division regarding the purchase, at fair market value, by City of approximately 2.6 acres of Port property located at 1236 Carroll Avenue in the Southern Waterfront to develop a new fire personnel training facility

**DIRECTOR'S RECOMMENDATION:** Approve the Attached Resolution No. 22-19

### **EXECUTIVE SUMMARY**

On February 22, 2022, Port staff presented an informational item to the Port Commission on a proposal to transfer jurisdiction of approximately 2.6 acres from the Port to City's Real Estate Division (City RED) to form a consolidated 7.5 acre site. City RED will then transfer jurisdiction of the consolidated site to the San Francisco Fire Department's (SFFD) in order to develop a new training facility. SFFD's current primary training facility on Treasure Island is not available beyond 2026

The 2.6 acres of property located on a portion of 1236 Carroll Avenue ("Port Property") under Port jurisdiction has ceased to be useful for the promotion of the Public Trust and the Burton Act Trust. City RED currently holds an option to purchase an adjacent 4.9-acre, privately-held site. Together, the parcels create a 7.5-acre lot that will meet the minimum real estate needs of a new fire training facility. In addition to Port Commission and Board of Supervisors approval of the MOU, the transaction for Port Property

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requires approval by the State Lands Commission and the California state legislature.

This memorandum contains similar information to the memorandum discussed during the February 22<sup>nd</sup> hearing, with new information indicated in underline and including:

- Assembly Natural Resources Committee approval of the bill required to facilitate this transfer.
- Positive discussion during the Southern Advisory Committee meeting on February 23, 2022.
- Sponsorship of Board of Supervisors legislation required to both purchase the site adjacent to Port property and to transfer jurisdiction from Port to SFFD (in exchange for fair market value) by Mayor Breed, Board President Walton, and Supervisor Safai.

Port staff recommends approval of this transaction as it will generate significant benefits to the Port, the City, and region. To facilitate the transaction, City RED and the Port have negotiated a Memorandum of Understanding (“MOU”) which sets forth the terms and preconditions of the proposed jurisdictional transfer of Port Property in exchange for fair market value which is currently estimated through appraisal at \$5.86 Million (\$5,860,000). Some of terms and preconditions to the transfer include: passage of State Legislation to lift the public trust from the Port lands<sup>1</sup> and confirmation of the fair market value of the Port property by the California State Lands Commission.

Should the Port Commission approve the attached resolution, the next steps are:

1. Port, City RED, and SFFD staff will support approval by the Board of Supervisors of the resolution authorizing the transaction.
2. Port and City RED will execute the MOU.
3. Port, City RED, and SFFD staff will support California State Legislature’s consideration of Assemblymember Ting’s AB 2607.
4. State Lands Commission confirms fair market value of Port Property and approves transaction.
5. Port transfers jurisdiction of Port Property and receives fair market value.

This staff report provides an overview of the proposed transaction, organized into the following sections:

1. Strategic Plan Alignment
2. Background and Project Summary
3. Memorandum of Understanding
4. Legislative Process
5. Feedback from the Southern Advisory Committee
6. Next Steps

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<sup>1</sup> On February 18, 2022, Assembly Member Ting introduced AB 2607. On March 21, 2022 AB 2607 was heard by the Assembly Natural Resources Committee, whose members subsequently voted 11-0 in favor of the bill. AB 2607 next moves on to the Assembly Appropriations Committee.

## 1. STRATEGIC PLAN ALIGNMENT

If approved and implemented, the transfer of the Port Property at not less than fair market value to the City for the purpose of facilitating the development of a new fire training facility will support two of the Port's strategic plan objectives (from the 2021-2025 Strategic Plan):

Economic Recovery: The Port will receive fair market value for the transfer of 2.6 acres of currently vacant and unproductive land. As a point of reference, an appraisal from January 2021 determined the Port Property to be valued at \$5.8 million. The final appraised value is subject to confirmation by the State Lands Commission.

Sustainability: The proposed fire training facility will be a critical, public-safety asset serving San Francisco, the Bay Area, and beyond, enhancing SFFD's capacity to provide essential fire protection and emergency response services to local residents and employees, Port tenants, and visitors to the waterfront.

## 2. BACKGROUND AND PROJECT SUMMARY

At the February 22, 2022 Port Commission hearing, Port staff along with representatives from the SFFD and RED gave a detailed informational presentation about the proposed fire training facility as well as the real estate transactions and legislative steps required to facilitate the implementation of the proposed project. Port Commissioner feedback as well as feedback received via public comment at the hearing was broadly supportive of the proposal.

### Port Property

The Port Property is located on a portion of real property at 1236 Carroll Avenue. It includes two "paper streets" under Port jurisdiction as well as a trapezoidal, railroad remainder parcel also under Port jurisdiction, all of which have ceased to be useful for the promotion of the Public Trust and the Burton Act Trust. The 2.6-acre site was transferred by the State to the Port in 1969 but has never been a particularly productive or functional asset for the Port. The most recent lease (2015-2018) for the property (which was for the railroad parcel only, not the paper streets) was for temporary construction project laydown space and had a lease rate of \$0.30 sf/month. The currently vacant and historically underutilized property is cut off from the water, is not required for existing Port plans, and could be sold without impacting the Port's mission.

### Project Need

#### ***Fire and Emergency Response Training***

SFFD identified the need for a 7.5- to 9-acre site for a new training facility because its existing training facility on Treasure Island will be retired to accommodate redevelopment. City RED, with the support of Port staff, identified the Port Property as a potential site for SFFD. The Port Property is adjacent to 1236 Carroll Avenue and could be combined with a 4.9-acre property held in private ownership to form a 7.5-acre site for SFFD's new training facility. Because Port-owned land is held in public trust, the City and Port are requesting the State Legislature to lift the trust from the Port Property in order to allow the City to purchase the 2.6 Port Property.

SFFD currently has two training facilities. The primary facility is located on Treasure Island, under the jurisdiction of the Treasure Island Development Authority ("TIDA"), and an ancillary training tower facility is located at 19th and Folsom Streets in the Mission District. According to the City's ten-year Capital Plan for Fiscal Years 2020-2029, SFFD will need a replacement training facility by 2025 because the Mission District facility is too small to meet Department needs as the primary training facility and the Treasure Island facility will be displaced by development.

SFFD educates and trains new fire fighters, Emergency Medical Technicians, and Paramedics, and provides refresher training and recertification to veteran fire fighters, Emergency Medical Technicians, and Paramedics. Approximately 1,700 firefighters use the fire training facilities each year. The primary facility on Treasure Island is one of only four sites in northern California approved to host Firefighter 1 Academy, Emergency Vehicle Operations, Confined Space Rescue Technician, Rescue Systems 1, Rescue Systems 2, and Rope Rescue Technician courses.

The new training facility is anticipated to have the same and better training and certification functions as the current facilities. It will provide regional and statewide benefits by improving the readiness and capabilities of the SFFD as well as other local and regional fire organizations to provide mutual aid in an environment of lengthening fire seasons with increased frequency and severity of fires that regularly require mutual aid.

No later than December 31, 2026, TIDA requires SFFD to relocate the primary training facility off of Treasure Island. SFFD requested City RED to assist with identifying a suitable replacement property that would consolidate the SFFD's training facilities in one location within the geographic limits of San Francisco, consisting of a minimum of 7.5 acres; combining the training facilities at one location is a primary objective of SFFD to promote training efficiency by eliminating the need to travel to two locations across town to complete training. If the City can successfully build a new fire training facility on the combined privately-owned and Port Property, then SFFD will cease using the Mission District location for training.

### **California Environmental Quality Act**

The City has completed all actions necessary to comply with the California Environmental Quality Act ("CEQA") the State CEQA guidelines, and Chapter 31 of the City's Administrative Code, as follows:

- The San Francisco Planning Department issued a Preliminary Mitigated Negative Declaration (“MND”) for the Project on November 10, 2021, and issued a revised Preliminary MND on December 30, 2021
- The Planning Department posted the revised Preliminary MND for public review and provided notice of the intent to adopt the MND as required by the California Environmental Quality Act (“CEQA”), CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code, and the Preliminary MND was not appealed to the Planning Commission
- On December 30, 2021, the Environmental Review Officer reviewed and considered the Final MND (“FMND”), and found that the contents of said report and the procedures through which the FMND was prepared, publicized, and reviewed, complied with CEQA, the CEQA Guidelines, and Chapter 31, and further found that the FMND was adequate, accurate, and objective, and reflected the independent analysis and judgment of the Planning Department, and approved the FMND for the Project in compliance with CEQA, the CEQA Guidelines, and Chapter 31

The FMND and a proposed Mitigation, Monitoring, and Reporting Program (“MMRP”) are attached to the Port Commission Resolution for this approval action as Attachment A and Attachment B

### ***Port Interest in the Transaction***

As referenced in the ‘Strategic Plan Alignment’ section above, the Port of San Francisco’s support for the proposed transaction is rooted in (a) the financial benefits that would accrue to the Port from the sale of the land for fair market value and the alleviation of the Port’s maintenance and security obligations to the property; and (b) the public safety benefits associated with enhancing the capacity for the SFFD to train its personnel as well as those from other agencies within the region and State to respond to fires and other emergencies including those related to the impacts of climate change.

### ***Community Process and Benefits***

While the SFFD will pay for the Port Property through its annual (FY 2023) budget appropriation, the majority of the funding for the new fire training facility comes through the City’s Earthquake Safety and Emergency Response (ESER) program, for which the voters of the City have approved general obligation bonding authority in 2010, 2014, and 2020 to construct capital improvements for earthquake safety and emergency response within the City.

The Port’s role in the SFFD project is primarily to facilitate the sale of the Port Property to the City contingent upon the various necessary approvals described in this memo; as such, the community processes leading to this point has been led by the SFFD and RED with support from the Mayor’s Office, the Board of Supervisors, and the Port.

In addition to serving the Port's financial interests as described above as well as the SFFD's mission, the project will benefit the broader San Francisco community by enhancing emergency preparedness in our city and region.

#### Consolidated Project Site – Port Property and Prologis Property

The Port owns Lot No. 001 within Assessor's Parcel Block No. 4852 (consisting of approximately 26,000 square foot railroad remnant parcel ("Railroad Remnant Property"), plus two unimproved, "paper" streets: portions of Griffith Street between Armstrong and Carroll Avenues, and Bancroft Avenue between Hawes and Griffith Streets ("Port Paper Streets") totaling approximately 86,400 square feet. The Port Railroad Remnant Property and the Port Paper Streets are collectively known as the "Port Property," and total 112,400 square feet.

Prologis L.P. owns the remainder of Assessor's Block No. 4852 (excluding Lot No. 001) consisting of 94,000 net square feet and the entirety of Assessor's Block No. 4877 consisting of 120,000 square feet, for a total of 214,000 square feet (the "Prologis Property"). If assembled, the Prologis Property and the Port Property would total approximately 326,400 contiguous square feet, or 7.5 acres, of developable land on which the SFFD could locate its new training facility.

**Figure 1** shows the project site and Port Property in pink; **Table 1** notes the square footage of the properties; and **Figure 2** provides a context map; also, see the end of the memorandum for additional photos (**Figures 3-5**). If the Port Property is sold, SFFD proposes to combine Block 4852 and Block 4877 with the Port Paper Streets as one parcel for the new training facility. The Project would not alter Armstrong or Carroll Avenues.

The City purchased an option to acquire the Prologis Property, which will expire on May 31, 2022.

Figure 1: 1236 Carroll Avenue Site Assembly Project

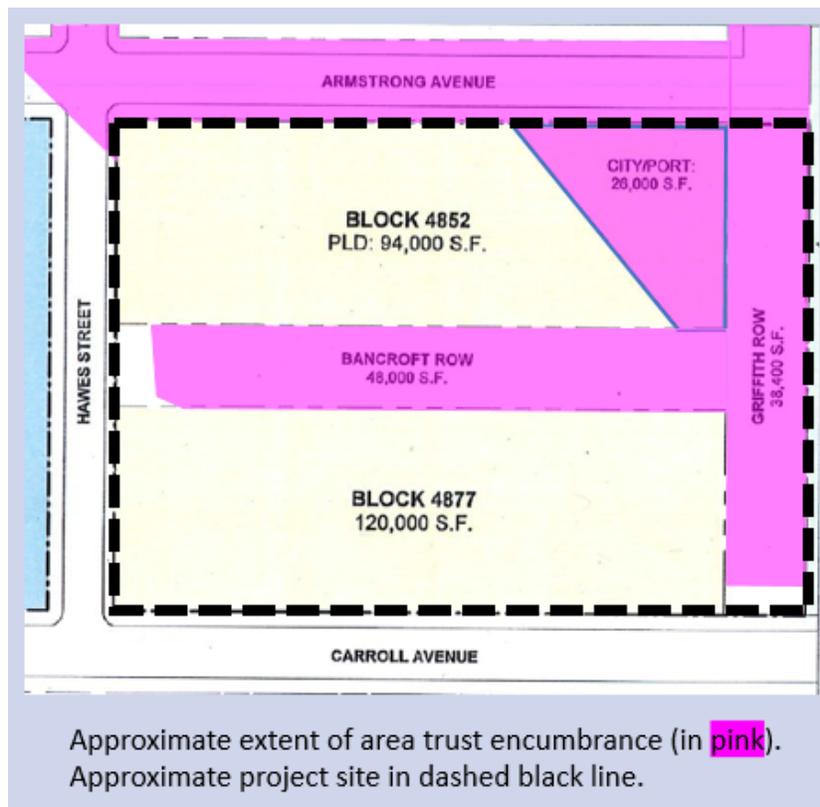


Table 1. Summary of Parcel Assemblage

PARCELS	SQ. FT.
<b>PRIVATELY HELD PARCELS</b>	
BLOCK 4852	94,000
BLOCK 4877	<u>120,000</u>
<i>PRIVATELY HELD</i>	<i>214,000</i>

<b>PORT PROPERTY</b>		
BANCROFT ROW	48,000	
GRIFFITH ROW	<u>38,400</u>	
<b>STREET ROW TOTAL</b>	86,400	77%
RAILWAY ROW	<u>26,000</u>	<u>23%</u>
<b>TOTAL PORT</b>	112,400	100%
<b>TOTAL SITE</b>	<b>326,400</b>	

### 3. MEMORANDUM OF UNDERSTANDING

The City and the Port negotiated a Memorandum of Understanding (“MOU”) which is enclosed within this report as **Exhibit 2** and is on file with Port Commission Secretary as well as the Clerk of the Board of Supervisors in File No. 220296. As proposed and upon approval by the Port Commission, the Board of Supervisors, the State (via passage of AB 2607), and the State Land’s Commission, the Port would transfer jurisdiction of the Port Property to SFFD in exchange for fair market value.

The State Lands Commission will need to confirm the fair market value before the sale occurs. The City’s current appraisal of the Port Property is \$5,860,000, which will be subject to confirmation as fair market value by the California State Lands Commission after passage of the State Legislation.

### 4. LEGISLATIVE PROCESS OVERVIEW

Consistent with previous legislation authorizing the sale of Port lands (e.g., paper streets and seawall lots) that are underutilized and no longer benefit the public trust, Port staff and other representatives of the City have worked with State Lands Commission staff to draft proposed state legislation that, if enacted, will:

- Lift the public trust and Burton Act obligations from the Port Property
- Delegate authority to State Lands Commission to transfer of Port Property to SFFD jurisdiction for the fire training facility
- Ensure fair market value is paid by the City to Port for uses benefitting public access, use, and enjoyment of the San Francisco waterfront

SFFD and the Mayor’s Office asked Assemblymember Phil Ting to sponsor a bill in the 2022 legislative session, and on February 18, 2022, Assembly Member Ting introduced AB 2607. On March 21, 2022 AB 2607 was heard by the Assembly Natural Resources Committee, whose members subsequently voted 11-0 in favor of the bill. AB 2607 next moves on to the Assembly Appropriations Committee.

### Summary of Legislative Approvals Needed

The following provides a brief summary of the legislative approvals needed to effectuate the sale of the Port Property to the City:

Local Government (Port Commission and subsequently, Board of Supervisors):

- Approve jurisdictional transfer transaction; authorize execution of a memorandum of understanding between City and Port; adopt CEQA findings, all subject to approval of State Legislation delegating approval authority to the State Lands Commission.
  - On March 22, 2022 Mayor Breed along with co-sponsors President Walton and Supervisor Safai introduced legislation approving the Port-City MOU, among other actions, at the Board of Supervisors

Actions by Other Government Agencies to permit the sale of the Port Property:

- California State Lands Commission - confirm fair market value of Port Property and approve transaction (subject to final form of legislative approval).
- California State Legislation – approval of jurisdictional transfer (AB 2607, described above)

Port staff will update the Port Commission when the necessary approvals have been obtained and the State Lands Commission has confirmed the fair market value of the Port Property, prior to conveyance.

## **5. FEEDBACK FROM THE PORT SOUTHERN ADVISORY COMMITTEE**

On February 23, 2022 the Port and City team made a presentation to the Port's Southern Advisory Committee (SAC) regarding the proposed fire training facility project. Port staff introduced the city team item and explained that the Port involvement was limited to the sale of 2.6 acres of Port owned land that would be consolidated with privately owned parcels to create a 7.5-acre site for the training facility. Staff noted that that the project is the result of coordination of many city agencies including the Mayor's Office, Department of Real Estate, Public Works, Planning Department, SFFD and the Board of Supervisors. Staff also described the process the Port would follow to convey the parcels at fair market value with a condition that the public trust restrictions are lifted through state legislation that is supported by the State Lands Commission and is being sponsored by Assemblymember Ting in the current 2022 legislative session (AB 2607).

The SAC members had an opportunity to learn about the proposed training facility through a detailed briefing by Chief Jeanine Nicholson of the SFFD. They also heard more about the two real estate transactions involved through remarks by the Director of Real Estate Andrico Penick. (Both Chief Nicholson and Director Penick had also

addressed the Port Commission as part of the February 22 informational presentation for this item).

The SAC members had a number of questions for Port staff as well as Chief Nicholson and Director Penick following the presentation, and also provided feedback which was generally very positive and supportive of the proposed training facility. SAC members believe this is a great opportunity for the City especially in light of its fire history. They also expressed that they would like the SFFD and Port to provide project updates as the development progresses, which Port and SFFD representatives at the meeting committed to doing.

## **6. NEXT STEPS**

Port staff continue to work diligently alongside staff from SFFD, City RED, the Mayor's Office, the State Lands Commission, and Assemblymember Ting's office to bring SFFD's vision for a new fire training facility in San Francisco to fruition. The following key steps must be completed prior to closing the transaction described above, with approximate dates (subject to change) shown for each:

- April/May 2022 - Board of Supervisors considers approval of MOU.
- Summer/Fall 2022 - Approval of State Legislation (AB 2607).
- Fall/Winter 2022/23 - State Lands Commission confirms fair market value of Port Property and approves transaction.
- Winter 2022/23 – Port transfers jurisdiction of Port Property and receives fair market value.

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through: Joshua Keene  
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**Exhibit 1:** Figures 2-5 Show Context Area Map and Photos of Existing Site Conditions

**Exhibit 2:** Memorandum of Understanding No. M-\_\_\_\_\_

**Exhibit 1: Figures 2-5 Show Context Area Map and Photos of Existing Site Conditions**

*Figure 2. Port Land in Project area, indicates Project site  
The star is EAST of the project site*



*Figure 3. Port Property, from Outside Gate*



Figure 4. Port Property, Inside Gate



Figure 5. 1236 Carroll Avenue Site Assembly Location



**PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 22-19**

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate, and control the Port area of the City and County of San Francisco; and
- WHEREAS, The Port area includes: (1) a “Railway Remnant Parcel” known as Lot Number 001 within Assessor’s Parcel Block Number 4852 and consists of approximately 26,000 square feet of land, (2) a portion of “Bancroft Avenue Paper Street” generally located south of the Railway Remnant Parcel and between Griffith Street and Hawes Street, and (3) a portion of “Griffith Street Paper Street” generally located east of the Railway Remnant Parcel and between Armstrong Avenue and Carroll Avenue, among other property (collectively, the Railway Remnant Parcel and those portions of the Bancroft Avenue Paper Street and Griffith Street Paper Street, each as more particularly described in the staff report to which this Resolution is attached, are referred to as the “Port Property”); and
- WHEREAS, The mission of the San Francisco Fire Department (“SFFD”) is to protect the lives and property of the people of San Francisco from fires, natural disasters, and hazardous materials incidents; to save lives by providing emergency medical services; to prevent fires through prevention and education programs; and to provide a work environment that values health, wellness, and cultural diversity and is free of harassment and discrimination; and
- WHEREAS, SFFD’s training facilities are currently located in San Francisco, with the “Primary Facility” at Treasure Island, under the jurisdiction of the Treasure Island Development Authority (“TIDA”), and an ancillary training tower facility (“Ancillary Facility”) located at 19th and Folsom Streets (collectively, the “Fire Training Facilities”); and
- WHEREAS, Initial and ongoing classroom and physical training is essential for the safety of firefighters and the public, and SFFD educates and trains new firefighters and provides refresher training and recertification to veteran firefighters; and
- WHEREAS, SFFD has approximately 1,700 firefighters who use the Fire Training Facilities each year depending on their qualifications and the requirements for their position, but at a minimum, each firefighter has about 200 hours of training per year; and
- WHEREAS, No later than December 31, 2026, TIDA requires SFFD to relocate the Primary Facility; SFFD requested the City’s Real Estate Division (“RED”)

to assist with identifying a suitable replacement property that would consolidate the Fire Training Facilities into one location within the geographic limits of San Francisco, consisting of a minimum of 7.5 acres; combining the Primary Facility and Ancillary Facility at one location is a primary objective of SFFD to promote training efficiency and eliminate the need to travel to two locations in order to complete training; and

WHEREAS, Prologis, L.P. (“Owner”) owns the remainder of Assessor’s Parcel Block Number 4852 (excluding the Railway Remnant Parcel) and all of Assessor’s Parcel Block Number 4877 (the “Prologis Property”), which block is separated from Assessor’s Parcel Block Number 4852 by the Bancroft Avenue Paper Street; and

WHEREAS, If assembled, the Prologis Property and the Port Property would total approximately 7.5 acres of potentially developable land, which site could fulfill the SFFD’s intent to consolidate the Fire Training Facilities in one location (the “Project Site”); and

WHEREAS, In consultation with SFFD, RED has determined that the Project Site is the preferred location to relocate the Fire Training Facilities, subject to several preconditions involving the Port Property, including but not limited to: Port Commission approval of the sale and transfer of Port Property, State legislative authorization to lift the statutory and common law public trust obligations (the “Public Trust”) that encumber the Port Property, State Lands Commission approval of the sale and lifting of the Public Trust, , execution of a memorandum of understanding (“MOU”) specifying the terms and conditions of the Port’s transfer of jurisdiction of the Port Property to the City, and any and all actions required by the Port Commission, State, and City (collectively, the “Project”); and

WHEREAS, The San Francisco Planning Department issued a Preliminary Mitigated Negative Declaration (“MND”) for the Project on November 10, 2021, and issued a revised Preliminary MND on December 30, 2021; and

WHEREAS, The Planning Department posted the revised Preliminary MND for public review and provided notice of the intent to adopt the MND as required by the California Environmental Quality Act (“CEQA”), CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code, and the Preliminary MND was not appealed to the Planning Commission; and

WHEREAS, On December 30, 2021, the Environmental Review Officer reviewed and considered the Final MND (“FMND”), and found that the contents of said report and the procedures through which the FMND was prepared, publicized, and reviewed, complied with CEQA, the CEQA Guidelines, and Chapter 31, and further found that the FMND was adequate, accurate, and objective, and reflected the independent analysis and judgment of the Planning Department, and approved the FMND for the

Project in compliance with CEQA, the CEQA Guidelines, and Chapter 31; and

WHEREAS, The Planning Department Commission Secretary is the custodian of records for the Project at 49 South Van Ness Avenue, Suite 1400, San Francisco, California, 94103; and

WHEREAS, the FMND and a proposed Mitigation, Monitoring, and Reporting Program (“MMRP”) were made available to the public and this Commission for the Commission’s review, consideration, and action, and are attached hereto as Attachment A and Attachment B; and

WHEREAS, Port and RED staff have negotiated a form of Memorandum of Understanding (“MOU”) which sets forth the terms and preconditions upon which the Port is willing to transfer and the City is willing to accept title to the Port Property, including passage of State Legislation, confirmation of the fair market value of the Port Property by the California State Lands Commission, lifting of the Public Trust from the Port Property, and transfer of funds equal to the fair market value of the Port Property from the City to the Port, and which form is attached as Exhibit 2 to the staff memorandum prepared for this item for the April 12, 2022 Port Commission hearing; and

WHEREAS, Assemblymember Ting introduced state legislation to authorize the State Lands Commission to lift the Public Trust from Port Property and approve the transfer by the Port of the Port Property to the City for purposes of constructing and operating the Fire Training Facilities subject to the condition that the Port receive funds from the City equal to the fair market value of the Port Property, which amount must be confirmed by the State Lands Commission (“AB 2607”); and

WHEREAS, The City has obtained an appraisal of the Port Property dated March 16, 2022, which concludes that the fair market value of the Port Property is Five Million Eight Hundred Sixty Thousand Dollars, which value must be confirmed by the State Lands Commission prior to the sale and transfer of the Port Property, and subject to the approval of AB 2607 or similar authorizing legislation; and

WHEREAS, On March 22, 2022, Mayor Breed, Supervisor Walton, and Supervisor Safai introduced a resolution approving and authorizing the Director of Property, on behalf of the Fire Department to: (1) execute a Purchase and Sale Agreement to purchase the Prologis Property; (2) execute a Memorandum of Understanding with the Port to transfer jurisdiction of real property located at 1236 Carroll Avenue at fair market value plus closing costs, for a total cost not to exceed \$6,000,000; (3) place both properties under the jurisdiction of the Fire Department; and (4) adopt the Planning Department’s findings that the contemplated transactions are consistent with the General Plan, and the eight priority policies of

Planning Code, Section 101.1 (Board of Supervisors File Number 220296); and

WHEREAS, On February 22, 2022 and April 12, 2022 Port staff presented to the Port Commission detailed background information about the project and the proposed MOU; and

WHEREAS, The Port Commission desires to formally express its support for and approve the Project, subject to the following conditions: (1) AB 2607 or similar authorizing legislation is finally approved; and (2) the City pays to the Port the fair market value of the Port Property prior to, or concurrent with, the execution and delivery of deed or other document to transfer the Port Property other than the MOU; now therefore be it

RESOLVED, That the Port Commission has reviewed and considered the Final MND and the record as a whole, finds that the Final MND is adequate for its use as the decision-making body for the Project, that there is no substantial evidence that the Project will have a significant effect on the environment with the adoption of the measures contained in the MMRP, to avoid potentially significant environmental effects associated with the Project, and that the FMND reflects the City's independent judgment and analysis; and be it further

RESOLVED, That the Port Commission hereby adopts the FMND and MMRP attached hereto as Attachment A and Attachment B and incorporated herein as part of this Resolution by this reference thereto and agrees with all required Mitigation Measures and Improvement Measures identified in the FMND and MMRP; and be it further

RESOLVED, That the Port Commission hereby approves of an MOU with City with terms substantially the same as described in the February 18, 2022 and April 8, 2022 Memorandums to the Port Commission and authorizes the Executive Director or the Executive Director's designee to execute the MOU; and be it further

RESOLVED, That the Port Commission hereby authorizes the Executive Director or the Executive Director's designee to execute any and all other appropriate documentation to complete the Project and execute the transaction contemplated in the MOU, including any document that, in consultation with the City Attorney, the Executive Director determines necessary or appropriate to implement this Resolution and the MOU, in such form as approved by the City Attorney's office, such determination to be conclusively evidenced by the execution and delivery by the Executive Director, or the Executive Director's designee, of such documents, subject to the following conditions: (1) AB 2607 or similar authorizing legislation is finally approved; (2) the Port receives the fair market value of the Port Property; and (3) that the Port has transferred

its interest in the Port Property no later than December 31, 2023 unless the Port Commission extends that date; and be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director to enter into any additions, amendments or other modifications to the MOU and any other Project documents that conform to the conditions in this Resolution and that the Executive Director, in consultation with the City Attorney, determines to be in the best interest of the Port, do not materially increase the obligations or liabilities of the Port, and are necessary or advisable to complete the transactions which this Resolution and the MOU contemplate and to effectuate the purpose and intent of this Resolution and the MOU, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of such documents.

***I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 12, 2022***

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Secretary

Attachment A  
Attachment B

Final Mitigated Negative Declaration  
Mitigation, Monitoring, and Reporting Program