FILE NO. 031244

ORDINANCE NO. 230-03

[Agreement to Purchase a Condominium Unit to be Located at Diamond and Wilder Streets for Use as the Glen Park Branch of the San Francisco Public Library]

Ordinance approving and authorizing the Director of Property to execute an Agreement of Purchase and Sale of Real Property with Glen Park Marketplace Phoenix, LLC, for the purchase of a condominium unit in a mixed use project to be located at Diamond and Wilder Streets for use as the Glen Park branch of the San Francisco Public Library; 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 Ordinance.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings. The Board of Supervisors of the City and County of San Francisco finds, determines and declares as follows:

A. Glen Park Marketplace Phoenix, LLC (the "Seller") owns approximately 16,000 square feet of real property known as Lots 63, 25A, 26, 27, 28 and 29 in Assessor's Block 6745, in the City and County of San Francisco, State of California ("Seller's Property").

B. Seller proposes to design and develop a mixed use condominium project on Seller's Property proposed as follows (collectively, the "Project"): (i) one condominium unit comprised of approximately 7,000 square feet of ground floor commercial space initially consisting of a grocer; (ii) 15 individual residential upper floor condominium units with 15 car parking; and (iii) one condominium unit located on the corner of Diamond and Wilder Streets with a separate main entrance, comprised of approximately 9,200 square feet of space, consisting of a approximately 700 square feet of ground floor space on Diamond Street and approximately

8,500 square feet of space over such ground floor parcel on the second floor of the Project, along with 4,000 square feet of air rights above the Diamond Street portion of the Project, to be purchased by the City and initially used as the Glen Park Branch of the San Francisco Public Library (the "Property").

C. Seller desires to sell and City desires to purchase the Property and a copy of the proposed Agreement of Purchase and Sale of Real Property (along with all exhibits and schedules, the "Agreement") is on file with the Clerk of the Board of Supervisors in file No. $_031244$.

D. Pursuant to the Agreement, the Purchase Price for the Property will be \$3,361,000, all of which will be paid at the closing of the transaction (the "Closing"), except for a 10% Punchlist Reserve which is to be paid after the completion of any punch list items.

E. The Property is to be delivered as an enhanced shell in accordance with the terms of the Agreement.

F. The Construction of the Property shall be governed by a Construction Rider attached to the Agreement as Exhibit G (the "Rider") and during the term of the Agreement, the Seller will submit, and the City will have the successive right to review and approve, more detailed plans for the construction of the Property in each case, not inconsistent with any previously approved submittal.

G. Pursuant to the Rider, the Seller is solely responsible for every aspect of the construction of the Project and the Property and all of the activities related thereto.

H. Pursuant to the Rider, the Seller must commence construction of the Property by two years from the signing of the Agreement, and must complete construction of the Property by five years from the signing of the Agreement, unless extended by City.

I. Pursuant to the Rider, the Seller is responsible for correcting all defective work during the term of the Agreement and for one year after the final completion of the Property.

SUPERVISOR BEVAN DUFTY BOARD OF SUPERVISORS

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J. The Rider contains a commercially standard mediation provision for the resolution of disputes regarding the Agreement, excluding disputes related to the termination of the Agreement.

K. Pursuant to the Agreement, the City will also have opportunities to review and approve other information concerning the Property and the Seller's Property and to terminate the Agreement if the City is dissatisfied. One such item for review and approval by the City Attorney and the Director of Property will be conditions covenants and restrictions (the "CC&Rs"). The CC&Rs will contain provisions governing the use, operation, maintenance, cost sharing, rules and regulations relating to the Project and the condominium unit holders.

L. On December 5, 2002, the City Planning Commission, by Motion No. 16486 (a copy of such motion is on file with the Clerk of the Board in file No. <u>031244</u>), certified the Negative Declaration for the transaction contemplated by the Agreement ("Final Negative Declaration") as accurate, adequate and objective and in compliance with the California Environmental Quality Act ("CEQA")], and such Motion is incorporated herein by this reference. This Board of Supervisors has reviewed and considered the information contained in the Final Negative Declaration.

M. On December 5, 2002, the Planning Commission by Motion 16488 found that the transaction contemplated by the Agreement is consistent with the City's General Plan, and with the Eight Priority Policies of City Planning Code Section 101.1, (a copy of such motion is on file with the Clerk of the Board in file No. <u>031244</u>), and such Motion is incorporated herein by this reference. This Board of Supervisors has reviewed and considered the information contained in the General Plan Findings.

N. Entering into the Agreement directly with the Seller is appropriate and in the best interests of the City under the circumstances described herein. Such circumstances include, without limitation, all of the following: (1) The Project offers unique advantages to the City

regarding its location and use as a branch Library; (2) Seller is the owner of the Property and is undertaking the development of the Seller's Property as a mixed use project; and, (3) Seller is wholly responsible for the development and construction of the Project and the Property and will agree to sell the Property to the City only as a completed enhanced shell.

O. On July 2, 2002, the San Francisco Public Library Commission (the "Library Commission") endorsed and recommended the purchase of the Property from the Seller, (a copy of such Library Resolution is on file with the Clerk of the Board of Supervisors).

Section 2. The Board of Supervisors hereby adopts and incorporates the findings under CEQA contained in Planning Commission Motion No. 16486, (a copy of which are on file with the Clerk of the Board, in file No. 031244) by reference as though such findings were fully set forth in this Ordinance.

Section 3. The Board of Supervisors hereby finds that the Project, as contemplated by the Agreement is consistent with the General Plan, and with the eight Priority Policies of Planning Code Section 101.1 for the same reasons as set forth in the Planning Commission Motion 16488 (a copy of which are on file with the Clerk of the Board, in file No. 031244), and hereby incorporates such findings by reference as though fully set forth in this Ordinance.

Section 4. The Board of Supervisors hereby finds that the Project, as contemplated by the Agreement is not a public works project and sections of Articles 6 and 12 of the Administrative Code related to public works and contracting issues are not applicable, and in accordance with the recommendation of the Library Commission and the Director of Property, the Board of Supervisors hereby approves the Agreement and the transaction contemplated thereby and authorizes and approves the execution by the Director of Property of the Agreement, in substantially the form of such Agreement presented to this Board in the name and on behalf of the City and any such other documents that are necessary or advisable to

complete the transaction contemplated by the Agreement and effectuate the purpose and intent of this Ordinance.

Section 5. That the Board of Supervisors authorizes the Director of Property to enter into any additions, amendments or other modifications to the Agreement and any other documents or instruments necessary in connection therewith, that the Director of Property determines are in the best interests of the City, do not materially decrease the benefits to the City with respect to the Property, do not materially increase the purchase price, obligations or liabilities of the City not provided for in the Agreement, and are necessary or advisable to complete the transaction contemplated in the Agreement and effectuate the purpose and intent of this Ordinance, such determination to be conclusively evidenced by the execution and delivery by the Director of Property of any such additions, amendments, or other modifications.

Section 6. That all actions heretofore taken by the officers of the City with respect to such Agreement are hereby approved, confirmed and ratified.

RECOMMENDED:

APPROVED:

Director of Property

Mayor

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City Librarian Library Commission Resolution No.#3/02

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APPROVED AS TO FORM:

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Dennis J. Herrera, City Attorney

By: Donnell Choy, Deputy City Attorney



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Ordinance

File Number: 031244

Date Passed:

Ordinance approving and authorizing the Director of Property to execute an Agreement of Purchase and Sale of Real Property with Glen Park Marketplace Phoenix, LLC, for the purchase of a condominium unit in a mixed use project to be located at Diamond and Wilder Streets for use as the Glen Park branch of the San Francisco Public Library; 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 Ordinance.

August 19, 2003 Board of Supervisors — PASSED ON FIRST READING Ayes: 8 - Ammiano, Dufty, Gonzalez, Hall, Ma, McGoldrick, Newsom, Peskin Excused: 3 - Daly, Maxwell, Sandoval
August 26, 2003 Board of Supervisors — CONTINUED Ayes: 9 - Ammiano, Gonzalez, Hall, Ma, Maxwell, McGoldrick, Newsom, Peskin, Sandoval Excused: 2 - Daly, Dufty
September 16, 2003 Board of Supervisors — FINALLY PASSED Ayes: 11 - Ammiano, Daly, Dufty, Gonzalez, Hall, Ma, Maxwell, McGoldrick,

Newsom, Peskin, Sandoval

City and County of San Francisco

Printed at 11:20 AM on 9/18/03

File No. 031244

I hereby certify that the foregoing Ordinance was FINALLY PASSED on September 16, 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.

SEP 2.6 2008

Date Approved

File No. 031244