FILE NO. 261004 RESOLUTION NO. 585-26

[Real Property Lease - NorCal Rental Group, LLC - Pier 96 - $4,312,110 Total Base Rent]

Resolution approving Port Commission Lease No. L-17432 with NorCal Rental Group, LLC, a limited liability corporation, for approximately 44,750 square feet of paved land at Pier 96 for the storage and parking of construction related vehicles and equipment, the term is effective upon approval of this Resolution and completion of Port's Pier 96 Gatehouse Project, with an initial lease term of five years with two options to extend the term for a total of five additional years, at a monthly base rent of $31,772.50, subject to annual three percent increases for both the initial and extended terms, and with a total base rent of $4,321,110 over the full extended term.

WHEREAS, California Statutes of 1968, Chapter 1333 (as amended, the "Burton Act") and Charter Sections 4.114 and B3.581 empower the San Francisco Port Commission ("Port" or "Port Commission") with the power and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port Commission jurisdiction in the City and County of San Francisco; and

WHEREAS, NorCal Rental Group, LLC ("CRESCO") previously subleased paved land at Pier 96, but vacated the site when its sublease was terminated to accommodate the Port's demolition, restoration, and repaving of the Pier 96 Gatehouse Building, and CRESCO subsequently entered into direct Lease No. L17292 with Port for an alternative location near the Pier 96 Maintenance & Repair Shed for storage and parking of construction related vehicles and equipment; and

WHEREAS, CRESCO is a tenant in good standing under its current Lease No. 17292; and

WHEREAS, Port and CRESCO have negotiated the terms of a new five-year Lease No. L-17432 (the "Proposed Lease") with one three-year extension option and one subsequent two-year extension option for approximately 44,750 square feet of paved land at Pier 96; and

WHEREAS, The Port Commission in Resolution No. 10-37 approved the Large Land Discount that provides a five percent discount for land transactions with minimum premises of 43,560 square feet and a minimum term of 36 months; and

WHEREAS, The total term of the proposed lease, including extension options, is 10 years, and revenue generated is $2,013,750 for the initial lease term and up to $4,312,110 if all extension options are exercised; and

WHEREAS, The Port Commission approved Resolution No. 26-31 authorizing the terms of Proposed Lease; and

WHEREAS, Charter, Section 9.118, requires Board of Supervisors' approval of certain leases that either have a term of 10 years or more or have anticipated revenue to the City of $1,000,000 or more and the proposed lease term, including extension options, will be 10 years, and the anticipated revenues exceed $1,000,000; and

WHEREAS, Other key terms of the proposed lease are described in the Port staff report to the Port Commission, dated June 5, 2026, and a copy of the proposed lease, both of which are on file with the Clerk of the Board of Supervisors in File No. 261004, which are hereby declared to be a part of this resolution as if set forth fully herein; and

WHEREAS, The proposed use is a continuation of existing and related uses and is therefore not a project subject to review under the California Environmental Quality Act; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby approves the proposed lease and authorizes the Executive Director of the Port (the "Executive Director"), or his designee, to

execute the proposed lease in a form approved by the City Attorney and in substantially the same form on file with the Clerk of the Board of Supervisors in File No. 2601004; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive Director or his designee to enter into any additions, amendments, or other modifications to Lease No. L-17432 that the Executive Director, in consultation with the City Attorney, determines, when taken as a whole, to be in the best interest of the Port, do not materially increase the obligations or liabilities of the City or the Port or materially reduce the benefits to the City or the Port, and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of such documents; and, be it

FURTHER RESOLVED, That within thirty (30) days of the proposed lease being fully executed by all parties, the Port shall provide a copy of the same to the Clerk of the Board for inclusion into the official file.

City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 261004 **Date Passed:** October 20, 2026

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October 07, 2026 Budget and Finance Committee - RECOMMENDED

October 20, 2026 Board of Supervisors - ADOPTED

Ayes: 9 - Chan, Dorsey, Fielder, Mahmood, Mandelman, Sauter, Sherrill, Walton and Wong
Excused: 2 - Chen and Melgar

File No. 261004

I hereby certify that the foregoing Resolution was ADOPTED on 10/20/2026 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Daniel Lurie
Mayor

10/23/2026
Date Approved