File No. 121094 Committee Item No. _____
Board Item No. 3a

COMMITTEE/BOARD OF SUPERVISORS

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Board of Supervisors Meeting Date 12/11/2012

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☐	☐	Legislative Digest
☐	☐	Budget and Legislative Analyst Report
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OTHER (Use back side if additional space is needed)

☐	☒	See Index
☐	☒	Environmental Impact Report (EIR) - see file 121094, Tab 5
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Completed by: Erica Dayrit Date 12/3/2012
Completed by: _____ Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

[Acquisition of a Temporary Construction License by Eminent Domain - Central Subway/Third Street Light Rail Extension - 212 Stockton Street]

Resolution authorizing the acquisition of a temporary construction license at the real property commonly known as 212 Stockton Street, San Francisco, California, Assessor's Parcel Block No. 0309, Lot No. 011, by eminent domain for the public purpose of constructing the Central Subway/Third Street Light Rail Extension and other improvements; adopting environmental findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Administrative Code Chapter 31; and adopting findings of consistency with the General Plan and City Planning Code Section 101.1.

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) plans to construct a continuation of the T-Third Light Rail Vehicle line from the Caltrain Station at Fourth and King Streets to an underground station in Chinatown and other improvements (the "Project") to create a critical transportation improvement linking neighborhoods in the southeastern portion of the City and County of San Francisco (the "City") with the retail and employment centers in the City's downtown and Chinatown neighborhoods, a public use, and will require an interest in the real property described herein to construct the Project tunnels that will connect the Project's three subway stations and provide direct rail service to the City's Financial District and Chinatown neighborhoods; and

WHEREAS, The Project's primary objectives are to provide direct rail service to regional destinations, including the City's Chinatown, Union Square, Moscone Convention Center, Yerba Buena, SoMa and AT&T Park neighborhoods; connect BART and Caltrain; serve a low-auto-ownership population of transit customers; increase transit use and reduce travel time; reduce air and noise pollution and provide congestion relief; and

WHEREAS, California Government Code Sections 25350.5 and 37350.5 authorize the City's Board of Supervisors to acquire any property necessary to carry out any of the powers or functions of the City by eminent domain; and

WHEREAS, The City requires a temporary construction license for the construction and improvement of the Project at the real property commonly known as 212 Stockton Street, San Francisco, California, Assessor's Parcel Block No. 0309, Lot No. 011 (the "Subject Property"), which license is more particularly described in File No. 121094, including Exhibit A (the "License") and as shown in Exhibit B (the "Project Alignment"), on file with the Clerk of the Board of Supervisors, which is hereby declared to be a part of this resolution as if set forth fully herein; and

WHEREAS, On August 7, 2008, the City's Planning Commission certified that the Final Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report ("Final Supplemental EIS/EIR") for the Central Subway/Third Street Light Rail Phase 2 was in compliance with CEQA and the CEQA Guidelines in Planning Commission Motion No. M-17668. The Final Supplemental EIS/EIR and Motion No. M-17668 are on file with the Clerk of the Board of Supervisors in File No. 121094, which is hereby declared to be a part of this resolution as if set forth fully herein; and

WHEREAS, On August 19, 2008, the SFMTA's Board of Directors, by Resolution No. 08-150, approved the Project, adopted CEQA Findings, including a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program (MMRP) as required by CEQA. Resolution No. 08-150 is on file with the Clerk of the Board of Supervisors in File No. 121094, which is hereby declared to be a part of this resolution as if set forth fully herein; and

WHEREAS, On September 16, 2008, the City's Board of Supervisors (this "Board") adopted Motion No. M08-145, in Board File No. 081138, affirming the City's Planning Department decision to certify the Final Supplemental EIS/EIR. Motion No. M08-145 is on file

with the Clerk of the Board of Supervisors in File No. 121094, which is hereby declared to be a part of this resolution as if set forth fully herein; and

WHEREAS, SFMTA staff obtained an appraisal of the License in compliance with California Government Code Section 7267 et seq. and all related statutory procedures for possible acquisition of the License, submitted an offer to the Subject Property owner of record to purchase the License as required by California Government Code Section 7267.2 on October 15, 2012, and continues to negotiate the possible acquisition of the License with the Subject Property owner of record; and

WHEREAS, On May 4, 2009, the City's Planning Department found the Project to be consistent with the General Plan and the Eight Priority Policies of City Planning Code Section 101.1 to the extent applicable. On October 17, 2012, the Planning Department confirmed the May 4, 2009 determination, as applicable to the acquisition of the License; and

WHEREAS, On October 19, 2012, the City's Planning Department found that there have been no substantial changes proposed for the Project, and no substantial changes in Project circumstances, that would require major revisions to the Final Supplemental EIS/EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; and there is no new information of substantial importance that was not known and could not have been known at the time the Final Supplemental EIS/EIR was certified, that shows either significant environmental effects not discussed in the Final Supplemental EIS/EIR, a substantial increase in the severity of previously examined significant effects, or that unadopted mitigation measures or alternatives previously found not to be feasible, would be feasible and capable of substantially reducing one or more of the significant effects of the Project; and

WHEREAS, On June 19, 2012, the SFMTA's Board of Directors adopted Resolution No. 12-087, in which it found that (a) the Project will assist SFMTA in meeting the objectives

of Goal No. 1 of the SFMTA Strategic Plan (to provide safe, accessible, clean, environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First policy), of Goal No. 2 (to improve transit reliability), of Goal No. 3 (to improve economic vitality through improved regional transportation), and of Goal No. 4 (to ensure the efficient and effective use of resources); (b) the License is needed to construct the Project; (c) SFMTA has limited any potential private injury by seeking to acquire only a license; and (d) the acquisition and use of the License for construction of the Project is compatible with the existing uses of the Subject Property and the surrounding area; and

WHEREAS, On June 19, 2012, the SFMTA Board of Directors, by SFMTA Resolution No. 12-087, authorized the SFMTA Executive Director to request that this Board hold a duly noticed public hearing, as required by State law, to consider the adoption of a Resolution of Necessity for the acquisition of the License for its appraised fair market value and, if this Board adopts such Resolution of Necessity, to take such actions that are consistent with the City's Charter and all applicable law to proceed to acquire the License; and

WHEREAS, This Board finds and determines that each person whose name and address appears on the last equalized County Assessment Roll as an owner of the Subject Property has been given notice and a reasonable opportunity to appear and be heard on this date on the matter referred to in California Code of Civil Procedure Section 1240.030 in accordance with California Code of Civil Procedure Section 1245.235; now, therefore, be it

RESOLVED, That by at least a two-thirds vote of this Board under California Code of Civil Procedure Sections 1240.030 and 1245.230, this Board finds and determines each of the following:

1. The public interest and necessity require the proposed Project;

2. The proposed Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;

3. The License sought to be acquired provides the right to temporarily use portions of the Subject Property, and is necessary for the Project;

4. The offer required by California Government Code Section 7267.2 has been made to the Subject Property owner of record; and, be it

FURTHER RESOLVED, That to the extent that any use allowed under the License sought to be acquired is presently appropriated to a public use, the purpose for which the acquisition and use of the License is sought, namely, for construction of the Project, is a more necessary public use under Section 1240.610 of the California Code of Civil Procedure; and, be it

FURTHER RESOLVED, That to the extent that any portion of the Subject Property is presently appropriated to a public use, the purpose for which the acquisition and use of the License is sought, namely, for construction of the Project, is a compatible public use under Section 1240.510 of the California Code of Civil Procedure; and, be it

FURTHER RESOLVED, That the City Attorney is hereby authorized and directed to take all necessary steps to commence and prosecute proceedings in eminent domain, including settlement or compromise of any such proceedings consistent with the City's Charter and all applicable law, against the Subject Property owner of record and the owner or owners of any and all interests therein or claims thereto for the condemnation thereof for the public use of the City, to the extent such proceedings are necessary; together with the authorization and direction to take any and all actions or comply with any and all legal procedures to obtain an order for immediate or permanent possession to use the portions of the Subject Property pursuant to the License as depicted in Exhibit A and Exhibit B, in conformity with existing or amended law; and, be it

FURTHER RESOLVED, That this Board has reviewed and considered the Final Supplemental EIS/EIR and record as a whole, finds that the action taken herein is within the

scope of the Project and activities evaluated in the Final Supplemental EIS/EIR, and that the Final Supplemental EIS/EIR is adequate for its use by the decision-making body for the action taken herein; and, be it

FURTHER RESOLVED, That this Board finds that there have been no substantial changes proposed for the Project, and no substantial changes in Project circumstances, that would require major revisions to the Final Supplemental EIS/EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; and there is no new information of substantial importance that was not known and could not have been known at the time the Final Supplemental EIS/EIR was certified, that shows either significant environmental effects not discussed in the Final Supplemental EIS/EIR, a substantial increase in the severity of previously examined significant effects, or that unadopted mitigation measures or alternatives previously found not to be feasible, would be feasible and capable of substantially reducing one or more of the significant effects of the Project; and, be it

FURTHER RESOLVED, That this Board hereby adopts as its own and incorporates by reference, as though fully set forth herein, the findings of the Planning Department that the acquisition of the License is consistent with the General Plan and the Eight Priority Policies of City Planning Code Section 101.1; and, be it

FURTHER RESOLVED, That this Board adopts as its own and incorporates by reference, as though fully set forth herein, each of the findings made by the SFMTA in adopting Resolution No. 08-150 on August 19, 2008, and Resolution No. 12-087 on June 19, 2012.

BOS-11, COB
File 121091
1 page

Allen Matkins

Facsimile
Allen Matkins Leck Gamble Mallory & Natsis LLP
Attorneys at Law
www.allenmatkins.com

To: Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
Fax: 415.554.5163 | Phone: 415.554.5184

From: Mark J. Seifert
Date: November 27, 2012
Telephone: 415.273.7433
E-mail: mseifert@allenmatkins.com
File Number: 371836-00002/SF866490.01
Total pages including cover sheet: 02

Re: **December 11, 2012 Hearing to Consider Property Acquisition by Eminent Domain of a Construction License for the Central Subway / Third Street Light Rail Extension at 212 Stockton Street**

Comments:

Please see attached correspondence.

Original will: ☑ be sent via mail ☐ be sent via messenger ☐ be sent via fedex/courier ☐ be sent via email ☐ not be sent

Allen Matkins

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Mark J. Seifert
E-mail: mseifert@allenmatkins.com
Direct Dial: 415.273.7433 File Number: 371836-00002/SF866452.01

Via Certified Mail Return Receipt Requested and Facsimile

November 27, 2012

Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: December 11, 2012 Hearing to Consider Property Acquisition by Eminent Domain of a Construction License for the Central Subway / Third Street Light Rail Extension at 212 Stockton Street

Dear Ms. Calvillo:

This firm represents Deka USA Union Square LP, the owner of the property commonly known as 212 Stockton Street in San Francisco, California. Said property is the subject of a proposed resolution scheduled to be considered by the Board of Supervisors of the City and County of San Francisco at a hearing held pursuant to the *Notice of Public Hearing to Consider Property Acquisition – Eminent Domain, Interest in Real Property: A Temporary Construction License at the Real Property Commonly Known as 212 Stockton Street, San Francisco, California, Assessor's Parcel Block No. 0309, Lot No. 011, for the Public Purpose of Constructing the Central Subway / Third Street Light Rail Extension and Other Improvements (File No. 121089)* ("Notice of Public Hearing"). The Board of Supervisors proposes to hold that hearing on Tuesday, December 11, 2012, at 3:00 p.m.

This letter shall constitute Deka USA Union Square LP's request to appear and be heard on the matters referred to in the Notice of Public Hearing. Please also accept this letter as notice that Deka USA Union Square LP intends to, and does hereby, object to the City and County's adoption of the proposed resolution that is the subject of the Notice of Public Hearing.

Very truly yours,

Mark J. Seifert

121089
121094

Allen Matkins

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E-mail: mseifert@allenmatkins.com
Direct Dial: 415.273.7433 File Number: 371836-00002/SF866452.01

Via Certified Mail Return Receipt Requested and Facsimile

November 27, 2012

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Very truly yours,

Mark J. Seifert

LEGISLATION RECEIVED CHECKLIST

Date 11/5/2012 File Number (if applicable) 121194

[x] Legislation for Introduction **(NEW)** ►►► **Legislation Clerk**
[ ] Legislation Pending in Committee **(AMENDED)** ►►► **Committee Clerk**
[ ] Legislation for Board Agenda **(AMENDED)** ►►► **Dep Clerk, Legislative Div**

Supervisor, Mayor, and Departmental Submittals

Grant Ordinance
- [ ] **Legislation:** Original and 4 copies
- [ ] **Signature:** Department Head, the Mayor or the Mayor's designee, plus the Controller
- [ ] **Back-up materials:** 4 full sets *(if applicable)*
- [ ] **E-Version: Sent to BOS Legislation@sfgov.org**
  - [ ] Cover letter
  - [ ] Grant Information Form
  - [ ] Disability Access Checklist
  - [ ] Letter of Intent or grant award letter from funding agency
  - [ ] Ethics Form 126 *(determined by the Committee Clerk)*

Ordinance
- [ ] **Legislation:** Original and 4 copies
- [ ] **Signature:** City Attorney
- [ ] **Back-up materials:** 4 full sets *(if applicable)*
- [ ] **E-Version: Sent to BOS Legislation@sfgov.org**
  - [ ] Cover letter
  - [ ] Back up materials *(determined by the Committee Clerk)*

Grant Resolution
- [ ] **Legislation:** Original and 4 copies
- [ ] **Signature:** Department Head, the Mayor or the Mayor's designee, plus the Controller
- [ ] **Back-up materials:** 4 full sets *(if applicable)*
- [ ] **E-Version: Sent to BOS Legislation@sfgov.org**
  - [ ] Cover letter
  - [ ] Grant Information Form
  - [ ] Disability Access Checklist
  - [ ] Letter of Intent or grant award letter from funding agency
  - [ ] Ethics Form 126 *(determined by the Committee Clerk)*

Resolution
- [x] **Legislation:** Original and 4 copies (11 RESOLUTIONS TOTAL)
- [ ] **Signature:** None required
- [x] **Back-up materials:** 4 full sets *(if applicable)*
- [ ] **E-Version: Sent to BOS Legislation@sfgov.org**
  - [ ] Cover letter
  - [ ] Back up materials *(determined by the Committee Clerk)*

BRIAN CROSSMAN
Name

CITY ATTY. ON BEHALF OF MTA
Department

5544690
Telephone Number

Index of Documents in Administrative Record for Board File No. _____

212 Stockton Street, Assessor's Block 309, Lot 011

1. Memorandum of Edward D. Reiskin, Director of Transportation of the SFMTA to the Honorable Members of the Board of Supervisors

2. Central Subway Project/Real Estate Acquisitions for Right-of-Way and Stations PowerPoint presentation, December 11, 2012

3. Legal Description of 212 Stockton Street (Assessor's Block 309, Lot 011) ("Exhibit A")

4. Map of Central Subway Project Alignment ("Exhibit B")

5. Central Subway Final Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report (Final SEIS/SEIS Volume I)

   Central Subway Final Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report (Response to Comments Volume II)

   Central Subway Final Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report (Response to Comments Volume II, Errata)

6. San Francisco Planning Commission, Motion No. M-17668

7. San Francisco Municipal Transportation Agency Board of Directors, Resolution No. 08-150

8. San Francisco Board of Supervisors, Motion M08-145

9. Federal Transit Administration, Record of Decision, November 26, 2008

10. Determination from the San Francisco Planning Department Re: Central Subway Final Supplemental Environmental Impact Statement/Environmental Impact Report

11. General Plan Referral No. 2008.0849R, including Application for General Plan Referral

12. Determination from the San Francisco Planning Department Re: General Plan Referral No. 2008.0849R

13. San Francisco Municipal Transportation Agency Board of Directors, Resolution No. 12-087

14. Summary of Negotiator's Contacts

15. May 30, 2012 Letter from Edward D. Reiskin, Director of Transportation to Deka USA Union Square LP Re: Offer to Purchase

16. June 19, 2012 Letter from Real Estate Capital Partners

17. August 29, 2012 Letter from John Funghi, SFMTA to Deka USA Union Square LP Re: Notice of Intent to Appraise

18. October 15, 2012 Letter from Edward D. Reiskin, Director of Transportation to Deka USA Union Square LP Re: Offer to Purchase

19. Notice of Public Hearing ("Public Hearing to Consider Property Acquisition – Eminent Domain")

1

SFMTA
Municipal Transportation Agency

November 29, 2012

The Honorable Members of the Board of Supervisors
City and County of San Francisco
1 Carlton B. Goodlett Place, Room 244
San Francisco, California 94102

RE: Request for Approval of Resolution Authorizing the Acquisition of Temporary Construction Licenses By Eminent Domain for the Central Subway/Third Street Light Rail Extension at Various Properties

Dear Members of the Board of Supervisors:

The San Francisco Municipal Transportation Agency requests approval of Resolutions authorizing the acquisition of temporary construction licenses (the Licenses) by eminent domain for the public purpose of constructing the Central Subway/Third Street Light Rail Extension and other improvements; adopting environmental findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Administrative Code Chapter 31; and adopting findings of consistency with the General Plan and City Planning Code Section 101.1, for the real properties commonly known as:

- 1455 Stockton Street, San Francisco, California, Assessor's Parcel No. Block 0130, Lots 001 and 040;
- 801 Market Street, San Francisco, California, Assessor's Parcel No. Block 3705, Lot 048A;
- 212 Stockton Street, San Francisco, California, Assessor's Parcel No. Block 0309, Lot 011;
- 216 Stockton Street, San Francisco, California, Assessor's Parcel No. Block 0309, Lot 013;
- 39 Stockton Street, San Francisco, California, Assessor's Parcel No. Block 0327, Lot 004;
- 19 Stockton Street, San Francisco, California, Assessor's Parcel No. Block 0327, Lot 005;
- 1 Stockton Street, San Francisco, California, Assessor's Parcel No. Block 0327, Lot 025;
- 250 Fourth Street, San Francisco, California, Assessor's Parcel No. Block 3733, Lot 008;
- 1000–1032 Stockton Street, San Francisco, California, Assessor's Parcel No. Block 0193, Lot 019;

One South Van Ness Ave.
Seventh Floor
San Francisco, CA 94103
Tele: 415.701.4500
www.sfmta.com

- 950 Stockton Street, San Francisco, California, Assessor's Parcel No. Block 0210A, Lots 002–103;
- 930 Stockton Street, San Francisco, California, Assessor's Parcel No. Block 0210, Lot 047

This acquisition is part of the Central Subway Project/Third Street Light Rail Extension (the Project). Supporting documentation regarding each resolution of necessity is included in the Board of Supervisors briefing packets for the December 11, 2012 meeting.

Background
The Project is the second phase of the SFMTA's Third Street Light Rail Project, and will add 1.67 miles of light rail track north from the northern end of the new Third Street Light Rail at Fourth and King streets to a terminal in Chinatown. The Project will serve regional destinations, including Chinatown (the most densely populated area of the city that is not currently served by rail transportation), Union Square, Moscone Convention Center, Yerba Buena, SoMa and AT&T Park. The Project will also connect with the Bay Area Rapid Transit (BART) and Caltrain (the Bay Area's two largest regional commuter rail services), serve a low auto ownership population of transit customers, increase transit use and reduce travel time, reduce air and noise pollution, and provide congestion relief. The buses currently serving Chinatown are overcrowded and the corridor is severely congested. Projected travel time on the Central Subway will be eight to ten minutes versus 20 minutes on the bus between Chinatown and the Caltrain station at Fourth and Brannan streets. Thus, the public interest and necessity require the construction and operation of the Project to achieve such benefits.

The Project will include twin bore, subsurface tunnels to connect the three subway stations and provide direct rail service to the Financial District and Chinatown. The Project has been planned and located in a manner that will be most compatible with the greatest public good and the least private injury.

The SFMTA has completed utility relocation for the Project's Portal, Yerba Buena-Moscone Station and Union Square/Market Street Station. Construction of the Tunnel Launch Box on Fourth Street is underway. The tunnel and station construction will be underway by summer of 2013. The start of revenue operation is scheduled for 2018.

General Plan Consistency
On May 4, 2009, the Planning Department, in Planning Case No. 2008.0849R, determined that the Project was consistent with the General Plan and the Eight Priority Policies of City Planning Code Section 101.1, to the extent applicable.

On October 17, 2012, the Planning Department concluded that acquisition of the Licenses was covered in Case No. 2008.0849R, and therefore no additional General Plan Referral was required.

Environmental Review
A draft Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report (SEIS/SEIR) was issued for the Project on October 17, 2007.

On August 7, 2008, the San Francisco Planning Commission certified the Final SEIS/SEIR as accurate and in compliance with the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA) and Chapter 31 of the San Francisco Administrative Code in Planning Commission Motion No. 17668.

On August 19, 2008, the SFMTA Board of Directors adopted Resolution No. 08-150, approving the Project, adopting CEQA Findings, a Statement of Overriding Considerations for the Project, and the Mitigation Monitoring and Reporting Plan for the Project.

On September 16, 2008, the BOS unanimously adopted Motion No. 08-145, affirming the Planning Commission's decision to certify the Final SEIS/SEIR and rejected an appeal of the Planning Commission's certification of the Final SEIS/SEIR. A notice of determination was filed on September 18, 2008. The Record of Decision was issued by the Federal Transit Administration (FTA) on November 26, 2008, which determined that the proposed Project satisfied the requirements of NEPA.

On October 19, 2012, the Planning Department found that there have been no substantial changes proposed for the Project that would require major revisions to the Final SEIS/SEIR or that would result in significant environmental impacts that were not evaluated in the Final SEIS/SEIR; and no new information has become available that was not known and could not have been known at the time the Final SEIS/SEIR was certified as complete and that would result in significant environmental impacts not evaluated in the Final SEIS/SEIR. Specifically, the Planning Department concluded that the Final SEIS/SEIR described and analyzed the potential for jet grouting, permeation grouting, compaction grouting and compensation grouting underneath properties along the tunnel alignment. Therefore, no additional environmental review is required for the Licenses.

Acquisition of The Licenses
The Licenses will allow the SFMTA to protect buildings adjacent to the Project, to the greatest extent possible. Specifically, the Licenses will allow for the installation of subsurface grout pipes below each property and the installation of exterior and interior settlement monitoring equipment on the buildings. The exterior and interior

monitoring equipment will allow the SFMTA to monitor any movement of the buildings during construction of the Project. Should building movement be detected, the SFMTA will have the ability to inject grout in the soil to counteract this movement.

The SFMTA needs to acquire these Licenses to protect adjacent buildings during construction of the Project. Any impacts to existing residential, commercial and retail uses will be mitigated to the greatest extent possible during the installation of these grout pipes and settlement monitoring equipment. Thus, the acquisition and use of the License for construction of the Project is compatible with the existing surface uses of the Properties and the surrounding areas.

Although the SFMTA has made offers (in conformance with Government Code Section 7267.2) to acquire these Licenses through a negotiated agreement, no such agreements have been reached. The SFMTA will continue to negotiate with the Property owners of record (Owners) to attempt to acquire the Licenses without the need for litigation. However, the SFMTA seeks a Resolution of Necessity because it must acquire the Licenses in a timely manner to avoid delays in the construction of the Project. If the SFMTA and the Owners do not timely agree to the purchase of the Licenses, it will impair the SFMTA's ability to construct the Project and will cause delays and increased costs.

SFMTA Proceedings

The SFMTA obtained independent real property appraisals, which determined the fair market value of each License. Pursuant to Government Code Section 7267.2, the SFMTA sent letters offering to purchase the License from the Owners. The offers were conditioned on the negotiation of a temporary license agreement with each Owner. The offers also notified the Owners of their rights to obtain independent appraisals of the fair market value of the License. As required under state law, the SFMTA agreed to reimburse each Owner up to $5,000 for such an independent appraisal subject to FTA appraisal requirements.

With the exception of one Property, the SFMTA has engaged – and continues to engage – with Owners in negotiations for the acquisition of the Licenses. Project representatives have been in regular contact with the Owners' representatives over the past several months. In most cases, the Owners have provided comments on the proposed license agreements and/or the proposed scopes of work. However, the SFMTA has been unable to reach agreement with the property Owners for an amicable and timely acquisition of the Licenses. Only one of the above-listed properties (19 Stockton Street) has been entirely unresponsive despite repeated attempts by the SFMTA to discuss the scope of work and negotiate a license agreement.

On June 19, 2012, the SFMTA's Board of Directors adopted Resolution No. 12-087, in which it found that (a) the Project will assist SFMTA in meeting the

objectives of Goal No. 1 of the SFMTA Strategic Plan (to provide safe, accessible, clean, environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First policy), of Goal No. 2 (to improve transit reliability), of Goal No. 3 (to improve economic vitality through improved regional transportation), and of Goal No. 4 (to ensure the efficient and effective use of resources); (b) the Licenses are needed to construct the Project; (c) SFMTA has limited any potential private injury by seeking to acquire only a temporary license; and (d) the acquisition and use of the Licenses for construction of the Project are compatible with the existing uses of the subject Property and the surrounding area.

The SFMTA Board of Directors, by adopting SFMTA Resolution No. 12-087, also authorized the SFMTA Director of Transportation to request that this Board hold a duly noticed public hearing, as required by State law, to consider the adoption of Resolutions of Necessity for the acquisition of the Licenses for their appraised fair market value and, if this Board adopts such Resolutions of Necessity, to take such actions that are consistent with the City's Charter and all applicable law to proceed to acquire the Licenses.

Funding Impact
The SFMTA intends to use State Prop. 1B funds for the acquisition of the Licenses.

Resolution of Necessity
On November 21, 2012 a "Notice of Public Hearing of the Board of Supervisors of the City and County of San Francisco on the Temporary Construction License Acquisition – Eminent Domain" was sent to each Owner whose name and address appears on the last Equalized Assessment Roll for the Property, notifying them that a hearing is scheduled for December 11, 2012, before the Board of Supervisors, to consider the adoption of a Resolution of Necessity determining the following issues and their right to appear and be heard on these issues:

1. Whether the public interest and necessity require the Project and acquisition of the License;

2. Whether the Project is planned and located in the manner that will be the most compatible with the greatest public good and the least private injury;

3. Whether the City's acquisition of the License is necessary for the Project; and

4. Whether the offer required by Government Code Section 7267.2 has been made to the Owner.

Adoption of the Resolutions of Necessity would not determine the amount of compensation to be paid to the Owners. If the Resolutions of Necessity are adopted, SFMTA staff will continue to make good faith efforts to negotiate with the

property Owners for an amicable acquisition of the Licenses, even if the City files an eminent domain action. Only if no voluntary agreement is reached would a trial be necessary. In such proceedings, the Court or jury would determine the fair market value for each License.

Recommendation
The SFMTA recommends that the Board of Supervisors adopt the resolutions:

(a) determining that the public interest and necessity require acquisition of the Licenses;

(b) making all findings required by state law; and

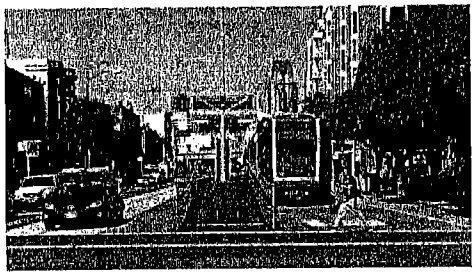
(c) authorizing and directing the City Attorney commence proceedings in eminent domain to acquire the Licenses, apply for an order for possession before judgment, and to prosecute the action to final judgment.

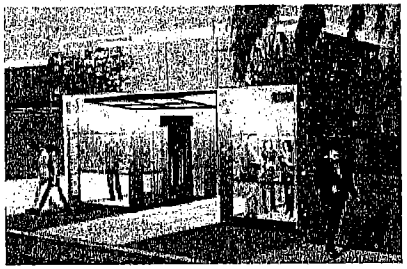
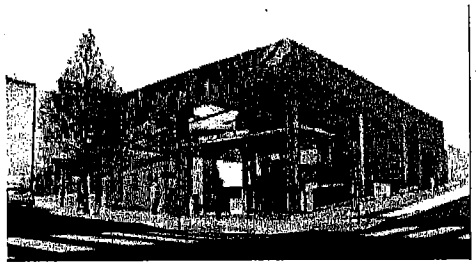
Sincerely,

Edward D. Reiskin
Director of Transportation

cc: John Funghi, Central Subway Program Director
Brian Crossman, Deputy City Attorney
Janet Martinsen, Local Government Affairs Liaison

2



Central Subway Project

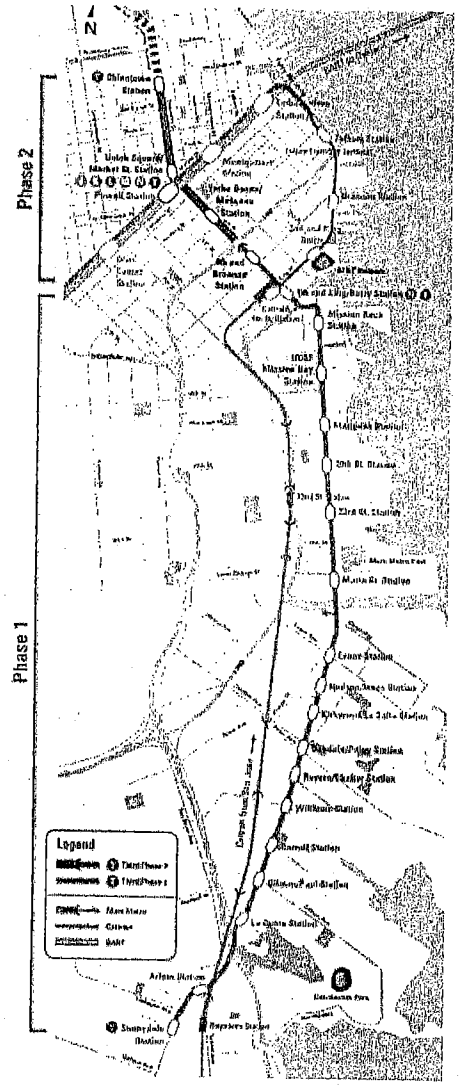
Board of Supervisors

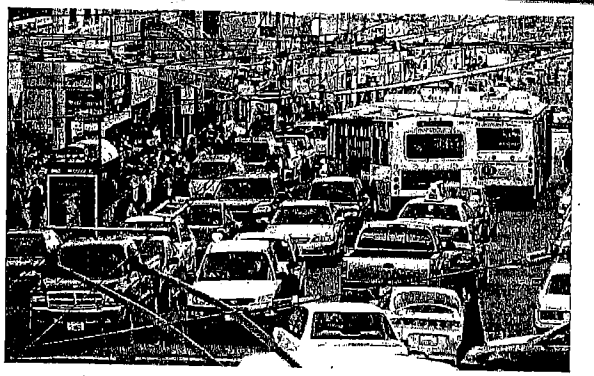
Resolutions of Necessity

December 11, 2012

Third Street Light Rail Project

- Support city's Transit First Policy
- Protect and preserve the environment
- Improves transportation service in underserved neighborhoods
  - 26% increase in population
  - 61% increase in employment
  - 68% in Central Subway corridor are without a vehicle
- Connects to regional transit and areas in need of a rapid transportation option, including 10,000 new housing units at Hunters Point, Mission Bay development, future high-speed rail and Caltrain
- Start of service in 2019





Project Funding
(millions)

Funding Sources	T-Third (Phase 1)	Central Subway (Phase 2)
Federal	$123.38	$983.22
State	$160.70	$471.10
Local/Regional	$364.38	$123.98
Total	$648.46	$1,578.30

Why Central Subway?

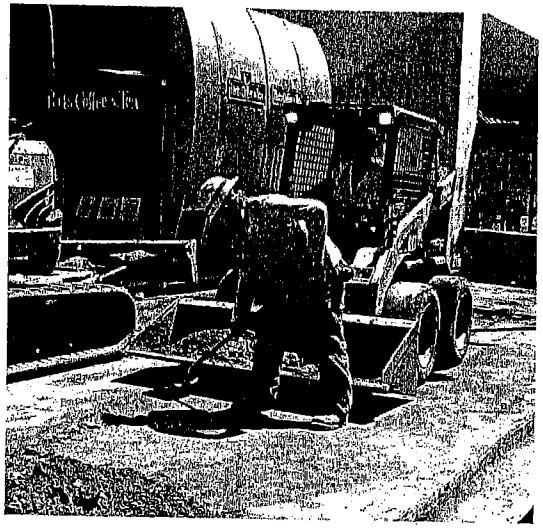
- Reduces travel times
- Improves San Francisco's transportation network
- Connects bustling neighborhoods, premier commercial districts and tourist destinations
- An essential investment in San Francisco's transportation infrastructure that will ease travel and enhance the Bay Area's public transit network

Improving Transportation

- Bypasses congested city streets
- Provides a direct connection to BART and Muni Metro at Powell Street Station
- Improves access to Caltrain at 4th and King streets
- Facilitates rapid travel from the southern neighborhoods to SoMa, downtown, Union Square and Chinatown
- Relieves congestion on Stockton, 4th and Market

Connecting Communities and Investing in San Francisco

- Project will create thousands of jobs, providing a boost to the local economy
- Jobs and population are projected to increase significantly in the neighborhoods along the T Third Line
- Extends reliable, efficient rail service to improve travel
- Benefits San Francisco for generations to come



Program Update

- **October 2012**: An agreement dedicating $942.2 million in federal funds to the Central Subway Project is approved. The funds are from the Federal Transit Administration's New Starts program.

- **September 2012**: The San Francisco Recreation and Park Commission approves the design of Union Square entrance to the future Union Square/Market Street Station

- **July 2012**: The SFMTA acquires the property at the future site of the Yerba Buena/Moscone Station, a 76 gas station at the corner of 4th and Folsom streets

- **July 2012**: The state Legislature approves and Gov. Jerry Brown signs into law legislation that includes $61.3 million in high-speed rail connectivity funds for the project

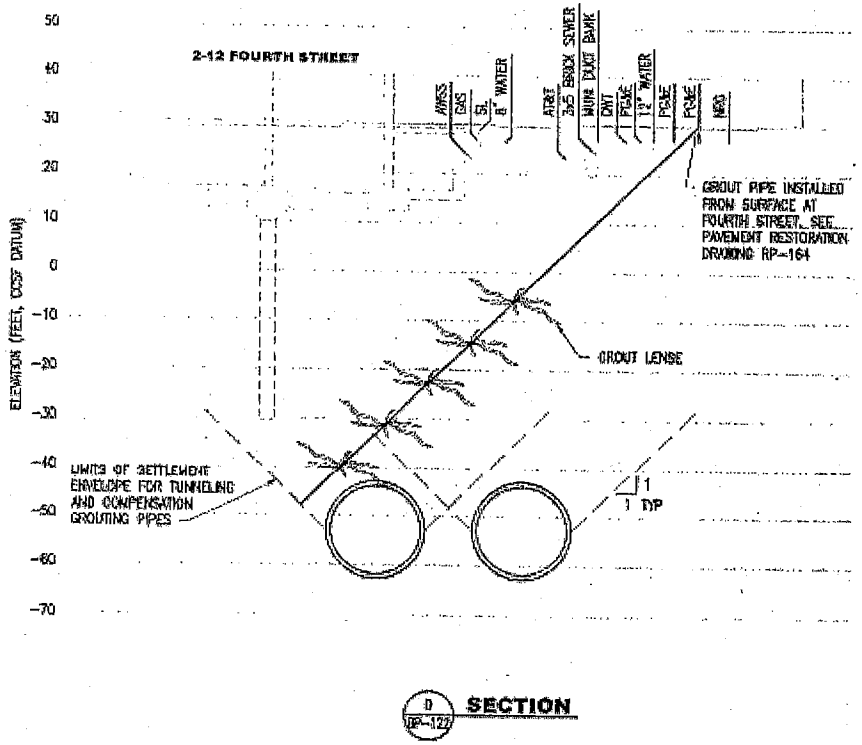
Building Protection During Construction

Settlement Monitoring:

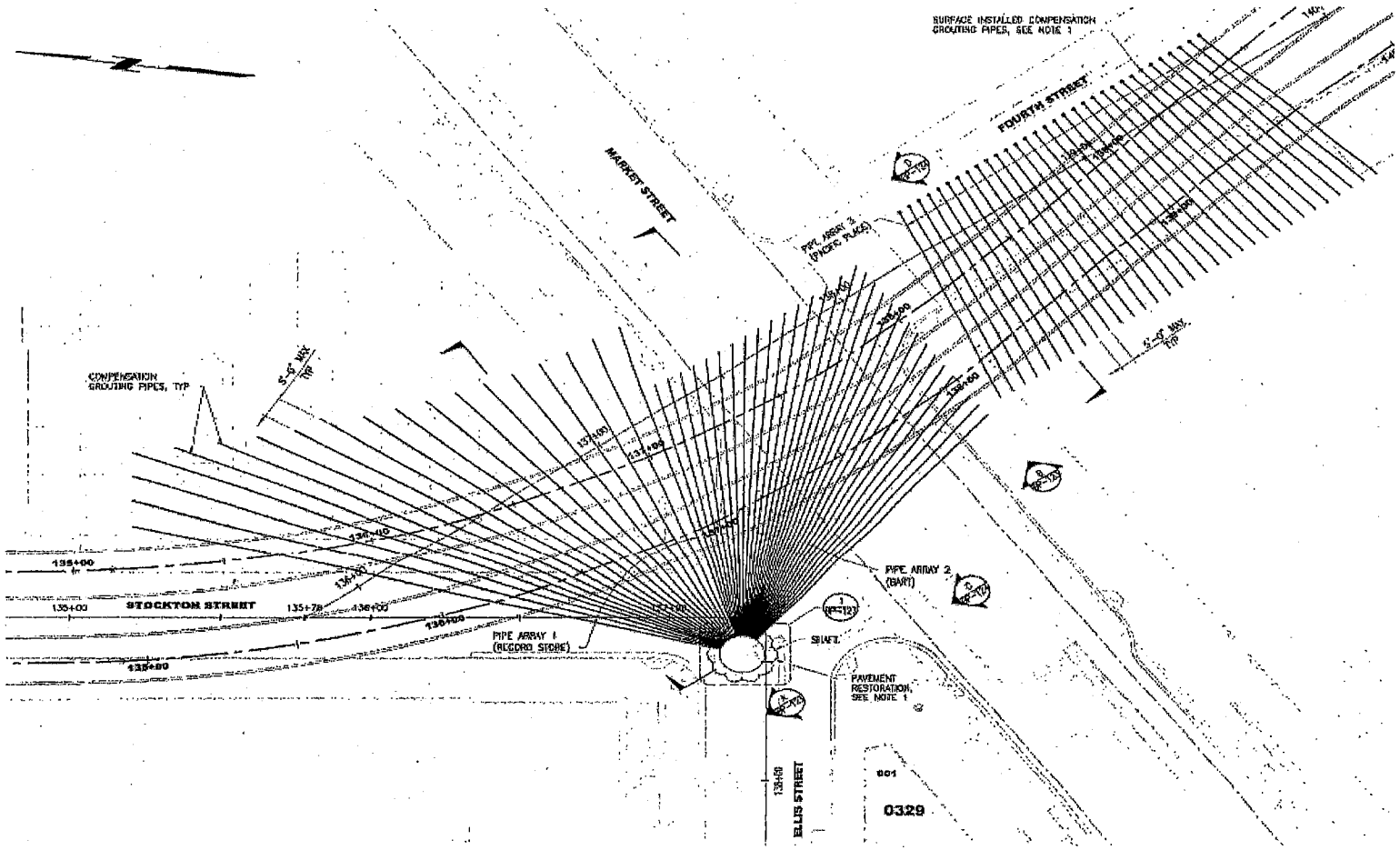
- SFMTA will install a series of exterior prims/targets to monitor potential building movement
- SFMTA will install a system of instrumentation in the basement of buildings to further monitor potential building movement

Compensation Grouting:

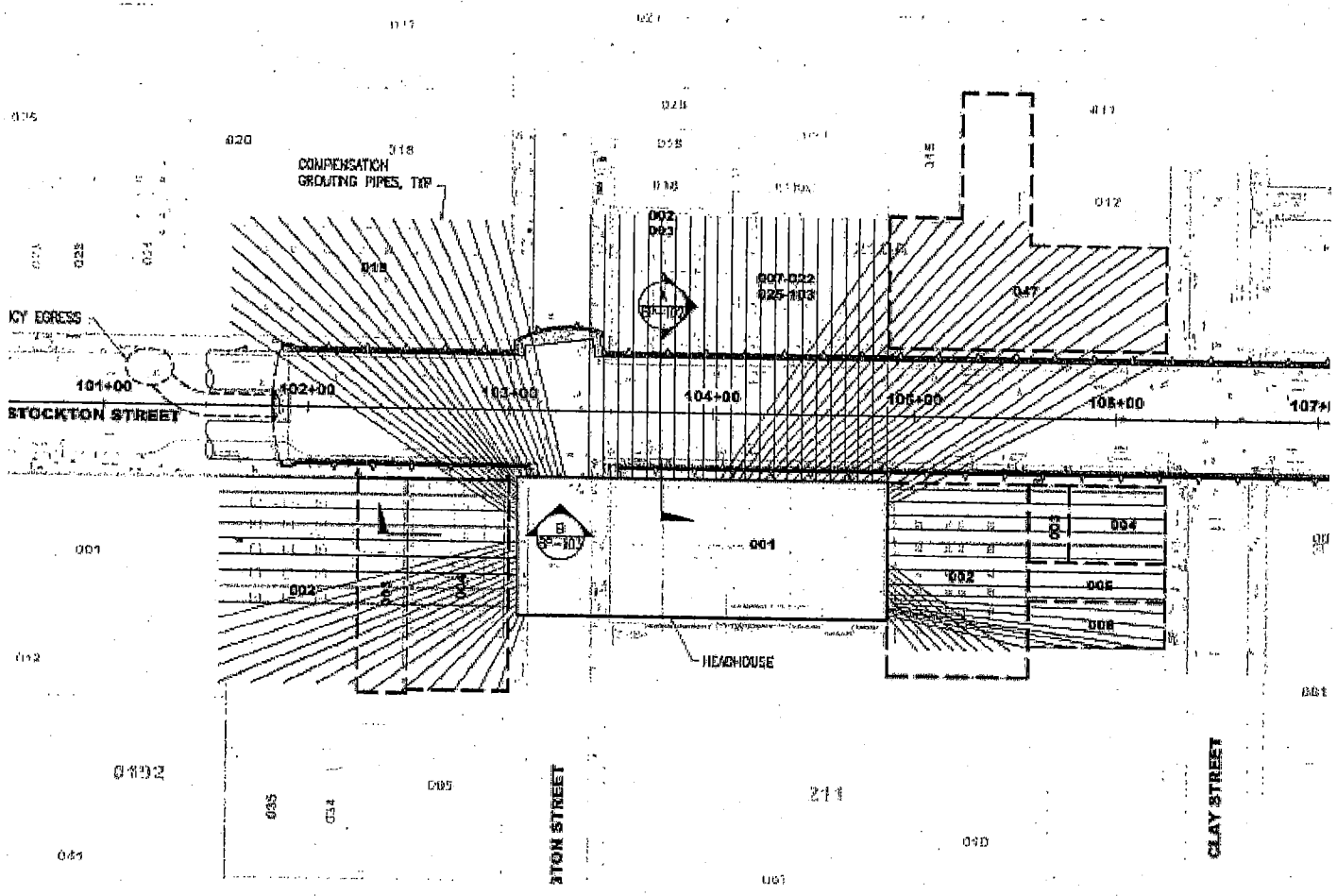
- Thin-diameter tubes installed beneath the property
- If settlement is detected, the SFMTA has to the ability inject grout into the soil to stabilize structure above



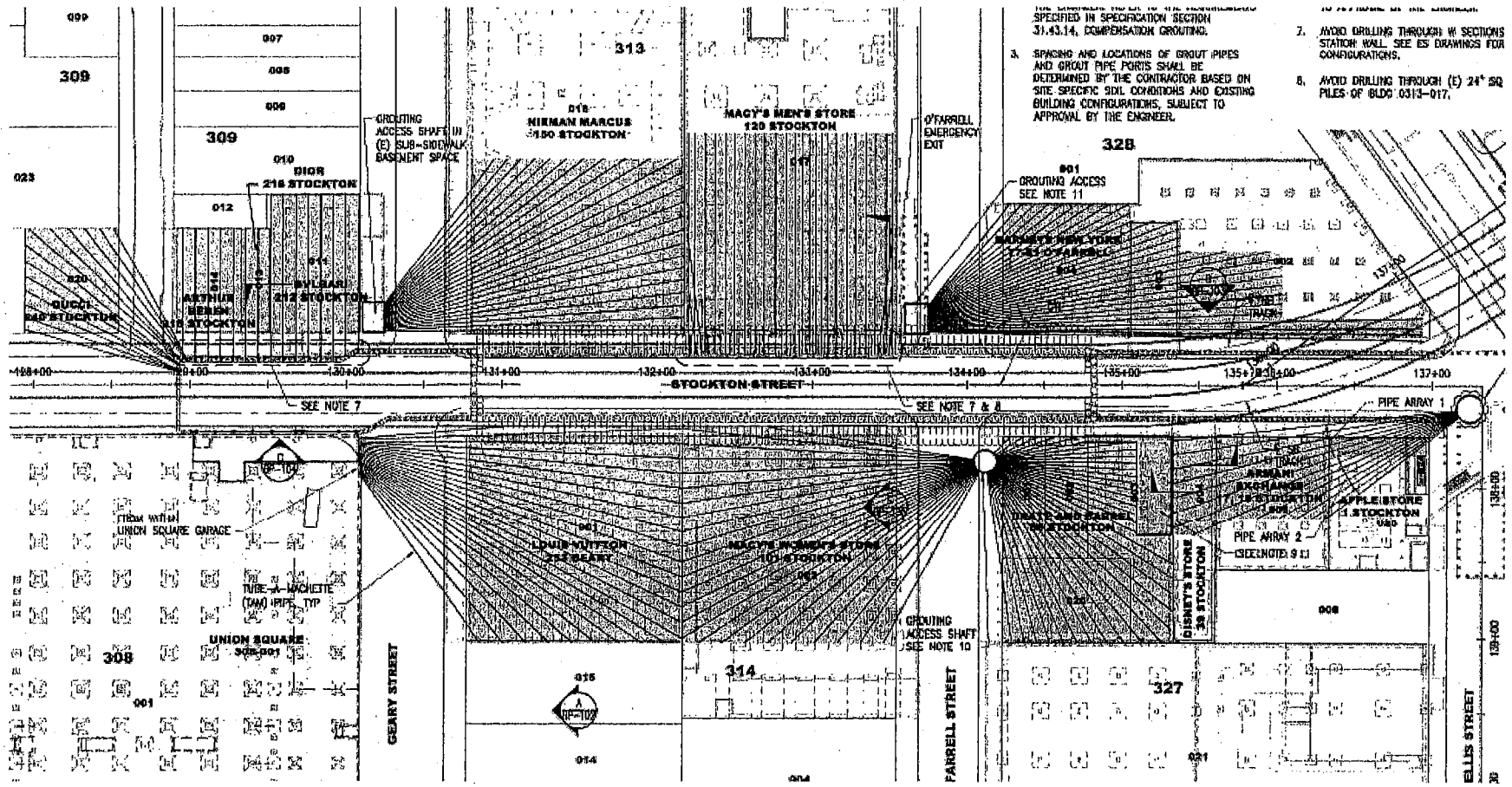
Compensation Grouting – Tunnels



Building Protection – Chinatown Station



Building Protection – Union Square/Market Street Station



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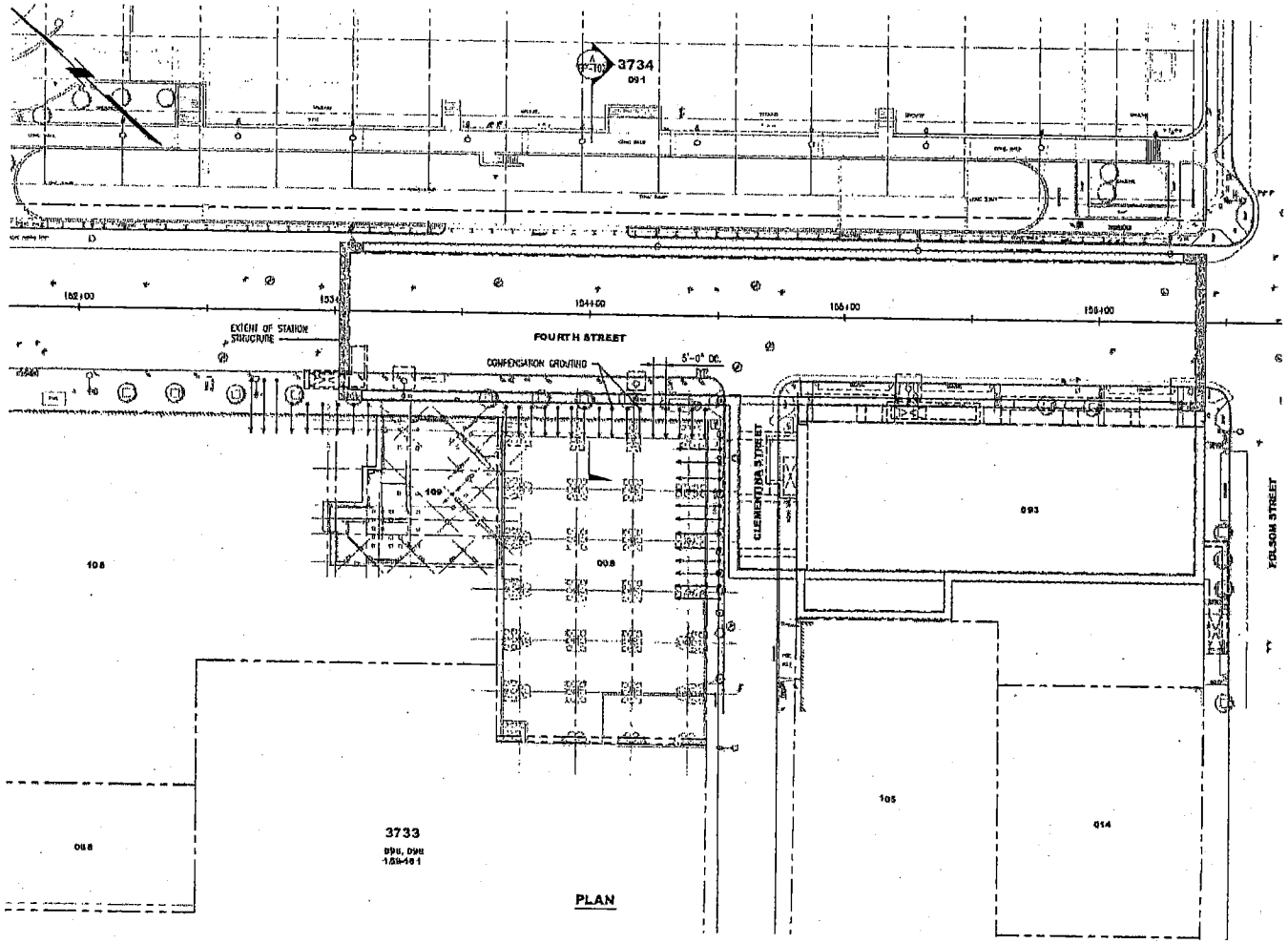
Building Protection – YB/Moscone



3

EXHIBIT "A"

PROPERTY DESCRIPTION

For a portion of 212 Stockton Street,
Assessor's Block 0309, Lot 011

The proposed acquisition comprises a license affecting an underground rectangular area coterminous with the area of the subject property, in which thin-diameter grout pipes cross the property line in a horizontal orientation at approximately 30 to 40 feet below the surface of the ground. The license further authorizes installation, monitoring, repair, and maintenance of settlement monitor markers and equipment.

Containing 5,445 square feet, more or less.

APN: 0309-011

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Commencing at the point of intersection of the Northerly line of Geary Street and Easterly line of Stockton Street; thence Northerly and along said line of Stockton Street 58 feet 6 inches; thence at a right angle Easterly 70 feet; thence at a right angle Northerly 1 foot 6 inches; thence at a right angle Easterly 22 feet 6 inches; thence at a right angle Southerly 60 feet to the Northerly line of Geary Street; thence at a right angle Westerly along said line of Geary Street 92 feet 6 inches to the point of commencement.

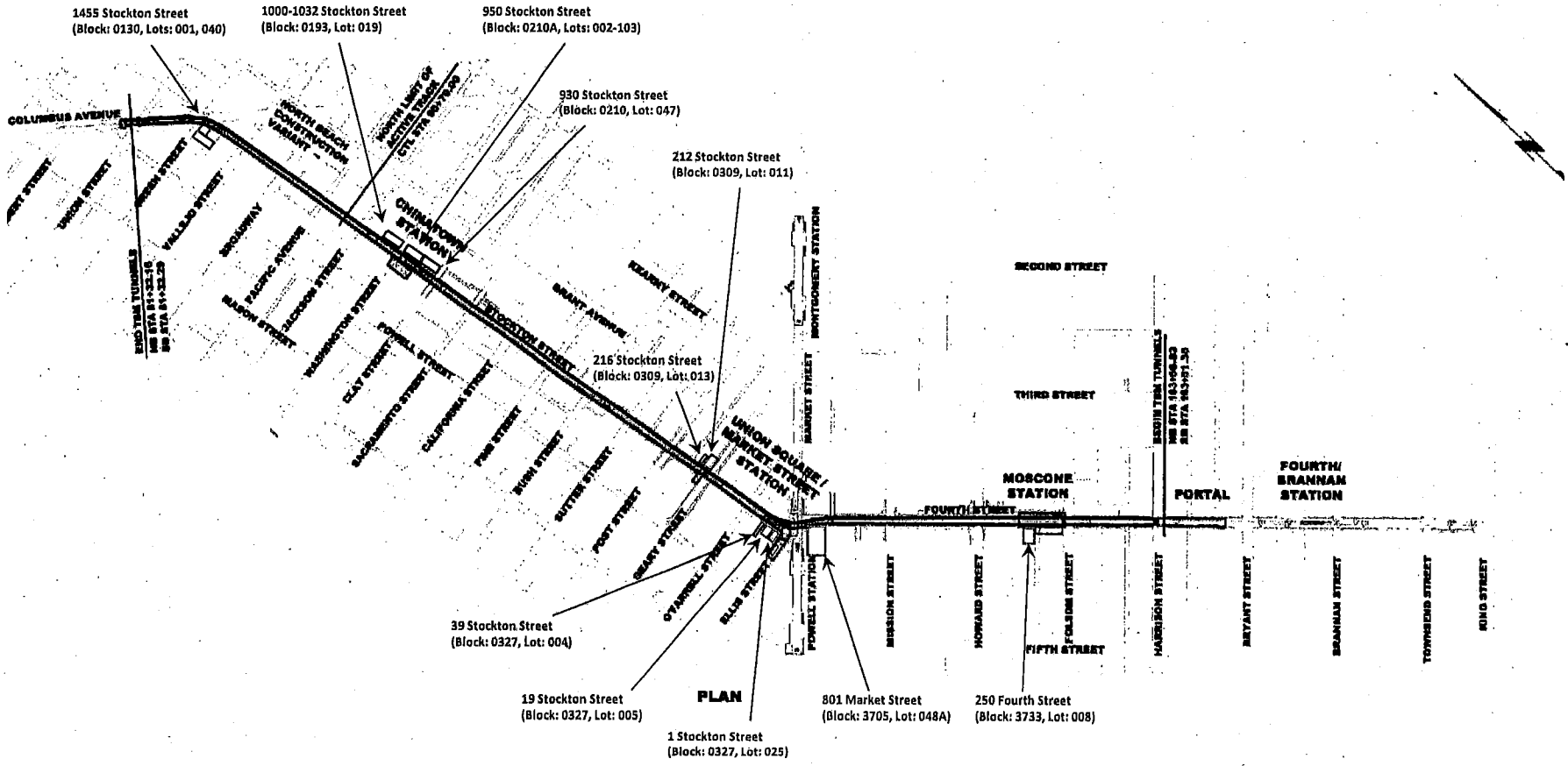
Being a part of 50 Vara Block No. 120

Assessor's Lot 11, Block 309

4

central T subway

Connecting people. Connecting communities.



5

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

Complete copy of the Central Subway Final Supplemental Environmental Impact Statement/ Supplemental Environmental Impact Report is located with the Clerk of the Board in File No. 121094, Tab 5

6

August 7, 2008
File No. 1996.281E
Assessor's Block 3733, Lot 093;
Assessor's Block 0308, Lot 001(portion);
Assessor's Block 0211, Lot 001 and
various easements.

SAN FRANCISCO

CITY PLANNING COMMISSION

MOTION NO. M-17668

ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED CENTRAL SUBWAY PROJECT, LOCATED ALONG AND UNDER FOURTH STREET AND UNDER STOCKTON STREET IN THE DOWNTOWN, CHINATOWN AND NORTH BEACH AREAS WITH A SURFACE STATION AT FOURTH/BRANNAN AND UNDERGROUND STATIONS AT MOSCONE, UNION SQUARE/MARKET STREET AND CHINATOWN AND CONSTRUCTION TUNNEL UNDER COLUMBUS AVENUE TO WASHINGTON SQUARE.

MOVED, That the San Francisco Planning Commission (hereinafter "Commission") hereby CERTIFIES the Final Environmental Impact Report identified as case file No. 96.281E – Central Subway (Phase 2 of the Third Street Light Rail) Project (hereinafter "Project") based upon the following findings:

1) The City and County of San Francisco, acting through the Planning Department (hereinafter "Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 et. seq., (hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31").

a. The Department determined that a Supplemental Environmental Impact Report (hereinafter "EIR") was required for Phase 2 of the Central Subway and provided public notice of that determination by publication in a newspaper of general circulation on June 11, 2005. As the original environmental document for the Third Street Light Rail Project (certified 1998) was a joint federal and state document, the supplemental is also a joint document, a Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report.

b. On October 17, 2007, the Department published the Draft Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report (hereinafter "DSEIS/SEIR") and provided public notice in a newspaper of general circulation of the availability of the document for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice.

c. Notices of availability of the DSEIS/SEIR and of the date and time of the public hearing were posted along the project site by staff on October 17, 2007. The Federal Transit Administration published a Notice of Availability of a Supplemental Environmental Impact Statement in the Federal Register on October 26, 2007.

d. On October 17, 2007, copies of the DSEIS/SEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, to adjacent property owners, and to government agencies, the latter both directly and through the State Clearinghouse.

e. The Notice of Completion for the DSEIR was filed with the State Secretary of Resources via the State Clearinghouse on October 15, 2007.

2) The Commission held a duly advertised public hearing on said Draft Supplemental Environmental Impact Report on November 15, 2007 at which time opportunity for public comment was given, and public comment was received on the DSEIS/SEIR. The period for acceptance of written comments ended on December 10, 2007.

3) The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 55-day public review period for the DEIR, prepared revisions to the text of the DSEIS/SEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DSEIS/SEIR. This material was presented in a "Draft Comments and Responses" document, published on July 11, 2008 was distributed to the Commission and to all parties who commented on the DEIR, to persons who had requested the document and was available to others upon request at Department offices.

4) A Final Environmental Impact Statement/Environmental Impact Report has been prepared by the Department, consisting of the Draft Environmental Impact Report, any consultations and comments received during the review process, any additional information that became available, and the Summary of Comments and Responses all as required by law.

5) On February 19, 2008, the San Francisco Municipal Transportation Agency (SFMTA) adopted as its preferred alternative the Locally Preferred Alternative (LPA) as described in the Final Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report as Alternative 3 Option B. The LPA would extend 1.7 miles north from the T-Third line terminus at Fourth and King Streets via Fourth and Stockton Streets to the Central Subway Terminus in Chinatown. Beginning at the existing T-Third station at Fourth and King Streets, the alignment would continue north on the surface of Fourth Street and go underground under the I-80 freeway to proceed in subway north under Fourth and Stockton Streets to Jackson Street in Chinatown. A construction option would continue the tunnels north of the Chinatown station under Stockton Street and Columbus Avenue to north of Union Street to allow for the removal of the tunnel boring machines. There would be one surface station on Fourth Street, north of Brannan Street and three subway stations at Moscone, Union Square/Market Street and Chinatown between Washington and Jackson Streets.

6) Project environmental files have been made available for review by the Commission and the public. These files are available for public review at the Department offices at 1650 Mission Street, and are part of the record before the Commission.

7) On August 7, 2008, the Commission reviewed and considered the Final Supplemental Environmental Impact Report and hereby does find that the contents of said report and the procedures through which the Final Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report was prepared, publicized and reviewed comply with the provisions of CEQA, the CEQA Guidelines and Chapter 31of the San Francisco Administrative Code.

8) The Planning Commission hereby does find that the Final Supplemental Environmental Impact Report concerning File No. 1996.281E – the Central Subway Project (Phase 2 of the Third Street Light Rail Project) reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the Comments and Responses document contains no significant new information to the DSEIS/SEIR that would require recirculation under CEQA Guideline Section 15088.5, and hereby does CERTIFY THE COMPLETION of said Final Supplemental Environmental Impact Report in compliance with CEQA, the CEQA Guidelines and Chapter 31.

9) The Commission, in certifying the completion of said Final Supplemental Environmental Impact Report, hereby does find that the project described in the Final Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report and as adopted as the LPA by the San Francisco Municipal Transportation Agency, described as Alternative 3B in the Final Supplemental Environmental Impact Report would have the following significant unavoidable environmental impacts, which could not be mitigated to a level of non-significance:

a. A significant effect on the environment in traffic impacts to the following intersections (1) project-specific impacts at Third/King in the am peak hour; and (2) cumulatively considerable impacts at Third/King in the am and pm peaks; and Fourth and King in the pm peak.

b. A significant effect on the environment in housing and employment in that the project would displace 8 businesses and 17 residential units with the demolition at 933-949 Stockton Street.

c. A significant effect on the environment in cultural resources in that the project may affect archaeological deposits and would cause demolition of a contributing historic resource to the Chinatown historic district at 933-949 Stockton Street.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of August 7, 2008.

Linda Avery
Commission Secretary

AYES: Antonini, Borden, Lee, Sugaya,
NOES: Olague, Miguel, Moore
ACTION: Certification of EIR

7

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 08-150

WHEREAS, The Third Street Light Rail Project Final Environmental Impact Statement/Environmental Impact Report (FEIS/FEIR) was certified in November 1998; and,

WHEREAS, On January 19, 1999, the Public Transportation Commission approved Resolution No. 99-009, which adopted the environmental findings for the Third Street Light Rail Project, including mitigation measures set forth in the 1998 FEIS/FEIR and Mitigation Monitoring Report; and,

WHEREAS, The Federal Transit Administration issued a Record of Decision on the 1998 FEIS/FEIR for the IOS on March 16, 1999; and,

WHEREAS, The Central Subway is the second phase of the Third Street Light Rail Project; and,

WHEREAS, Studies undertaken subsequent to the Final EIS/EIR certification identified a new Fourth/Stockton Alignment to be evaluated for the Central Subway Project; and,

WHEREAS, On June 7, 2005, the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors adopted Resolution 05-087, selecting the Fourth/Stockton Alternative (Alternative 3A) as the Locally Preferred Alternative (LPA) to be carried through the Supplemental EIS/EIR (SEIS/SEIR) and the federal New Starts process; and,

WHEREAS, Alternative 3B, Fourth/Stockton Alignment, was developed as a modified LPA in response to comments received through the public scoping process for the SEIS/SEIR initiated in June 2005 and also as a result of preliminary cost estimates identifying the need for Project cost savings; and,

WHEREAS, On October 17, 2007, SFMTA released for public comment a Draft SEIS/SEIR for the Central Subway Project, which evaluated a reasonable range of alternatives including: No Build/TSM (Alternative 1); Enhanced EIS/EIR Alternative (Alternative 2); Fourth/Stockton Alignment, LPA (Alternative 3A); and Fourth/Stockton Alignment, Modified LPA (Alternative 3B) with semi-exclusive surface right-of-way and mixed-flow surface operation options; and,

WHEREAS, The semi-exclusive surface right-of-way option for Alternative 3B, Fourth/Stockton Alignment, Modified LPA, would improve surface rail operations on Fourth

Street and reduce travel times for Central Subway patrons when compared to the mixed-flow option; and,

WHEREAS, The majority of comments received during the public comment period that concluded on December 10, 2007 supported construction of the Central Subway Project, and support was greater for Alternative 3B as the LPA; and,

WHEREAS, The SEIS/SEIR concluded that Alternative 3B will have significant unavoidable environmental impacts to traffic, historic resources and socioeconomics; and,

WHEREAS, The SEIS/SEIR identified Alternative 3B as the environmentally superior Build Alternative and the only fully funded alternative; and,

WHEREAS, The three other alternatives analyzed in the SEIS/SEIR, including a No Project/TSM Alternative, an Enhanced EIS/EIR Alignment (Alternative 2) and a Fourth/Stockton Alignment (Alternative 3A), are addressed, and found to be infeasible, in the CEQA Findings attached as Enclosure 3, which are incorporated herein by reference as though fully set forth. The CEQA Findings also set forth the benefits of the project that override its unavoidable significant impacts to traffic, historic resources and socioeconomics; and,

WHEREAS, The Final SEIS/SEIR was prepared to respond to comments on the Draft SEIS/SEIR and was distributed on July 11, 2008; and,

WHEREAS, the San Francisco Planning Commission certified the SEIS/SEIR as adequate, accurate and objective and reflecting the independent judgment of the Commission on August 7, 2008; and,

WHEREAS, The SFMTA Board has reviewed and considered the information contained in the SEIS/SEIR; and,

WHEREAS, the Central Subway project will assist SFMTA in meeting the objectives of Strategic Plan Goal No. 1 to provide safe, accessible, clean, environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First policy; Goal No. 2 to improve transit reliability; Goal No. 3 to improve economic vitality through improved regional transportation; and Goal No. 4 to ensure the efficient and effective use of resources; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors adopts the Central Subway Project Alternative 3B, Fourth/Stockton Alignment with semi-exclusive surface rail operations on Fourth Street and a construction variant to extend the tunnel another 2,000 feet north of Jackson Street to extract the Tunnel Boring Machine in a temporary shaft on Columbus Avenue near Union Street; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of

Directors adopts the CEQA Findings and Statement of Overriding Considerations for the SEIS/SEIR attached as Enclosure 3, and adopts the Mitigation Monitoring and Reporting Plan attached as Enclosure 4; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Executive Director/CEO to direct staff to continue with otherwise necessary approvals and to carry out the actions to implement the project.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of AUG 19 2008.

R. Boomer

Secretary, San Francisco Municipal Transportation Agency Board

8

FILE NO. 081138 MOTION NO. M08-145

[Affirm certification of Central Subway Project Final Supplemental EIR]

Motion affirming the certification by the Planning Commission of the Final Supplemental Environmental Impact Report for the Central Subway Project.

WHEREAS, The San Francisco Municipal Transportation Agency (the "Project Sponsor") is proposing to construct a continuation of the T-Third Light Rail Vehicle line from the Caltrain Station at Fourth and King Street to an underground station in Chinatown (the "Project"); and

WHEREAS, The Project Sponsor applied for environmental review of the Project, which is Phase 2 of the Third Street Light Rail Project for which the City certified a joint Environmental Impact Statement/ Environmental Impact Report (EIS/EIR) in 1998 (Planning Department Case File No 1996.281E); and

WHEREAS, The Planning Department for the City and County of San Francisco (the "Department") determined that a Supplemental EIS/EIR was required for the Project and provided public notice of that determination by publication in a newspaper of general circulation on June 11, 2005; and

WHEREAS, On October 17, 2007, the Department published the Draft Supplemental EIS/EIR and provided public notice in a newspaper of general circulation of the availability of the document for public review and comment and of the date and time of the Planning Commission public hearing on the Draft Supplemental EIS/EIR and mailed this notice to the Department's list of persons requesting such notice; and

WHEREAS, Notice of availability of the Draft Supplemental EIS/EIR and the date and time of the public hearing were posted along the project site on October 17, 2007 and on

October 26, 2007, the Federal Transit Administration published a notice of availability of the Supplemental EIS in the Federal Register; and

WHEREAS, On October 17, 2007, copies of the Draft Supplemental EIS/EIR were mailed or otherwise delivered to a list of persons requesting it, those noted on the distribution list in the Draft Supplemental EIS/EIR, and government agencies and a notice of completion was filed with the State Clearinghouse on October 15, 2007; and

WHEREAS, On November 15, 2007, the Planning Commission held a duly noticed public hearing on the Draft Supplemental EIS/EIR, at which time opportunity for public comment was received on the Draft Supplemental EIS/EIR, and written comments were received through December 10, 2007; and

WHEREAS, The Department prepared responses to comments received at the public hearing on the Draft Supplemental EIS/EIR and submitted in writing to the Department, prepared revisions to the text of the Draft Supplemental EIS/EIR and published a Draft Summary of Comments and Responses on July 11, 2008; and

WHEREAS, A Final Supplemental Environmental Impact Report ("Final Supplemental EIR") for the Project was prepared by the Department, consisting of the Draft Supplemental EIS/EIR, any consultations and comments received during the review process, any additional information that became available and the Draft Summary of Comments and Responses, all as required by law; and

WHEREAS, On August 7, 2008, the Commission reviewed and considered the Final Supplemental EIR and, by Motion No. M-17668, found that the contents of said report and the procedures through which the Final Supplemental EIR was prepared, publicized and reviewed complied with the provisions of the California Environmental Quality Act (CEQA), the State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code; and

WHEREAS, By Motion No. M-17668, the Commission found the Final Supplemental EIR to be adequate, accurate and objective, reflected the independent judgment and analysis of the Department and the Commission and that the Summary of Comments and Responses contained no significant revisions to the Draft Supplemental EIS/EIR, adopted findings relating to significant impacts associated with the Project and certified the completion of the Final Supplemental EIR in compliance with CEQA and the State CEQA Guidelines; and

WHEREAS, On August 19, 2008, by Resolution No. 08-150, the San Francisco Municipal Transportation Agency Board of Directors approved the Project; and

WHEREAS, On August 20, 2008, John Elberling, President/CEO of Tenants and Owners Development Corporation, filed an appeal of the Final Supplemental EIR with the Clerk of the Board of Supervisors; and

WHEREAS, On August 27, 2008, Gerald Cauthen and Howard Wong filed an appeal of the Final Supplemental EIR with the Clerk of the Board of Supervisors; and

WHEREAS, On August 27, 2008, James W. Andrew, of Ellman, Burke, Hoffman & Johnson, on behalf of the owners of 800 Market Street, filed an appeal of the Final Supplemental EIR with the Clerk of the Board of Supervisors; and

WHEREAS, The Board of Supervisors held a public hearing on September 16, 2008, to review the decision by the Planning Commission to certify the Final Supplemental EIR; and

WHEREAS, The Final Supplemental EIR files and all correspondence and other documents have been made available for review by the Board of Supervisors, the Planning Commission and the public; these files are available for public review by appointment at the Planning Department offices at 1650 Mission Street, and are part of the record before the Board of Supervisors; and

WHEREAS, This Board has reviewed and considered the Final Supplemental EIR and heard testimony and received public comment regarding the adequacy of the Final Supplemental EIR; now, therefore, be it

MOVED, That this Board of Supervisors hereby affirms the decision of the Planning Commission in its Motion No. M-17668 to certify the Final Supplemental EIR and finds the Final Supplemental EIR to be complete, adequate and objective and reflecting the independent judgment of the City and in compliance with CEQA and the State CEQA Guidelines.

City and County of San Francisco

Tails

Motion

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

File Number: 081138 **Date Passed:** September 16, 2008

Motion affirming the certification by the Planning Commission of the Final Supplemental Environmental Impact Report for the Central Subway Project.

September 16, 2008 Board of Supervisors — APPROVED

Ayes: 10 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin
Absent: 1 - Sandoval

File No. 081138

I hereby certify that the foregoing Motion was APPROVED on September 16, 2008 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

9

U.S. Department
of Transportation
Federal Transit
Administration

REGION IX
Arizona, California,
Hawaii, Nevada, Guam
American Samoa,
Northern Mariana Islands

201 Mission Street
Suite 1650
San Francisco, CA 94105-1839
415-744-3133
415-744-2726 (fax)

NOV 26 2008

Mr. Nathaniel P. Ford, Sr.
Executive Director/CEO
San Francisco Municipal Transportation Agency
One South Van Ness Ave., 7th Floor
San Francisco, CA 94103

Re: Central Subway Record of Decision

Dear Mr. Ford:

This is to advise you that the Federal Transit Administration (FTA) has issued a Record of Decision (ROD) for the Central Subway Project. The comment period for the Final Environmental Impact Statement closed November 2, 2008. FTA's Record of Decision is enclosed.

Please make the ROD and supporting documentation available to affected government agencies and the public. Availability of the ROD should be published in local newspapers and should be provided directly to affected government agencies, including the State Inter-governmental Review contact established under Executive Order 12372. Please note that if a grant is made for this project, the terms and conditions of the grant contract will require that San Francisco Municipal Transportation Agency (SFMTA) undertake the mitigation measures identified in the ROD.

This ROD gives SFMTA authority to conduct residential and business relocations and real property acquisition activities in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act and its implementing regulation (49 CFR part 24). SFMTA should bear in mind that pre-award authority for property acquisition is not a commitment of any kind by FTA to fund the project, and all associated risks are borne by SFMTA.

Thank for your cooperation in meeting the NEPA requirements. If you have questions, please call Alex Smith at 415-744-2599

Sincerely,

Leslie T. Rogers
Regional Administrator

Enclosure

RECORD OF DECISION

CENTRAL SUBWAY PROJECT

Phase 2 of the Third Street Light Rail Project
City and County of San Francisco, California
By the
San Francisco Municipal Transportation Agency

Decision

The U.S. Department of Transportation (DOT), Federal Transit Administration (FTA) has determined that the requirements of the National Environmental Policy Act (NEPA) of 1969 have been satisfied for the Central Subway Project proposed by the San Francisco Municipal Transportation Agency (SFMTA). This FTA decision applies to Alternative 3B, Fourth/Stockton Alignment, which is described and evaluated in the Central Subway Final Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report (Final SEIS/SEIR). The Response to Comments, Volume II of the Final SEIR was issued by the City and County of San Francisco in July 2008, and the Final SEIS/SEIR Volume I was issued by FTA in September 2008.

The Central Subway Project is Phase 2 of the Third Street Light Rail Project, which began operation in April 2007. The Project consists of a 1.7 mile extension, along Fourth and Stockton Streets, from the existing Third Street Light Rail Station at Fourth and King Streets to a new terminus in Chinatown at Stockton and Jackson streets. The Project would operate as a surface double-track light rail in a primarily semi-exclusive median on Fourth Street between King and Bryant streets. The rail would transition to a subway operation at a portal under the I-80 Freeway, between Bryant and Harrison streets, and continue underground along Fourth Street in a twin-tunnel configuration, passing under the BART / Muni Market Street tube and continuing north under Stockton Street to the Chinatown Station. The Project would have four stations: one surface station between Brannan and Bryant streets and three subway stations: Moscone, Union Square/Market Street, and Chinatown. Twin construction tunnels would extend under Stockton Street beyond the Chinatown Station, located under Stockton Street between Clay and Jackson streets, and continuing north under Stockton Street to Columbus Avenue in the vicinity of Washington Square. This temporary construction tunnel would be used for the extraction of the Tunnel Boring Machines. Alternative 3B was selected as the Locally Preferred Alternative (LPA) by the SFMTA on February 19, 2008

This Record of Decision covers final design and construction of the Phase 2, Central Subway Project, to complete the 7.1-mile long Third Street Light Rail Project. The Project was adopted by the SFMTA Board on August 19, 2008.

Background

The Bayshore System Planning Study completed by the San Francisco Municipal Railway in December 1993 was the first step in the planning process to implement major public transportation improvements in the southeastern quadrant of San Francisco. The study recommended implementation of light rail service along the Third Street Corridor, linking Visitacion Valley in the south with the Bayview Hunters Point, Mission Bay, South of Market, Downtown and Chinatown and promoting economic revitalization in these congested neighborhoods along the corridor within San Francisco.

The Federal environmental review process for the Third Street Light Rail Project, that included both the Phase 1 Initial Operating Segment, and the Phase 2 Central Subway, was initiated with a Notice of Intent published in the Federal Register on October 25, 1996 and the Final EIS/EIR was completed in November 1998. FTA issued a Record of Decision (ROD) for the Initial Operating Segment in March 1999. Approval of the Phase 2 Central Subway Project was deferred until the Third Street Light Rail was included in MTC's Regional Transportation Plan, which occurred in 2001 and made the Project eligible for federal funding. Preliminary engineering studies were initiated in 2003 to re-evaluate the feasibility of alignment and station alternatives, construction methods and tunnel portal locations. These studies were presented to the Community Advisory Group (CAG) beginning in 2003 and to the public beginning in 2004 and resulted in changes to the Project. As a result of these changes and with the approval of FTA, a Supplemental environmental review was initiated in 2005.

Public Opportunity to Comment

A Notice of Preparation (NOP) for the Supplemental Environmental Impact Report for The Central Subway Project was sent to the State Clearinghouse and was circulated by the San Francisco Planning Department in June of 2005. A second NOP was sent to all property owners and occupants within 300 feet of the alignment alternatives in September 2006. A Scoping meeting was held on June 21, 2005 and a Scoping Report was transmitted to FTA on November 27, 2006.

The Central Subway project has had an extensive public outreach program as a continuation of the outreach activities for the Initial Operating Segment (Phase 1) of the Third Street Light Rail. The outreach activities for the Central Subway, Phase 2 of the Project, include:

- Twenty-five community and Community Advisory Group meetings were held at various locations along the alignment to address issues of importance to local residents and businesses
- Over 150 presentations by SFMTA project staff to agencies, organizations and community groups throughout the City and the Bay Area.
- A project website, www.sfmta.com/central, was continually updated with the latest information.

- A project hotline, 415.701.4371, and an email address, central subway@sfmta.com, was provided for the submission of comments and questions about the Project.
- Project newsletters were written in English, Chinese and Spanish.
- A Community Advisory Group, with over 20 members representing major associations and stakeholder groups, was formed.
- A news conference was held on October 17, 2007, to announce the release of the Draft Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report (Draft SEIS/SEIR).
- A press conference was held by Mayor Gavin Newsom in Chinatown on February 19, 2008.
- The Project website incorporated an electronic version of the Draft SEIS/SEIR which increased the public's ability to review and comment on the document.
- Two widely publicized community meetings were held in the fall of 2007 immediately following the release of the Draft SEIS/SEIR.
- A Public Hearing on November 15, 2007 occurred to receive public input on the Draft Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report (Draft SEIS/SEIR).
- Presentations were made to several City agencies and Commissions.

The Draft Supplemental Environmental Impact Statement/Environmental Impact Report ("Draft SEIS/SEIR") was prepared and distributed to the public (affected agencies and organizations and individuals who had requested a copy of the document) on October 17, 2007. The Notice of availability of the Draft SEIS/SEIR was published in the San Francisco Examiner newspaper and was sent to a standard San Francisco Planning Department mailing list, including public libraries and persons requesting notification, and to those individuals expressing interest in the project. A Notice of Availability for the Draft SEIS was published in the Federal Register (Vol. 72, No 207, page 60847), October 26, 2007. The Notice of Availability was also posted in English and Chinese along the project corridor, including along both Third Street and Fourth Street beginning at King Street to Market Street and along Stockton Street to Washington Square. Newsletters were sent to the project mailing list announcing the availability of the Draft SEIS/SEIR. A postcard, announcing public meetings held on October 30, 2007 and November 8, 2007 to discuss the Draft SEIS/SEIR, were mailed to property owners and occupants within 300 feet of the project corridor. The Draft SEIS/SEIR was available for on-line review on the SFMTA web site. Over 160 copies in printed and compact disc versions, of the Draft SEIS/SEIR were mailed to agencies and individuals, including the State Clearinghouse.

The document was also available for review at the following locations:

- San Francisco Planning Department, 1660 Mission Street, First Floor Public Information Center;
- SFMTA Central Subway Project office at 821 Howard Street, 2nd floor

- San Francisco Central Library, 100 Larkin Street;
- Hastings College of Law Library, 200 McAllister Street;
- Chinatown Library, 1135 Powell Street;
- North Beach Library, 2000 Mason Street;
- San Francisco State University Library, 1630 Holloway Street;
- Institute of Governmental Studies Library, Moses Hall, at University of California, Berkeley; and,
- Stanford University Libraries, Stanford, CA.

In addition to the public meetings held over the course of the Project, three community meetings to share information about the Draft SEIS/SEIR were held in 2007 (October 30 at the Pacific Energy Center at 851 Howard Street; November 8, at the Gordon J. Lau Elementary School in Chinatown, and November 13 at One South Van Ness with the Community Advisory Group). The Public Hearing on the Draft SEIS/SEIR was held on November 15, 2007 at the San Francisco Planning Commission in San Francisco City Hall. Forty written comments on the Draft SEIS/SEIR were received and 23 persons commented at the Public Hearing.

Alternatives Considered in the Supplemental EIS/EIR

The No Project / No Build/TSM Alternative consists of the existing T-Third LRT and existing Muni bus service with projects programmed in the financially constrained Regional Transportation Plan. It includes growth and proposed development in San Francisco in the 2030 horizon year. Under this alternative it is assumed that bus service would increase by about 80 percent by 2015 to meet demand and increased frequencies on the 30 Stockton and 45-Union bus line would be among bus changes.

The No Build/TSM Alternative is rejected for the following reasons:

- Fails to Accommodate Year 2030 Transit Demand of 99,600 weekday bus passengers, an increase over existing ridership of 30,900 bus passengers.
- Fails to complete the Third Street LRT (T-Line) as described in the 1998 EIR/EIS, and is not consistent with the 1995 Four Corridor Plan or Regional Transportation Plan.
- Fails to Create a Transit Oriented Development – The No Build Alternative will not facilitate the development of high density mixed use development south of Market (Moscone Station) or in the Chinatown area that would encourage the use of environmentally friendly transportation thereby reducing transportation impacts of the development
- The No Project / No Build Alternative would result in reduced transit service reliability, increased transit travel times, increased energy consumption, and increased air pollution when compared to some or all of the Build Alternatives.

The No Build/TSM Alternative would also be less consistent than the Locally Preferred Alternative (LPA) with many of the policies and goals of the General Plan including, but not limited to: transit services would not keep pace with future travel demand in the Study Area. As the quality and efficiency of public transit service deteriorates users could be attracted to alternative modes of transportation, including use of private vehicles. For this reason, the No Project/TSM Alternative would be inconsistent with transportation policies contained in Area Plans that encourage accommodating future employment and population growth in San Francisco through transit, rather than private automobiles. For the economic, social, travel demand and other considerations set forth herein and in the Final SEIS/SEIR, the No Build Alternative is rejected as infeasible.

Under the Build Alternatives, Alternative 2 is the same alignment along King, Third, Fourth, Harrison, Kearny, Geary, and Stockton streets with a shallow subway crossing of Market Street as presented in the 1998 FEIS/FEIR, but with the addition of above-ground emergency ventilation shafts, off-sidewalk subway station entries where feasible, and the provision of a closed barrier fare system. This alternative includes one surface platform at Third and King Streets and four subway stations at Moscone, Market Street, Union Square and Chinatown.

Alternative 2 is rejected for the following reasons:

- The Community Advisory Group (CAG) and public input did not prefer this alternative; and in particular, the residents along Third Street expressed concern that the Third Street surface alignment portion of this alternative would significantly disrupt their neighborhood.
- The split alignment (along a section of Third Street and Fourth Street) made operation of the T-Third/Central Subway system less efficient for operation than the straight alignment of Alternative 3A and 3B. Alternative 2 has the highest incremental cost per hour of transportation system-user benefit of all of the build alternatives (+$9 per hour over 3A and 3B) and would be assigned a low cost effectiveness rating based on FTA criteria.
- The Alternative 2 connection to the BART/Muni Market Street Subway at Montgomery Station involves a long narrow pedestrian walkway as compared to the more direct connection to the BART/Muni Market Street Subway at Powell Street Station for Alternatives 3A and 3B.
- The Capital Cost of this Alternative would be $1,685 million in the year of expenditure (YOE) dollars which is higher than either Alternative 3A ($1,407 million) or 3B ($1,235 million).
- This alternative would not offer fewer environmental impacts than Alternatives 3A or 3B and would impact Union Square with vent shafts and visual changes to the eastern stairway of the Park; would displace 59 off-street parking spaces; would result in impacts (shadow and visual) to Willie "Woo Woo" Wong Park from the station at 814-828 Stockton Street in Chinatown; would displace 10 small businesses compared with eight small businesses in Alternative 3B; would potentially impact 14 highly sensitive prehistoric archaeological sites, three sensitive historical archaeological sites, and three historical architectural properties (as compared to seven highly sensitive prehistoric archaeological

properties for Alternative 3B LPA); and would have significant traffic impacts at the intersections at Third and King streets and Sixth and Brannan Streets.

Alternative 3A is the same alignment as Alternative 3B (the LPA and the Proposed Project) but differs from Alternative 3B in the station locations and station platform size and tunnel length and has no surface station. Alternative 3A is rejected for the following reasons:

- The Capital Cost of this alternative would be $1,407 million (YOE) compared with the cost of Alternative 3B at $1,235 million (YOE), a $172 million difference.
- The Chinatown Station located at 814-828 Stockton Street is one block further from the core of Chinatown retail district than the Chinatown Station in Alternative 3B.
- The property at 814-828 Stockton Street would need to be demolished for the station, and this building has been identified as potentially historic (built in 1923) and a contributor to the potential Chinatown Historic District.
- This alternative would displace ten small business compared with eight for Alternative 3B.
- The Chinatown station at 814-828 Stockton would have significant impacts to the Willie "Woo Woo" Wong Park to the east including visual, shadow, pedestrian traffic, and noise impacts during construction. This alternative is not preferred by the Recreation and Park Commission.
- The station at Union Square/Market Street would have a vent shaft in Union Square and the entry to the station in the middle of the steps along the east side (Stockton Street) of the Park; this was not preferred by the Recreation and Park Commission when compared with Alternative 3B because of the vent shafts in the Park and the cross-Park pedestrian traffic to the entry on the Stockton Street side of the Park.

Basis for the Record of Decision

The Central Subway Project has been the subject of a series of environmental and planning studies supported by preliminary engineering. These studies were used to help identify a series of alternatives for evaluation in the SEIS/SEIR planning process that began in early 2004.

The Draft SEIS/SEIR presented a complete analysis of the environmental impacts of alternatives. During the Draft SEIS/SEIR comment period members of the public and agencies suggested several additional alternatives or refinements to the existing alternatives. These alternatives and refinements were considered by the SFMTA and used to help define the Locally Preferred Alternative (LPA).

The Fourth/Stockton Alignment 3B Alternative is selected as the LPA because it has the following major advantages:

- Lowest capital cost of all Build Alternatives and is the only Build Alternative that can be completed within the currently identified Project funding commitment.
- Least impact of the Build Alternatives to Union Square Park because the station entry would be on the Geary Street terraced side of the Square, not in the middle of the steps to the plaza on the east side of the park on Stockton Street. This alternative has been approved to have "de minimis" impacts to Section 4(f) resources by the San Francisco Recreation and Park Commission. No shadow impacts would result from the Geary Street station entry on Union Square Park because the station entry would be incorporated into the terraced edge of the Park below the Park plaza and visual impacts would be less-than-significant.
- Reduced construction duration and less surface disturbance and other construction-related impacts as compared to Alternative 2 as a result of using deep (TBM) tunneling methods.
- Reduced impacts associated with archaeological and historical resources, utility relocations, noise and vibration, and park and recreation facility impacts compared to the other Build Alternatives.
- Semi-exclusive right-of-way for light rail vehicles (similar to much of the N-Judah and the Third Street operation) on most of the surface portion of the rail line, thereby improving rail operations by reducing potential delays associated with traffic congestion on Fourth Street and improving travel times for Central Subway patrons on the surface portion of the rail line.

Measures to Minimize Harm

All mitigation measures set forth in the Final SEIS/SEIR are reproduced in Attachment 1, Mitigation Monitoring and Reporting Program (MMRP). None of the mitigation measures set forth in the Final SEIS/SEIR are rejected. Responsibility for implementation and monitoring are identified in the MMRP. FTA finds that the measures presented in the Final SEIS/SEIR and MMRP will mitigate, reduce, or avoid the significant environmental effects of the Project. The MMRP was adopted by SFMTA as part of Project approval on August 19, 2008. Mitigation measures will be incorporated into the final plans and specifications for the project and will be implemented by San Francisco City Departments (including SFMTA in cooperation with the Transbay Joint Powers Authority, the Golden Gate Bridge, Highway and Transportation District), with applicable jurisdiction as set forth in the MMRP.

The mitigation measures also include mitigation in the areas of traffic, freight and loading, socioeconomics, archaeological resources, geology and seismicity, hydrology and water quality, noise and vibration, hazardous materials during construction, air emissions, and visual/aesthetics during construction. SFMTA is responsible for making sure that all mitigation measures are implemented during construction and operation of the Project.

The City and County of San Francisco, in accordance with federal and state law, and to the extent it is within its jurisdiction, will mitigate the impacts of property acquisition and relocations required by the Project providing information and relocation assistance to those as set forth therein. Future development of the Moscone and Chinatown stations

with retail space and low-income housing units will further reduce impacts of relocated businesses and residents

Final design of the proposed Transit Oriented Development above the Chinatown Station at 933-949 Stockton Street will be under the jurisdiction of the San Francisco Planning Department. The Final SEIS/SEIR and the Memorandum of Agreement (MOA) with the State Historic Preservation Officer (SHPO) includes mitigation for the demolition of this potentially historic resource that incorporates partial preservation of the building at 933-949 Stockton Street, which has been concurred with by the SFMTA. FTA thereby urges the City of San Francisco Planning, in approving any new development of the parcel, to require the incorporation of historic elements of the building façade into the design of the station. In proposing final design, SFMTA and City of San Francisco Planning should work cooperatively with representatives of the Chinatown community in developing the final design and with the SF Landmarks Preservation Advisory Board and the SHPO as described in Attachment 2, Memorandum of Agreement. The final station design will undergo independent environmental review.

Determination and Findings

The environmental record for the Central Subway project is included in the Final SEIS, Volume II, dated July 11, 2008, and the Final SEIS, Volume I, dated September 23, 2008. These documents present the detailed statement required by NEPA and U.S.C. 5324(b) and include:

- The environmental impacts of the Project;
- The adverse environmental impacts that cannot be avoided should the Project be implemented; and,
- Alternatives to the proposed Project.

Comments Received on SFEIS within 30-day Comment Period

In response to the public notice of availability published in the Federal Register on October 3, 2008, the Federal Transit Administration received one response letter, from the United States Environmental Protection Agency (EPA), Region IX office (see Attachment 3). The letter noted EPA's ongoing support of several of the project's goals for minimizing environmental impacts, maximizing transit use, and meeting community needs. EPA also requested further clarification on whether the trucks removing excavated soil from the project site will be subject to the same air quality mitigation requirements as on-site construction vehicles. The air quality control measures, as outlined on pages 6-112 and 6-112a of the Central Subway Final SEIS/SEIR, Volume I September 2008 will be applied, where feasible, to soil haul trucks as well as to construction vehicles operating on-site to meet EPA standards. These control measures will be incorporated into the construction specifications and contract documents. With the implementation of these control measures, no significant air quality impacts were identified for the implementation of the Central Subway Project.

On August 7, 2008, the San Francisco Planning Commission certified the Final Supplemental Environmental Impact Report. The SFMTA adopted the Project Findings,

the Mitigation Monitoring and Reporting Program, and the Statement of Overriding Considerations on August 19, 2008. Three appeals of the Final SEIR certification by the Planning Commission were filed with the San Francisco Board of Supervisors; however two were withdrawn prior to the public hearing held before the Board of Supervisors on September 16, 2008. At the Board of Supervisors hearing, eleven individuals spoke in support of the appellant and nine individuals spoke in support of the certification for the environmental document. The Board of Supervisors voted to uphold the Planning Commission's certification of the Final SEIR (see Attachment 4).

On the basis of the evaluation of the social, environmental and economic impacts contained in the final SEIS and the written and oral comments offered by the public and other agencies, FTA has determined, in accordance with 49 U.S.C. 5324(b) that:

- Adequate opportunity was afforded for the presentation of views by all parties with vested economic, social or environmental interest in the Project and that fair consideration has been given to the preservation and enhancement of the environment and to the interests of the community in which the proposed Project is to be located; and
- All reasonable steps have been taken to minimize the adverse environmental effects of the proposed Project and where adverse environmental effects remain, no reasonable alternative to avoid or further mitigate such effects exists.

Conformity with Air Quality Plans

The Federal Clean Air Act, as implemented by 40 CFR Parts 51 and 93, as amended, requires that transportation projects conform with the State Implementation Plan's (SIP) purpose of eliminating or reducing the severity and number of violations of the national ambient Air Quality Standards (NAAQS) and of achieving expeditious attainment of such standards. The Environmental Protection Agency (EPA) regulation implementing this provision of the Clean Air Act establishes criteria for demonstrating that a transportation project conforms to the applicable air quality plans. The performance of the selected light rail project in meeting the conformity criteria contained in the EPA regulation was evaluated in the Draft and Final SEIS, Section 5.11. The Project meets the criteria in 40 CFR Parts 51 and 93 for projects from a conforming plan and Transportation Improvement Program (TIP) and conforms to air quality plans for the Bay Area Region and the Clean Air Act Amendments of 1990.

Section 4(f) Coordination and Determination

A total of three publicly-owned parks and recreation areas and one potentially historic property protected by Section 4(f) of the Department of Transportation Act of 1966, amended in 2005 as part of SAFETEA-LU (Section 6009(a)) to address "de minimis, or minor impacts and simplify the review and approval process, are addressed in the SEIS. FTA concurs with the San Francisco Recreation and Parks Department with the de minimis finding for impacts to Union Square, Willie "Woo Woo" Wong and Washington Square parks. Attachment 5 describes the San Francisco Recreation and Parks

unanimous vote to support a de minimis finding by FTA. Coordination and concurrence with San Francisco regarding the temporary impacts is found in the Final SEIS.

FTA's rule establishing procedures for determining that the use of a Section 4(f) property has a de minimis impact on the property is found at 23 CFR 771 and 774. In accordance with the provisions of 23 CFR Part 774.7 (b), FTA has determined there is sufficient supporting documentation to demonstrate that the impacts to Section 4(f) property, after avoidance, minimization, mitigation, or enhancement measures are taken into account, are de minimis as defined in Part 774.17 and the coordination required in Part 774.5 (b) has been completed.

Section 106

The Programmatic Agreement between FTA and the SHPO and SFMTA signed in 1998 for the Third Street Light Rail Project (that included the Phase 2 Central Subway), has been revised in a MOA (Attachment 2) to address the treatment plan and documentation and mitigation for the Central Subway, Alternative 3B. The MOA addresses both archaeological resources for the sub-surface excavation/tunneling, and the historic property for Transit Oriented Development (TOD) above the Chinatown Station at 933-949 Stockton Street. The final design for the TOD portion of the station will be under the jurisdiction of the San Francisco Planning Department and will include input from architectural historians, the Chinatown community, and the Landmarks Preservation Advisory Board consistent with the mitigation measures in the MOA and MMRP.

Based on the findings in the Final SEIS, and the MOA for the Section 106 properties, FTA and the California SHPO agree that a finding of adverse effect will occur at 933-949 Stockton Street. SFMTA will abide by all MOA requirements.

Finding

On the basis of the determinations made in compliance with relevant provisions of federal law, FTA finds the Central Subway, Phase 2 of the Third Street Light Rail Project, has satisfied the requirements of the National Environmental Policy Act of 1969, the Clean Air Act of 1970, and the U.S. Department of Transportation Act of 1966, all as amended.

Leslie T. Rogers
Regional Administrator, Region IX

NOV 26 2008
Date

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FW: Central Subway SEIS/R Acknowledgement
Hollins, Guy
to:
Crossman, Brian
10/19/2012 09:40 AM
Cc:
"Clifford, Alex J"
Hide Details
From: "Hollins, Guy" <Guy.Hollins@sfmta.com>
To: "Crossman, Brian" <Brian.Crossman@sfgov.org>,

Cc: "Clifford, Alex J" <Alex.Clifford@sfmta.com>

Brian -

Please see the response below from Paul Maltzer regarding environmental review for the compensation grouting licenses.

Thanks,

Guy

From: Maltzer, Paul [paul.maltzer@sfgov.org]
Sent: Friday, October 19, 2012 9:37 AM
To: Hollins, Guy; Jacinto, Michael
Cc: Wycko, Bill
Subject: RE: Central Subway SEIS/R Acknowledgement

Guy

rsuant to your request below, I have looked at the Central Subway Final Supplemental EIS/EIR, completed in September of 2008. That EIS/EIR analyzed an Alternative which included a tunnel following the alignment under 4th Street, crossing under Market Street and proceeding north under Stockton Street. In terms of the tunnel construction methods and techniques described and analyzed, the EIR/EIR specifically discussed the potential need for underground compensation grouting pipes to allow for the immediate injection of cement grout to replace ground losses caused by tunneling, should that become necessary. The EIS/EIR described and analyzed the potential for jet grouting, permeation grouting, compaction grouting and compensation grouting underneath properties along the tunnel alignment.

As the sites that you have listed below are all located along the tunnel alignment described in the EIS/EIR, and the potential for underground grouting as a potential construction technique was also included and analyzed in the EIS/EIR, these activities have all been covered in the 2008 Final Supplemental EIS/EIR and no additional environmental review is required for these actions.

Paul Maltzer
Senior Planner
San Francisco Planning Department
Environmental Planning
paul.maltzer@sfgov.org
415-575-9038
[Please note: I presently work a part-time schedule
In the office on Tuesdays, Wednesdays & Fridays]

From: Hollins, Guy [mailto:Guy.Hollins@sfmta.com]
Sent: Wednesday, October 17, 2012 4:09 PM
To: Jacinto, Michael
Maltzer, Paul
Subject: RE: Central Subway SEIS/R Acknowledgement

Michael –

Thanks for the follow up email. We'll need Planning's response by Monday or Tuesday of next week.

Guy Hollins
701-5266

From: Jacinto, Michael [mailto:michael.jacinto@sfgov.org]
Sent: Wednesday, October 17, 2012 3:44 PM
To: Hollins, Guy
Cc: Maltzer, Paul
Subject: RE: Central Subway SEIS/R Acknowledgement

Guy,

Following up on your voicemail (per email), I believe Paul is indeed our liaison to the MTA on matters related to the Central Subway and he is out today. When do you need Planning's acknowledgement?

Michael Jacinto
San Francisco Planning Department
Environmental Planning
1650 Mission Street, Suite 400
San Francisco, CA 94103
phone: 415.575.9033
fax: 415.558.6409
email: michael.jacinto@sfgov.org

From: Hollins, Guy [mailto:Guy.Hollins@sfmta.com]
Sent: Tuesday, October 16, 2012 6:30 PM
To: Maltzer, Paul; Jacinto, Michael
Cc: Crossman, Brian; Pearson, Audrey; Clifford, Alex J
Subject: Central Subway SEIS/R Acknowledgement

Hi Paul and Michael –

The Central Subway project needs to move forward with Resolutions of Necessity at the Board of Supervisors to preserve our ability to do work at eleven properties within the tunnel alignment and adjacent to our subsurface stations:

- Block 130, Lot 001: 1455 Stockton
- Block 193, lot 019: 1000-1032 Stockton
- Block 210A, lot 047: 930 Stockton
- Block 210A, lot 002-103: 950 Stockton
- Block 327, lot 025: 1 Stockton
- Block 309, lot 011: 212 Stockton
- Block 309, lot 013: 216 Stockton
- Block 327, lot 004: 39 Stockton
- Block 327, lot 005: 19 Stockton
- Block 3705, lot 048: 801 Market
- Block 3733, lot 008: 250 Fourth Street

The work in question is the installation of temporary grout tubes under these properties to mitigate potential building settlement during the construction of the Tunnels as well as the Chinatown, Union Square and Moscone stations. Over the past few months, we have notified each property owner of the need to perform the work under a temporary license agreement, appraised the value of these licenses, and made offers to the property owners in accordance with FTA requirements. All but one of the property owners have responded to our correspondence(s) and we are in various stages of license negotiation with each property. While we are pushing forward with these license negotiations, we cannot risk a delay to this project if one or more of the property owners does not sign the license agreement. Therefore, we will be requesting the Board of Supervisors approve resolutions of necessity for these license agreements.

The Board does require that the SFMTA seeks a determination from Planning that these temporary licenses are covered in the Central Subway Project's SEIS/R. Can you confirm that the actions described above are covered in the Central Subway Project's

SEIS/R completed in 2008, and that no additional environmental review is needed? I've attached a previous email from you earlier this year regarding a similar acknowledgement.

nks for your help,

Guy Hollins
Central Subway Project
(415) 701-5266

11

SAN FRANCISCO
PLANNING DEPARTMENT

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CA 94103-2479

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Information:
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May 4, 2009

Mr. John Funghi
San Francisco Municipal Transportation Agency
One South Van Ness, 7th Floor
San Francisco, CA 94103

RE: CASE NO. 2008.0849R
CENTRAL SUBWAY PROJECT
Fourth and King Streets to Stockton and Jackson Streets

Dear Mr. Funghi:

On August 4, 2008, the Department received your request for a General Plan Referral as required by Section 4.105 of the Charter and Section 2A.53 of the Administrative Code.

PROJECT DESCRIPTION

The proposed Central Subway Project is the second phase of the San Francisco Municipal Transportation Agency's (SFMTA) Third Street Light Rail Project. The Central Subway Project will extend Muni transit service improvements from the present terminus of the Third Street Light Rail Line at Fourth and King Streets through South of Market, Downtown terminating in Chinatown.

The Central Subway project would extend rail operations 1.7 miles north from the Third Street Light Rail Line terminus (reviewed under Case No. 1996.281!ER) at Fourth and King Streets via Fourth Street and Stockton Street, terminating in Chinatown. Beginning at the existing T-Third station platform on Fourth at King Streets, a new surface light rail would be constructed north on Fourth Street, operating in a semi-exclusive right-of-way, to a double-track underground portal between Bryant and Harrison Streets under I-80. A double-track subway operation would continue north under Fourth Street to Market Street, continuing under Stockton Street to a terminus in the vicinity of Stockton and Jackson Streets. One new surface station at Fourth Street, north of Brannan Street, and three subway stations at Moscone Center, Union Square/Market Street, and Chinatown would be constructed (see Attachment 1). The new Union Square/Market Street would connect with the existing BART/MUNI Metro Powell Street Station)

To accommodate construction activities, the tunnel for the Central Subway would be extended north of the Chinatown Station approximately 2,000 feet to facilitate construction and extraction of the Tunnel Boring Machine (TBM). The construction tunnel would continue north on Stockton Street to a temporary shaft on Columbus Avenue near Washington Square Park where the TBM would be extracted and construction equipment and materials could be delivered. This section of

the tunnel (north of Jackson Street) would be used for construction purposes only. A list of properties along the proposed Central Subway project alignment is provided in Attachment 2.

ENVIRONMENTAL REVIEW

The Project was reviewed as part of the Central Subway Final Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report (FSEIS/FSEIR) and was certified by the Planning Commission on August 7, 2008 and approved by the SFMTA Board on August 19, 2008. The SEIS/SEIR identified impacts resulting from project construction including noise, dust, vibration, historic resources impacts, and transit/traffic operational impacts. In addition, the project will require that a portion of the Union Square plaza be used to accommodate a subway station entrance.

GENERAL PLAN CONSISTENCY

The project has been reviewed for consistency with General Plan policies and with the Eight Priority Policies of the Planning Code Section 101.1 and the findings are attached (in Attachments 3 and 4, respectively). Based on the information submitted, the Department finds that the proposed project, Central Subway Project is, **on balance, in conformity** with the San Francisco General Plan provided that identified project impacts are addressed as stated in the FSEIS/FSEIR's Mitigation Monitoring and Reporting Program (Attachment 5). However, specific project elements that have the potential to impact land use, urban design features and historic resources have not been developed to a level that the Planning Department / Planning Commission can provide a General Plan conformity determination. **The following aspects of the project will therefore be subject to separate General Plan Referral submittals.**

FURTHER PLANNING DEPARTMENT REVIEW

The SFMTA should continue to work with the Planning Department on the following three components of the plan. Ultimately these elements will require further review and General Plan conformity determination(s) as design of the Central Subway moves forward.

Urban Design Considerations

The Central Subway will significantly impact the City's public realm. Therefore, great care must be focused on the design of stations and on-street portions of the rail line. All above grade structures and the interface between Central Subway elements and the street including subway entrances will need to be reviewed by the Planning Department for conformance with the General Plan Urban Design and Transportation Elements. Station areas should be designed with careful attention to urban design, accessibility and the streetscape recommendations contained in the City's *Better Streets Plan.*

Historic Preservation

Acquisition and demolition of the historic building at 933-949 Stockton Street for the purpose of constructing the Chinatown Station should be mitigated as described in the FSEIS/FSEIR's Mitigation Monitoring and Reporting Program. Mitigation measures include documentation of the existing historic building, salvaging architecturally significant building features, and creation of a display of salvaged material in the new Chinatown station.

Sincerely,

John Rahaim
Director of Planning

Attachments:

1. Central Subway Project Alignment Map
2. List of Parcels along proposed Central Subway
3. General Plan Case Report
4. Planning Code Sec. 101.1(b) Priority Policies
5. FSEIS/FSEIR Mitigation & Monitoring Program

cc J. Swae, Planning Department
K. Rich, Planning Department
V. Wise, Planning Department

I:\Citywide\General Plan\General Plan Referrals\2008\2008.0849R Central Subway.doc

SITE MAP: ATTACHMENT 1

GENERAL PLAN CASE REPORT: ATTACHMENT 3

RE: CASE NO. 2008.0849R
CENTRAL SUBWAY PROJECT
Fourth and King Streets to Stockton and Jackson Streets

STAFF REVIEWER: JON SWAE

GENERAL PLAN CONSIDERATIONS

General Plan Objectives, Policies, and Principles are in **bold font**, and staff comments are in *italic* font.

TRANSPORTATION ELEMENT

OBJECTIVE 1

MEET THE NEEDS OF ALL RESIDENTS AND VISITORS FOR SAFE, CONVENIENT AND INEXPENSIVE TRAVEL WITHIN SAN FRANCISCO AND BETWEEN THE CITY AND OTHER PARTS OF THE REGION WHILE MAINTAINING THE HIGH QUALITY LIVING ENVIRONMENT OF THE BAY AREA.

The project will serve residents, visitors and workers in San Francisco while providing connections within the city and to the larger region.

POLICY 1.3

Give priority to public transit and other alternatives to the private automobile as the means of meeting San Francisco's transportation needs, particularly those of commuters.

By providing an exclusive transit right-of-way on the surface or in a subway that does not compete with traffic on congested surface streets, the project gives priority to public transit and provides an attractive alternative to private automobile travel.

POLICY 1.5

Coordinate regional and local transportation systems and provide for interline transit transfers.

The subway and light rail will provide direct connections to Caltrain, BART, regional bus service, cable cars and other Muni lines.

POLICY 2.2

Reduce pollution, noise and energy consumption.

The project will encourage increased travel by public transit, a greener and cleaner alternative to private automobile use and contribute to the City's greenhouse gas reduction goals.

POLICY 2.4
Organize the transportation system to reinforce community identity, improve linkages among interrelated activities and provide focus for community activities.

The Central Subway is a critical transportation improvement linking neighborhoods in the southeastern section of the city with retail and employment centers in downtown and Chinatown.

The Central Subway Public Arts Program will work with communities along the project corridor to develop a comprehensive arts program to reflect the rich culture and history of the neighborhoods in which this new transit system will be located.

POLICY 4.4
Integrate future rail transit extensions to, from, and within the city as technology permits so that they are compatible with and immediately accessible to existing BART, CalTrain or Muni rail lines.

The project includes direct connections to Muni Metro, Caltrain's 4th & King Street station, and Powell Street BART station.

OBJECTIVE 11
ESTABLISH PUBLIC TRANSIT AS THE PRIMARY MODE OF TRANSPORTATION IN SAN FRANCISCO AND AS A MEANS THROUGH WHICH TO GUIDE FUTURE DEVELOPMENT AND IMPROVE REGIONAL MOBILITY AND AIR QUALITY.

POLICY 11.2
Continue to favor investment in transit infrastructure and services over investment in highway development and other facilities that accommodate the automobile.

As the first underground subway built in San Francisco in over 25 years, the project represents a significant investment in the City's public transit infrastructure.

POLICY 14.3
Improve transit operation by implementing strategies that facilitate and prioritize transit vehicle movement and loading.

By providing an exclusive transit right-of-way on the surface or in a subway that does not have to compete with traffic on congested surface streets, the project gives priority to public transit and will improve operation and reliability.

POLICY 14.7
Encourage the use of transit and other alternative modes of travel to the private automobile through the positioning of building entrances and the convenient location of support facilities that prioritizes access from these modes.

The location of Central Subway transit stations at key locations: Union Square, (Stockton and Ellis Streets), Moscone Convention Center (Fourth and Clementina Streets) and Chinatown (Stockton and Washington Streets) will make access to the Central Subway easily available.

URBAN DESIGN ELEMENT

POLICY 1.9
Increase the clarity of routes for travelers.

POLICY 4.13
Improve pedestrian areas by providing human scale and interest.

Surface entrance areas to underground stations provide an opportunity to improve the pedestrian environment and wayfinding along 4th and Stockton Streets. Station areas should be designed with careful attention to urban design and street and sidewalk design recommendations contained in the City's Better Streets Plan.

RECREATION & OPEN SPACE ELEMENT

POLICY 1.3
Increase the accessibility of regional parks by locating new parks near population centers, establishing low user costs, improving public transit service to parks and creating regional bike and hiking trails.

POLICY 2.2
Preserve existing public open space.

The Union Square subway station entrance will be located in the southeast corner of the terraced plaza on Union Square. Elevators to the station will be located on the eastern edge of Union Square. Minimal disruption to Union Square's central public open space will be caused by the project.

CHINATOWN AREA PLAN

POLICY 1.4
Protect the historic and aesthetic resources of Chinatown.

The implementation of the Central Subway project would result in the loss of an historic building in the Chinatown Historic District at 933-949 Stockton Street. Mitigation measures to reduce the impact of the demolition of the 933-949 Stockton Street building include: documentation of the existing historic building; salvage of architecturally significant building features for incorporation into an interpretative display in the new subway station; and employing an architectural historian in the design development of the new station and adjoining building to ensure that the design is culturally appropriate to the Chinatown District.

OBJECTIVE 3
STABILIZE AND WHERE POSSIBLE INCREASE THE SUPPLY OF HOUSING

POLICY 3.1
Conserve existing housing.

POLICY 3.2
Increase the supply of housing.

Implementation of the Central Subway project would result in the temporary displacement of 17 affordable housing units at the southwest corner of Washington and Stockton Streets in Chinatown (933-949 Stockton Street). The objective is to replace affordable housing on a one for one basis and if possible increase the number of affordable housing units on the site.

OBJECTIVE 7
MANAGE TRANSPORTATION IMPACTS TO STABILIZE OR REDUCE THE DIFFICULTIES OF WALKING, DRIVING, DELIVERING GOODS, PARKING OR USING TRANSIT IN CHINATOWN.

POLICY 7.2
Make MUNI routes more reflective of and responsive to Chinatown ridership, including bilingual signage, schedules, maps.

The project will include bilingual signage and information on Muni routes.

The proposal is ___X___ in conformity _____ not in conformity with the General Plan.

EIGHT PRIORITY POLICIES FINDINGS: ATTACHMENT 4

RE: CASE NO. 2008.0849R
CENTRAL SUBWAY PROJECT
Fourth and King Streets to Stockton and Jackson Streets

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

1. **The project would have no adverse effect on neighborhood serving retail uses or opportunities for employment in or ownership of such businesses.**
Central Subway construction activities will have impacts to neighborhood retailers adjacent to and in the vicinity of construction activities. These include noise, vibration, dust and the temporary closure of portions of streets and sidewalks. These disturbances will cease once construction is completed.

The construction of the Central Subway requires acquisition of two parcels for station development. These parcels – a gas station (266 Fourth Street) and a mixed use building (933-949 Stockton Street) – contain approximately nine neighborhood-serving businesses. These businesses would be displaced as a result of the project.

As required by the Uniform Relocation Act and the California State Relocation Act, SFMTA would be required to develop a detailed relocation plan designed to minimize impacts on the businesses to be displaced. The plan would assess the relocation needs of all potential displacees and develop a program that would provide relocation assistance and payments, set by law.

During the construction of the Central Subway, there would be temporary disruption to the businesses along the corridor. A mitigation monitoring program will be put in place to minimize the anticipated construction impacts, such as noise, dust, and vibration.

Access to all businesses will be maintained during the construction period as required by law, but circulation would be temporarily disrupted along the corridor and detours employed to accommodate the construction process.

2. **The project would have no adverse effect on the City's housing stock or on neighborhood character.**
There would be no changes to the neighborhood character along the corridor, though in the area of surface operation, the character of Fourth Street would change from a wide

one-way traffic-oriented street to a transit street with a median station. No long term impacts on housing

3. **The project would have no adverse effect on the City's supply of affordable housing.**
Implementation of the Central Subway project would result in the temporary displacement of 17 affordable housing units at the southwest corner of Washington and Stockton Streets in Chinatown (933-949 Stockton Street). The project will replace affordable housing on a one for one basis and if possible increase the number of affordable housing units on the site. The relocation of these displaced residents would be undertaken in compliance with the federal Uniform Relocation Act and the State of California Relocation Act. A relocation plan would be developed to assess relocation needs of all of the tenants and outline a program for relocation assistance and referrals and payments to displaced residents. The Central Subway would result in a temporary reduction of affordable housing units, but upon completion of the project is expected to increase the supply of affordable housing units.

4. **The project would not result in commuter traffic impeding Muni transit service or overburdening the streets or neighborhood parking.**
By providing an exclusive right-of-way on the surface or in a subway that does not have to compete with traffic on congested surface streets, the reliability of transit service would be improved and travel times would be reduced for transit riders. Temporary disruption to traffic and Muni service is likely to occur during construction activities but will cease once completed.

5. **The project would not adversely effect the industrial or service sectors or future opportunities for resident employment or ownership in these sectors.**
As an improvement in the public right-of-way, the Central Subway would not have a direct impact on the displacement of industrial and service sectors.

6. **The project would have no adverse effect the City's preparedness to protect against injury and loss of life in an earthquake.**
The Central Subway alignment does not cross any active faults and therefore rupture of tunnels resulting from displacement along a fault is not likely to occur. The subway tunnels would be designed to current seismic standards to withstand a major earthquake (magnitude~7) on the San Andreas Fault.

7. **The project would have no adverse effect on landmarks or historic buildings.**
The implementation of the Central Subway project would result in the loss of an historic building in the Chinatown Historic District at 933-949 Stockton Street to accommodate the construction of the Chinatown Station. Demolition of this building was identified in the FSEIS/FSEIR as an unavoidable significant impact. The building at 933-949 Stockton Street is identified as a Class 3D contributor to the National Register of Historic Places (NRHP)- eligible Chinatown Historic District. The Chinatown Historic District is listed on the California Register of Historic Resources with a "3D" rating, but has not been formally designated as an historic district by the City of San Francisco. Demolition and

removal of this building would create a visual break in the cohesive grouping of architecturally related buildings. Mitigation measures to reduce the impact of the demolition of the 933-949 Stockton Street building are outlined in the Central Subway FSEIS/FSEIR and include: documentation of the existing historic building; salvage of architecturally significant building features for incorporation into an interpretative display in the new subway station.

8. **The project would have no adverse effect on parks and open space or their access to sunlight and vistas.**
The new permanent structures in Union Square would be limited to escalators with a covered station entrance area and elevator shafts, minimizing any shadow impacts.

Design of the Chinatown Station and adjoining building will be developed in consultation with the Planning Department and the Chinatown community to ensure that the exterior building articulation is done in such a way as to minimize the shadow impacts on the Gordon Lau Elementary School playground.

SAN FRANCISCO
PLANNING DEPARTMENT

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

APPLICATION FOR GENERAL PLAN REFERRAL

This is an application to the Planning Commission for a General Plan Referral, specifically provided for in Section 4.105 of the San Francisco Charter, and Sections 2A.52 and 2A.53 of the Administrative Code.

The Charter and Administrative Code require that projects listed in Section 4 of this application be referred to the Planning Department to determine consistency with the General Plan prior to the Board of Supervisors' consideration of and action on any ordinance or resolution. The Referral finding the proposal consistent or inconsistent with the General Plan will result in a letter to the applicant for the Board of Supervisor's consideration. The finding of inconsistency may be overruled by a two-thirds vote of the Board of Supervisors.

Early involvement of the Planning Department in the preparation of a proposal is advisable in order to avoid delays in responding to General Plan Referral applications.

In most instances, General Plan Referrals are handled administratively by the Planning Department. However, some Referrals may be heard by the Planning Commission. This is required for proposals inconsistent with the General Plan, for proposals generating public controversy, or for complex proposals.

The staff of the Planning Department is available to advise you in the preparation of this application. Please call Stephen Shotland at 558-6308.

INSTRUCTIONS

1. Answer all questions fully. Please type or print in ink. Attach additional pages if necessary.

2. For projects proposed in the public right-of-way, please list the adjacent Assessor's Block(s) and lot(s) for each project block fronting the right-of-way, and street address(es) under Site Information on page 3.

3. The completed General Plan Referral application form, along with two copies and required materials, should be sent to

   General Plan Referrals - Attention: Maria Oropeza-Singh
   Planning Department
   1650 Mission Street, Suite 400
   San Francisco, CA 94103 -

4. An initial fee must accompany all applications [except for agencies which have a quarterly billing arrangement with the Planning Department]. Planning Code Article 3.5 establishes Planning Department fees for General Plan Referrals. Please call 558-6377 for the required amount. Time and materials charges will be billed if the initial fee for staff time is exceeded. Payment of outstanding fees is required before the findings letter is released.

APPLICATION CHECKLIST FOR GENERAL PLAN REFERRAL

Filing your completed application and the required materials shown below serves to open a Planning Department file for the proposed project. After the file is established, the staff person

assigned to the project will review the application to determine whether it is complete or whether additional information is required in order for the Planning Department to proceed.

Staff will determine for all referral applications whether the proposal is exempt from environmental review or not. If the project is not exempt from environmental review, staff will inform you, and you will need to file an environmental evaluation application and pay the appropriate fees.

SUBMIT THESE MATERIALS WITH APPLICATION (2 copies)	ARE MATERIALS PROVIDED ?	IF NOT PROVIDED, PLEASE EXPLAIN
Cover letter with project description signed by the applicant	Yes	
Application with all blanks filled in and signed by City Agency with jurisdiction over property or project	Yes	
Map showing adjacent properties	Yes	
Site Plan	Yes	
8 1/2 x 11 Reduction of Site Plan	Yes	
Architectural floor plans	Yes	
Elevations of proposed project/site	Yes	
Photographs of project/site	Yes	
Check payable to Planning Department	Yes	
Letter authorizing agent to sign application	N/A	Application signed by Project Sponsor
Name and signature of City Department official with jurisdiction over project	Yes	
Draft outlining compliance with eight Priority Policies of Planning Code Section 101.1	Yes	

SAN FRANCISCO
PLANNING DEPARTMENT

General Plan Referral Application

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PLEASE TYPE OR PRINT

1. Site Information

Project Street Address(es) of Project:
See attached

Cross Streets:
See attached

Assessor's Block(s) / Lot(s):
See attached
[If project is in street right-of-way, list block(s) /lot(s) fronting proposed project.]

2. Project Title, Description: *(Use additional pages if necessary)*

Project Title:
Central Subway Project

Project Description See attached

Present or Previous Use: See attached

Building Permit Application No. Not applicable Date Filed: _____

What Other Approvals Does Project Require?
See attached

3. Project Sponsor / Applicant Information

Name: Nathaniel P. Ford, Exec. Dir/CEO Telephone ( ) 415.701.4720

Address: 1 South Van Ness, 7th Floor Zip 94103

Applicant's Name / Contact: David Greenaway Telephone: ( ) 415.701.4237
[if different from above] Central Subway Environmental Liaison
Date: _____

4. City Department with Jurisdiction over property (if Project is on City-owned property):

Dept.: San Francisco Municipal Transportation Agency

Address: 1 South Van Ness, 7th Fl, San Francisco Zip 94103

Staff Name: John Funghi, Project Manager Telephone ( ) 415.701.4299

Signature: _____ Date: _____
City Department Manager / Representative

If project is under jurisdiction of more than one Department, complete following section or attach additional sheets

Dept.Name: See attached

Address: _____ Zip _____

Department staff name: _____ Telephone ( ) _____

Address: _____ Zip _____

Signed: _____ Date: _____
(Signature - City Department Representative)

5. Project Description - Circle All that Apply

PROJECT	PROPOSED ACTION			
Open Space, Other Property	Acquisition	Sale	Change in Use	Other/Specify below
Public Building or Structure	New Construction	Alteration	Demolition	
	Change in Use	Sale		Other/Specify below
Sidewalk, Street, Transportation Route	Widening	Narrowing	Encroachment Permit	
	Street Vacation	Abandonment	Extension	Other/Specify below
Redevelopment Area/Project	New	Major Change	Change in Use	Other/Specify below
Subdivision	New	Replat		Other/Specify below
Public Housing	New Construction	Major Change	Change in Use	Other/Specify below
Publicly Assisted Private Housing	New Construction	Major Change	Change in Use	Other/Specify below
Capital Improvement Plan	Annual Capital Expenditure Plan	Six Year Capital Improvement Program	Capital Improvement Project	Other/Specify below
Long Term Financing Proposal	General Obligation Bond	General Revenue Bond	Non-profit Corporation Proposal	Other/Specify below

If other, please specify: See Attached

Affidavit

I certify the accuracy of the following declarations:

a. The undersigned is the owner or authorized agent of the owner of this property.
b. The information presented is true and correct to the best of my knowledge.

Signed: _____ 6-24-08

Applicant (If City Department, Project Manager) Date

John Fung hi

(Print name in full)

If more than one Dept has jurisdiction over project, provide authorization on separate sheets.

6. Planning Code Section 101.1(b) Priority Policies

Section 101.1 of the San Francisco Planning Code requires findings that demonstrate consistency of the proposal with the eight priority policies of Section 101.1. These findings must be presented to the Planning Department before your project application can be reviewed for general conformity with San Francisco's General Plan.

SEE ATTACHED

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities or resident employment in and ownership of such businesses enhanced;

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood;

3. That the City's supply of affordable housing be preserved and enhanced;

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced;

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

7. That landmarks and historic buildings be preserved; and

8. That our parks and open space and their access to sunlight and vistas be protected from development.

1. Site Information

Project Street Address(es) of Project:

The alignment for the Central Subway Project is primarily located within the public right-of-way (see below for specific streets), however, there are private or public parcels that would be impacted by the project. These are listed in the table below. Two parcels would require outright acquisition and the remaining use of the parcels would occur through easements or use agreements as noted in Table 1.

TABLE 1 - PRIVATE/PUBLIC PARCELS IMPACTED BY PROJECT

LOCATION	REASON FOR ACQUISITION	ACQUISITION	RELOCATION
Union Square Garage APN 0308-091	Location of vent shafts and entrance to Union Square Station	Agreement for locating vent shafts and station entry in the Union Square terrace and plaza, (29 parking spaces displaced in Alternatives 2 and 3A; 34 parking spaces displaced in Alternative 3B)	No
266 Fourth Street APN3733-093	Location of vent shafts and entrance to Moscone Station on Fourth Street	14,800 square feet (entire gas station lot)	Yes
801 Market Street APN 3705-048 (Old Navy)	Subway alignment	1,700 square feet easement underneath the building	No
790-798 Market Street/2 Stockton Street APN 0328-002 and 37052-001 to 004 (Virgin Records)	Subway alignment	3,900 square feet easement for Option A and 3,300 square feet easement for Option B (Option A easement area underneath building)	No
123 O'Farrell Street APN 0327-021 (Ellis/O'Farrell Garage)	Location of vent shafts	Agreement for locating vent shafts in the parking garage. 24 parking spaces displaced	No
933-949 Stockton Street APN 0211-001	Location of vent shafts and entrance to Chinatown Station	10,100 square feet (acquisition of entire lot)	Yes
1455 Stockton Street APN 0130-001	Subway alignment for North Beach Tunnel Construction Variant	1,400 square feet (easement underneath building)	No

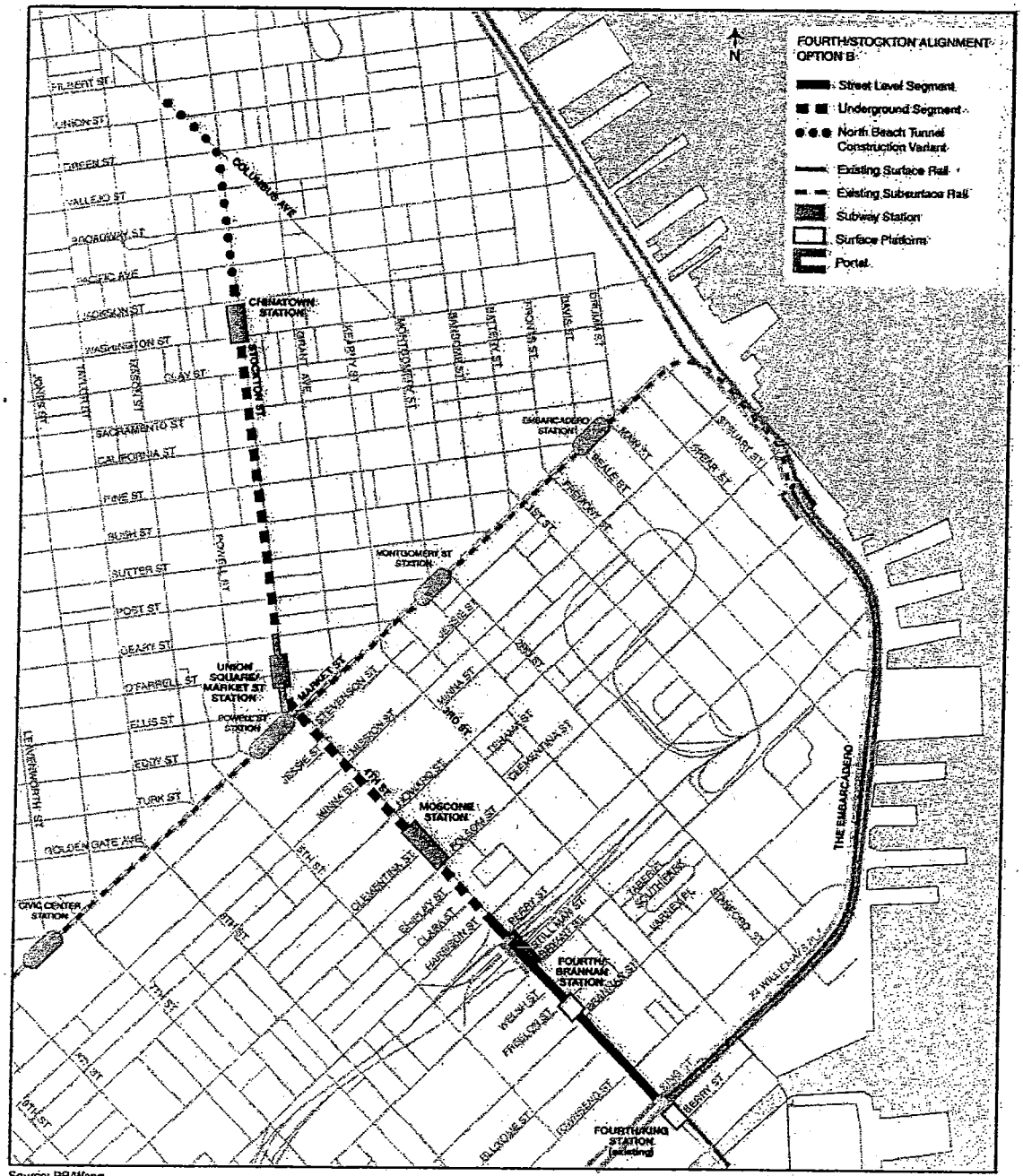
Cross Streets:

Generally within the rights-of-way of Fourth Street between King and Market Streets; Stockton Street between Market Street and Columbus Avenue; and Columbus Avenue from Green Street to just north of Union Street. See Figures 1 and 2.

Assessor's Blocks:

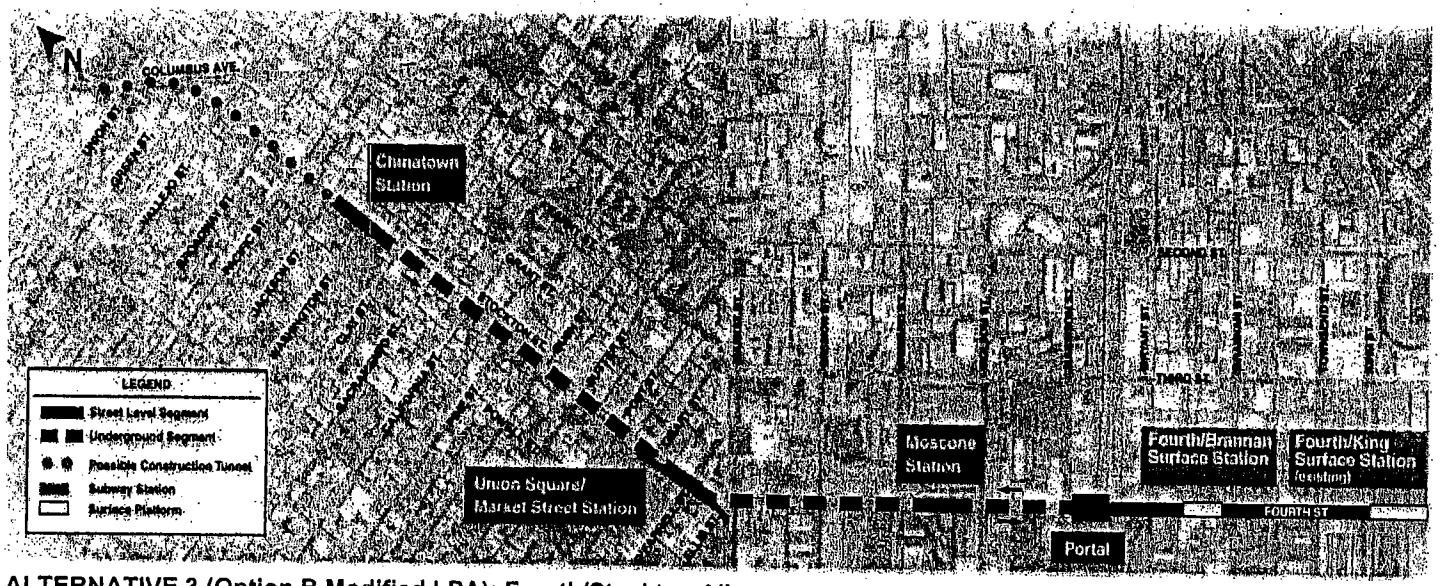
The following Assessor's Blocks border the project alignment starting in the south at Fourth and King Streets: 8701, 8702, 3786, 3787, 3777, 3776, 3761,3762, 3752, 3751, 3733, 3734, 3724, 3723, 3705, 3705Z, 3706, 0329, 0328, 0327, 0314, 0313, 0308, 0309, 0295, 0294, 0285, 0286, 0272, 0271, 0256, 0257, 0243, 0242, 0224, 0225, 0211, 0210, 0210A, 0192, 0193, 0179, 0178, 0160, 0161, 0147, 0146, 0130, 0131, 0117, 0101, and 0102. See Exhibit A for Assessor's Blocks locations along the corridor.

FIGURE 1 – CENTRAL SUBWAY PROJECT



Source: PB/Wong
Not to scale
Revised 1/08

FIGURE 2 – CENTRAL SUBWAY PROJECT ALIGNMENT



ALTERNATIVE 3 (Option B Modified LPA): Fourth/Stockton Alignment

2253

2. Project Title, Description:

Project Description:

The proposed Central Subway Project completes the second phase of the Third Street Light Rail Project by providing Muni transit service improvements from the present terminus of the T-Third Line at Fourth and King Streets through South of Market, Downtown and Chinatown. The Project was selected as the Locally Preferred Alternative (LPA) by the SFMTA Board on February 19, 2008.

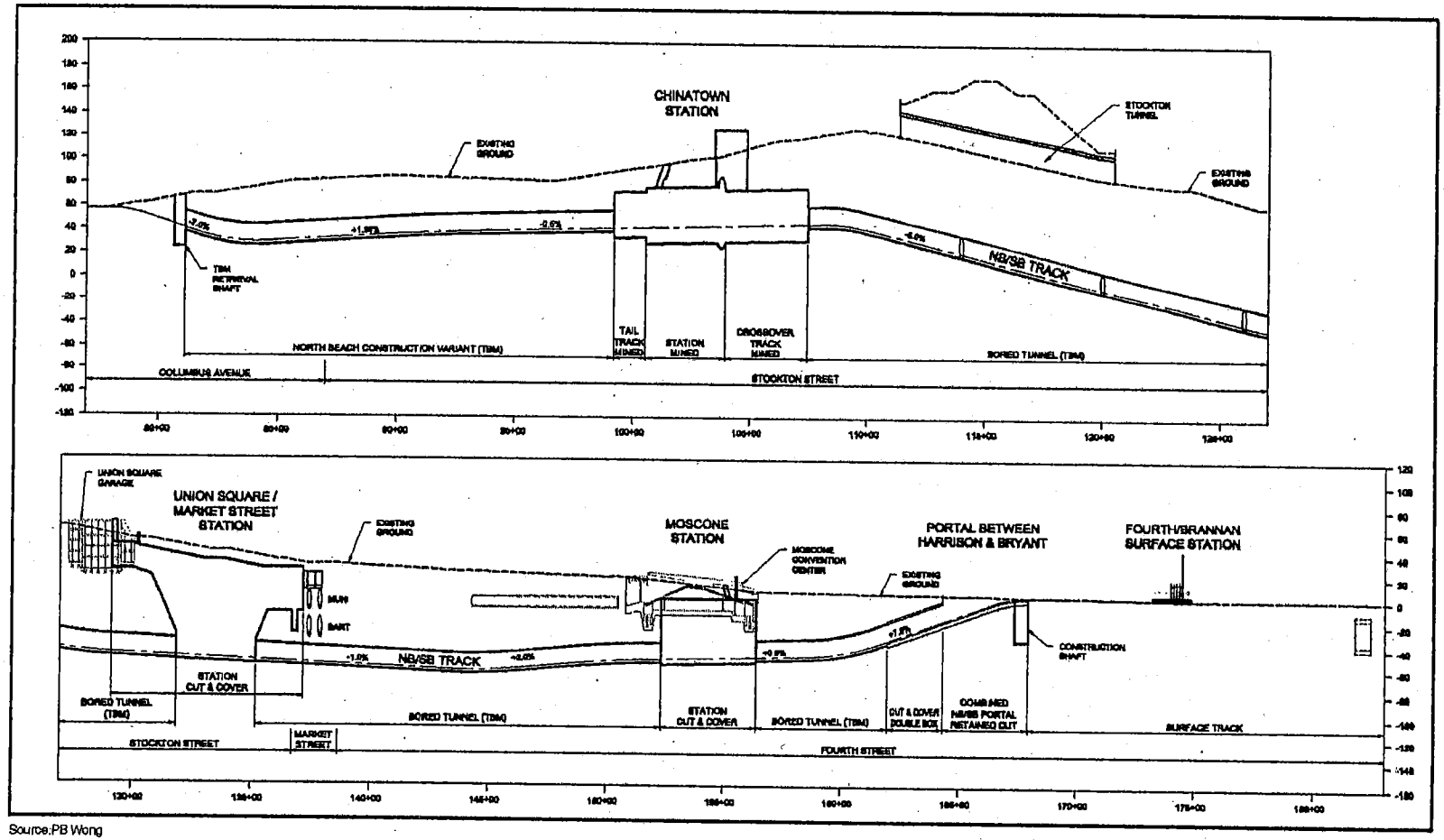
The project would extend 1.7 miles north from the T-Third line terminus at Fourth and King Streets via Fourth and Stockton Streets to the Central Subway terminus in Chinatown. The Central Subway would operate exclusively on Fourth and Stockton Streets with a deep tunnel crossing of Market Street. After stopping at the existing T-Third station platform on Fourth at King Streets, light rail would continue north on Fourth Street on the surface, operating in a semi-exclusive right-of-way, to a double-track portal (see Figure 8 and Figure 13) between Bryant and Harrison Streets under I-80. It would continue north under Fourth and Stockton Streets as a double-track subway operation to a terminus in the vicinity of Stockton and Jackson Streets. There would be one surface station on Fourth Street, north of Brannan Street, and three subway stations at Moscone, Union Square/Market Street, and Chinatown (see Figures 3 and 4).

Station access to the subway stations is located off- sidewalk, where feasible, on public property or on private property to be acquired by SFMTA (see Figures 5 through 7, Figure 12, and Figures 14 through 16). The Moscone Station access would be located at the southwest corner of Fourth and Clementina Streets on a site that is currently occupied by a gas station. The Union Square/Market Street Station primary access would be at the southeast corner of Union Square with secondary sidewalk accesses at Stockton and Ellis Streets (at the Apple Store) and on the north side of Geary Street, just east of Stockton Street. Access to the Chinatown Station would be located at the southwest corner of Stockton and Washington Streets on a site currently occupied by retail and housing units. Fare gates are provided at the mezzanine level for all subway stations. Above-ground emergency ventilation shafts would be integrated into the station at the Moscone and Chinatown stations and would be provided in the Ellis/O'Farrell garage at the Union Square/Market Street Station.

The tunnel for the Central Subway would be extended north of the Chinatown Station approximately 2,000 feet to facilitate construction and extraction of the Tunnel Boring Machine (TBM). The construction tunnel would continue north on Stockton Street to a temporary shaft on Columbus Avenue near Washington Square Park where the TBM would be extracted and construction equipment and materials could be delivered. This section of the tunnel would be used for construction purposes only, not for revenue service.

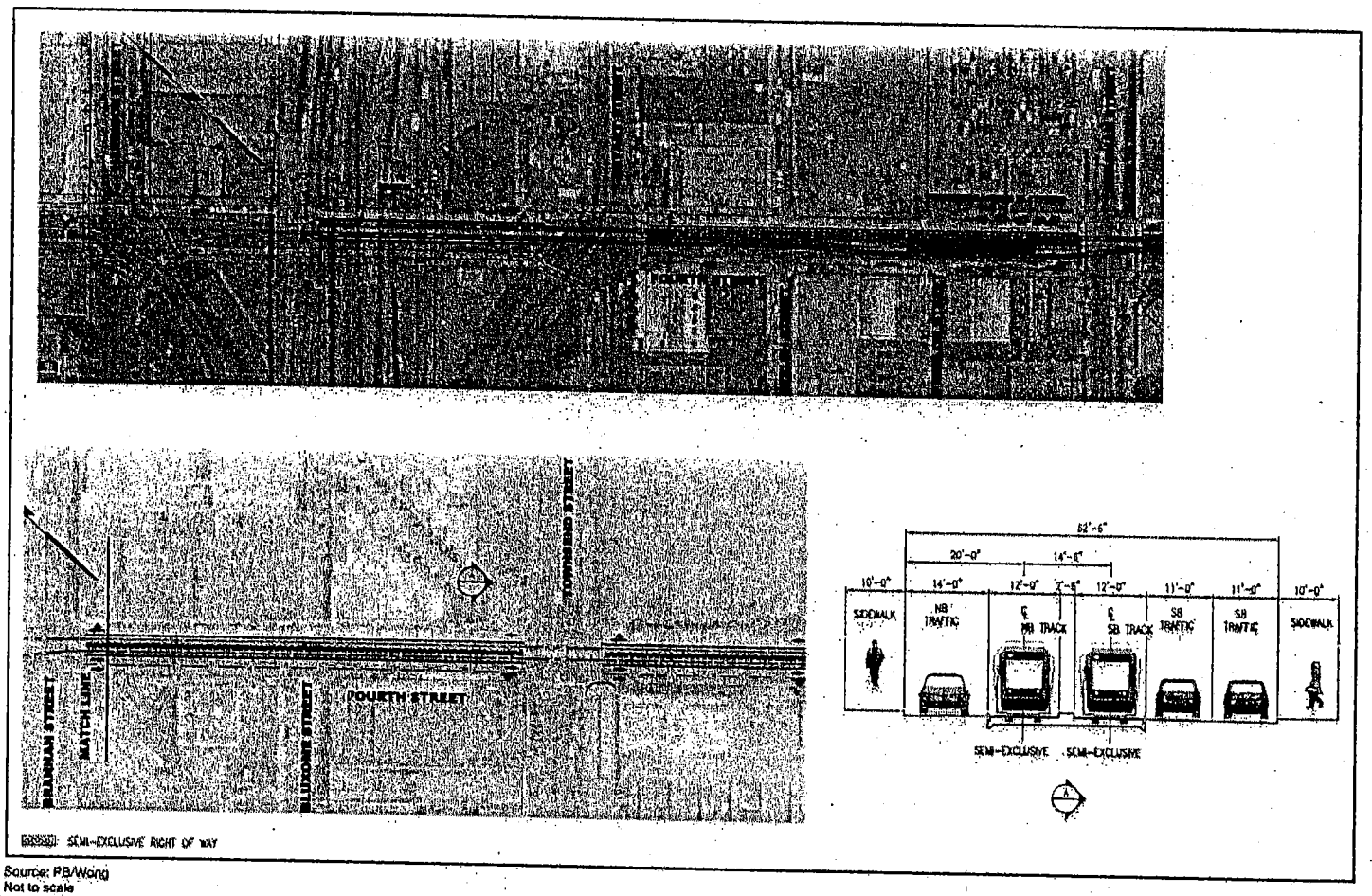
The 30-Stockton and 45-Union/Stockton trolley bus lines would continue operation on the east side of Fourth Street, south of Bryant Street, to the bus terminal east of Fourth Street on Townsend Street. Existing bus stops would be retained on Fourth Street, just

FIGURE 3 –CENTRAL SUBWAY PROFILE



Source:PB Wong
Not to scale

FIGURE 4 – FOURTH STREET SURFACE OPERATION: SEMI-EXCLUSIVE RIGHT-OF-WAY



Source: PB/Wong
Not to scale
Revised 1/08

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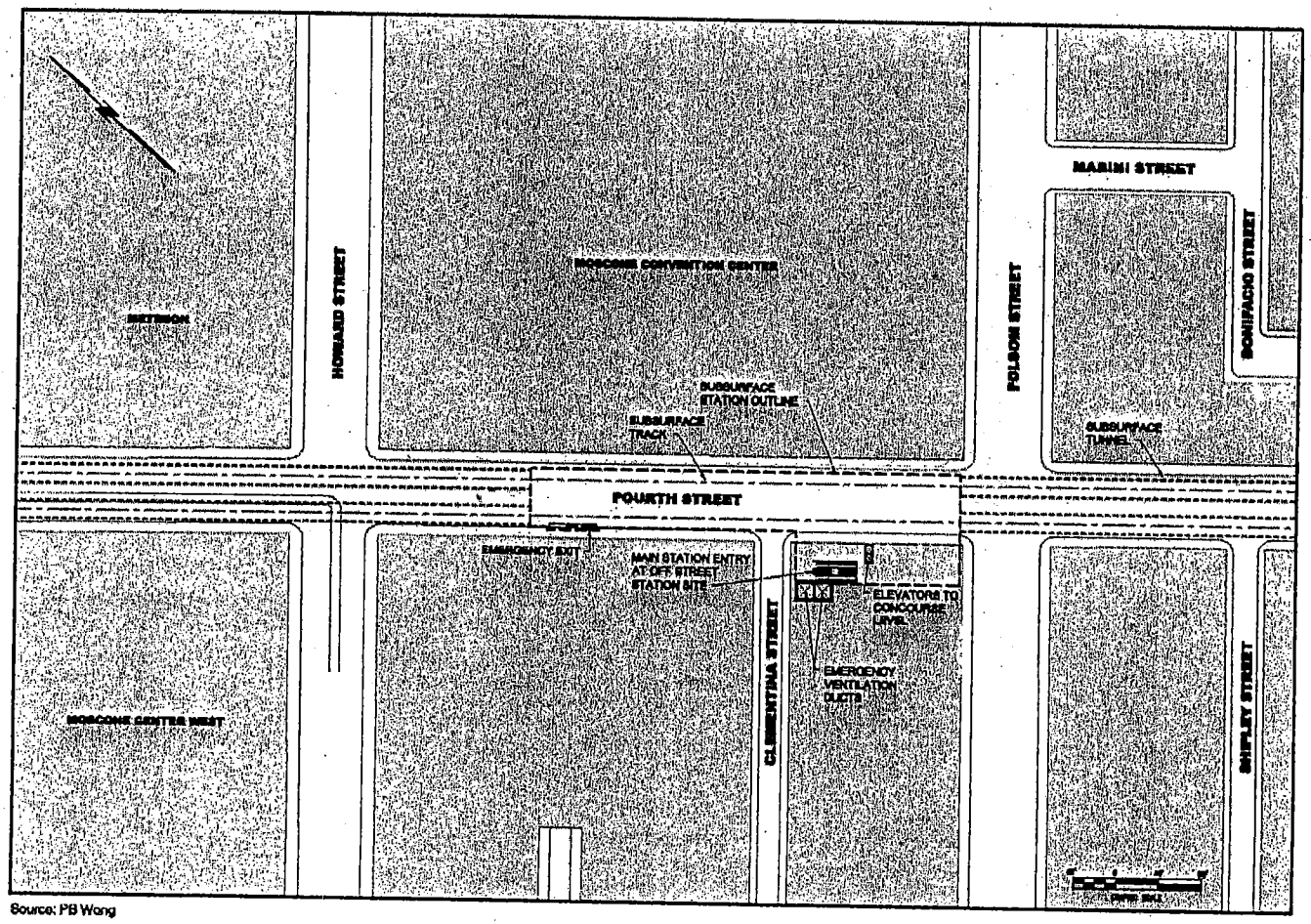
FIGURE 5 - MOSCONE STATION



Source: PB Wong

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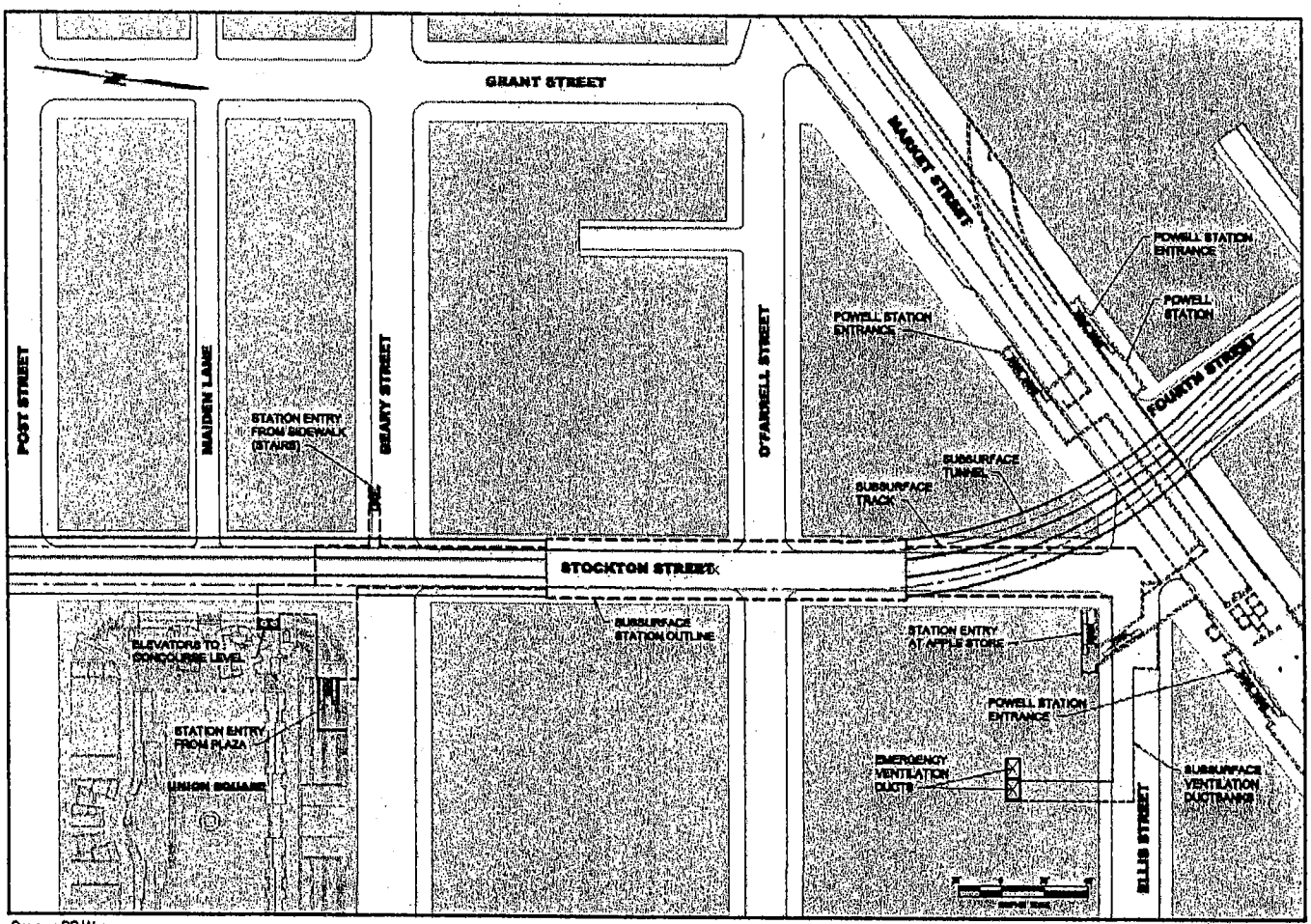
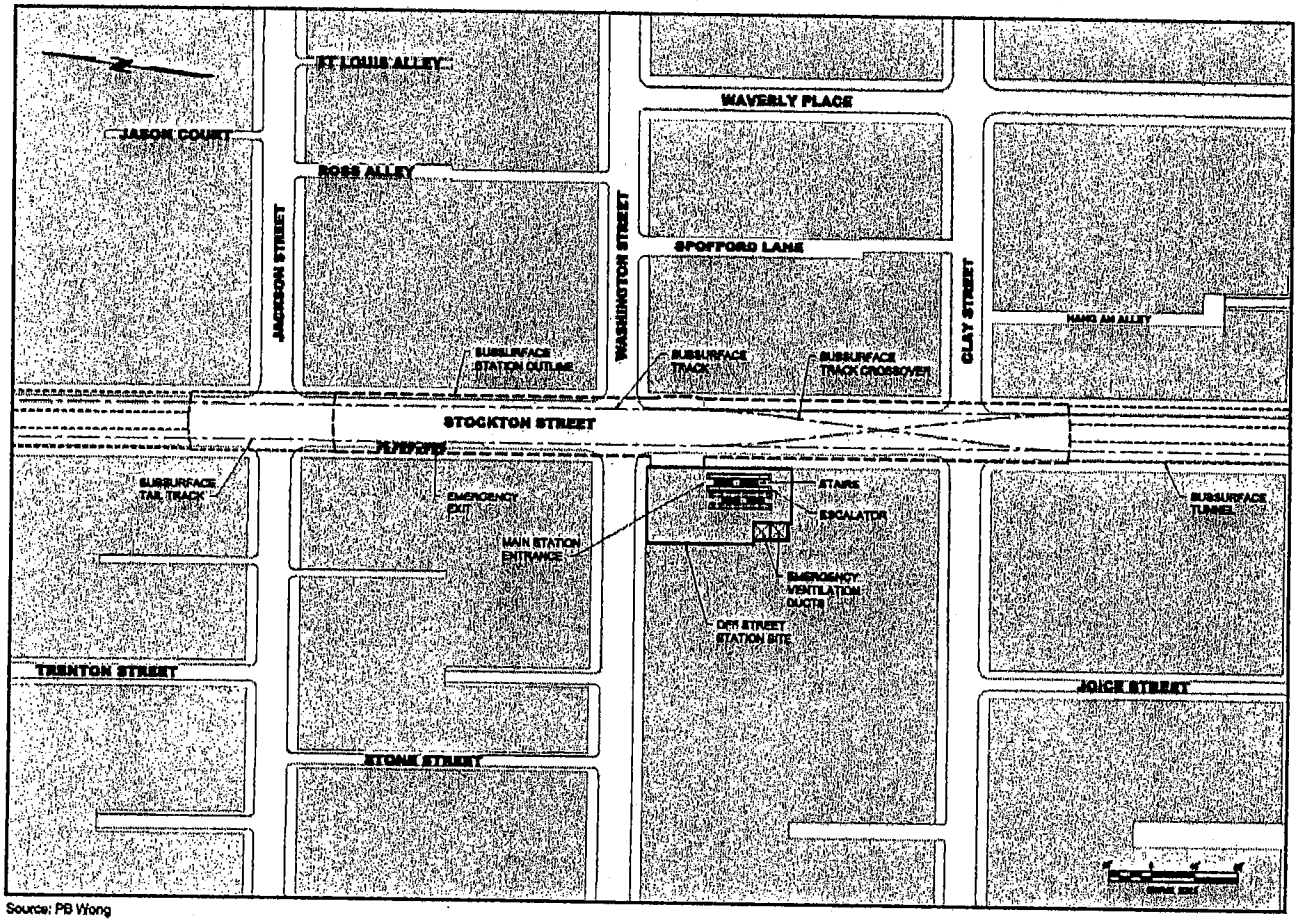
FIGURE 6 - UNION SQUARE/MARKET STREET STATION



Source: PB Wong

2258

FIGURE 7 - CHINATOWN STATION



Source: PB Wong

2259

north of Bryant Street, but the island stop at Brannan Street would be moved from the north to the south side of the street.

With the implementation of the Central Subway, projected weekday ridership on the T-Third Line would be 76,600 passengers in 2030 or 42,400 boardings at the Central Subway Stations. The transit travel time between Fourth and King Streets and Chinatown would be 6.3 minutes in 2030 or a 10.7 minute savings when compared to future conditions without the project.

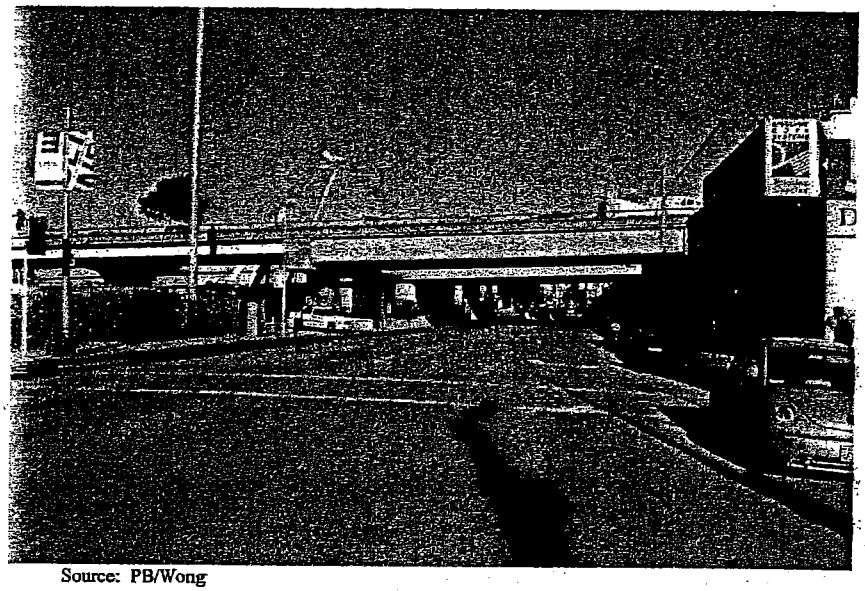
Present or Previous Use:

Generally the Central Subway Project would be constructed within the public right-of-way. As noted above, however, the subway stations would be constructed in off-street locations. The Moscone Station access and vent shafts would be located at the southwest corner of Fourth and Clementina Streets on a site that is currently occupied by a gas station. The primary Union Square/Market Street Station access would be at the southeast corner of Union Square occupying approximately 1,690 square feet of park area and requiring the displacement of 34 of the 985 parking spaces at the Union Square garage. Vent shafts for the Union Square/Market Street Station would be provided in the Ellis/O'Farrell garage and would displace approximately 25 of the 950 parking spaces at the garage. Access to the Chinatown Station would be located at the southwest corner of Stockton and Washington Streets on a site currently occupied by eight small retail businesses on the ground floor and 17 affordable housing units on the floors above. See Figures 8 through 11 for photos of existing corridor)

What Other Approvals Does Project Require?

Table 2 on Page 2-15 shows city and other agency approvals and permits required for implementation of the Central Subway project.

FIGURE 8 - FOURTH STREET LOOKING TO I-80
(LOCATION OF PROPOSED PORTAL AND STAGING AREA)



Source: PB/Wong

FIGURE 9 - UNION SQUARE LOOKING WEST
ACROSS STOCKTON STREET

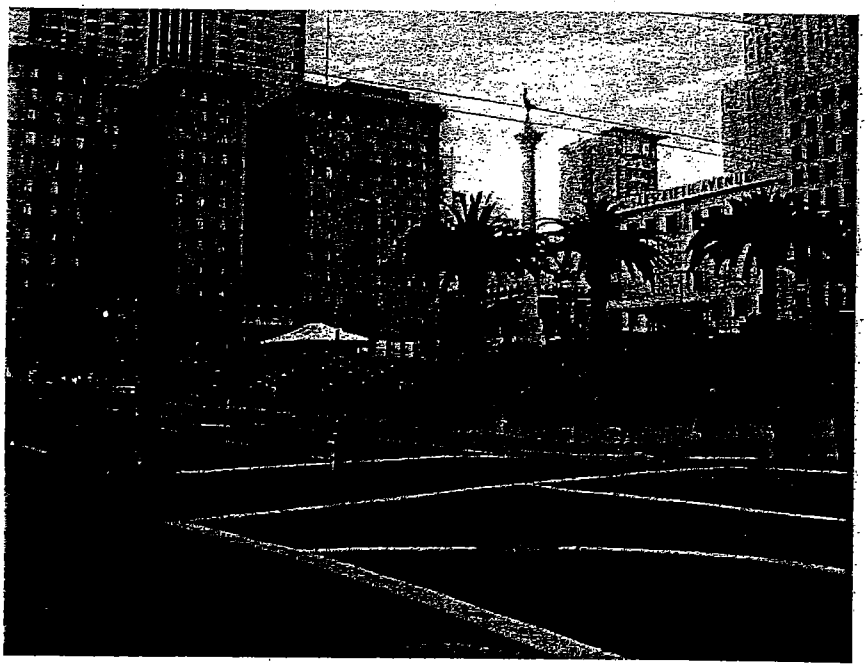
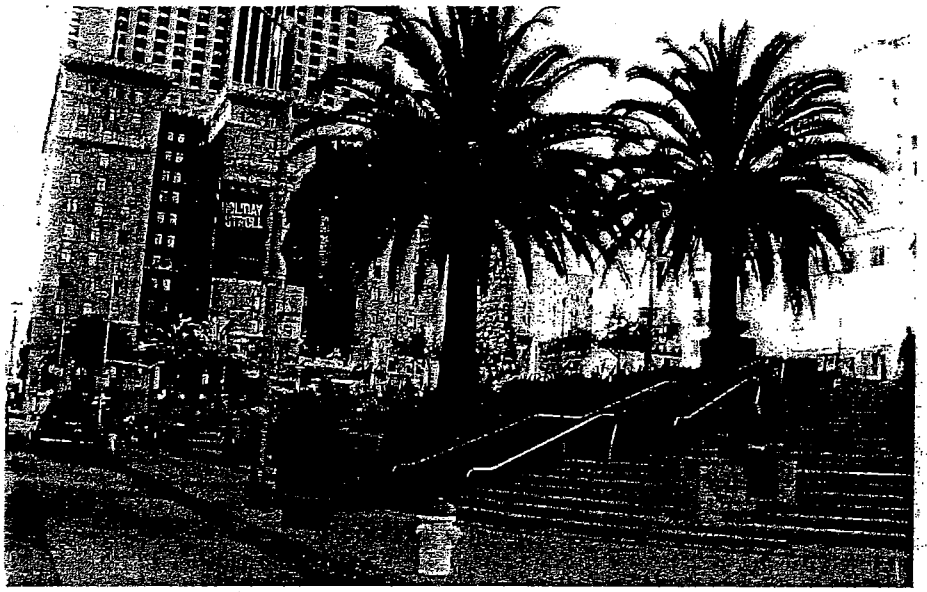
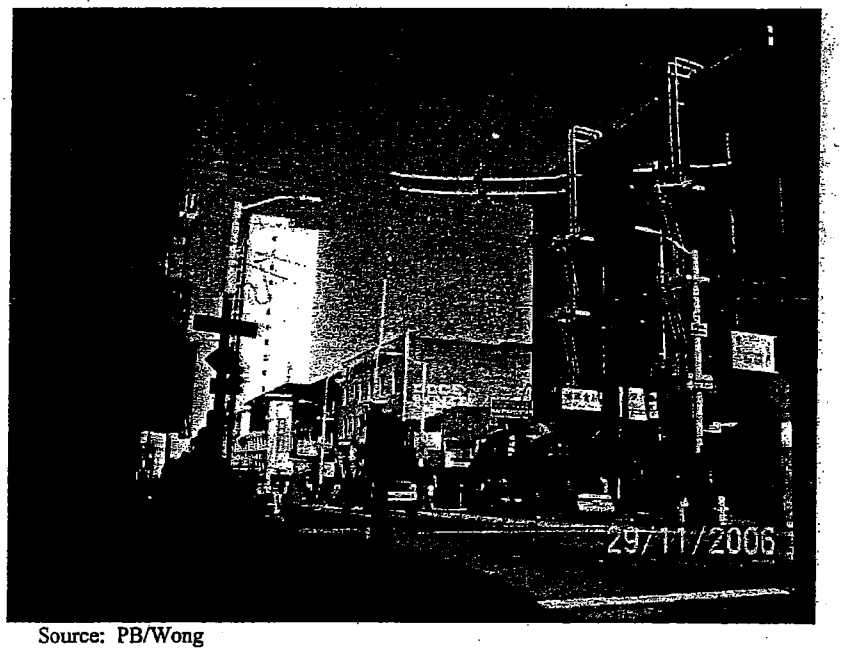


FIGURE 10 - UNION SQUARE LOOKING EAST ALONG GEARY STREET SITE OF UMS STATION



Source: PB/Wong, 2007

FIGURE 11 – CHINATOWN STOCKTON STREET AT SACRAMENTO STREET



Source: PB/Wong

FIGURE 12 - MOSCONE STATION ENTRANCE SIMULATION

ALTERNATIVE 3B

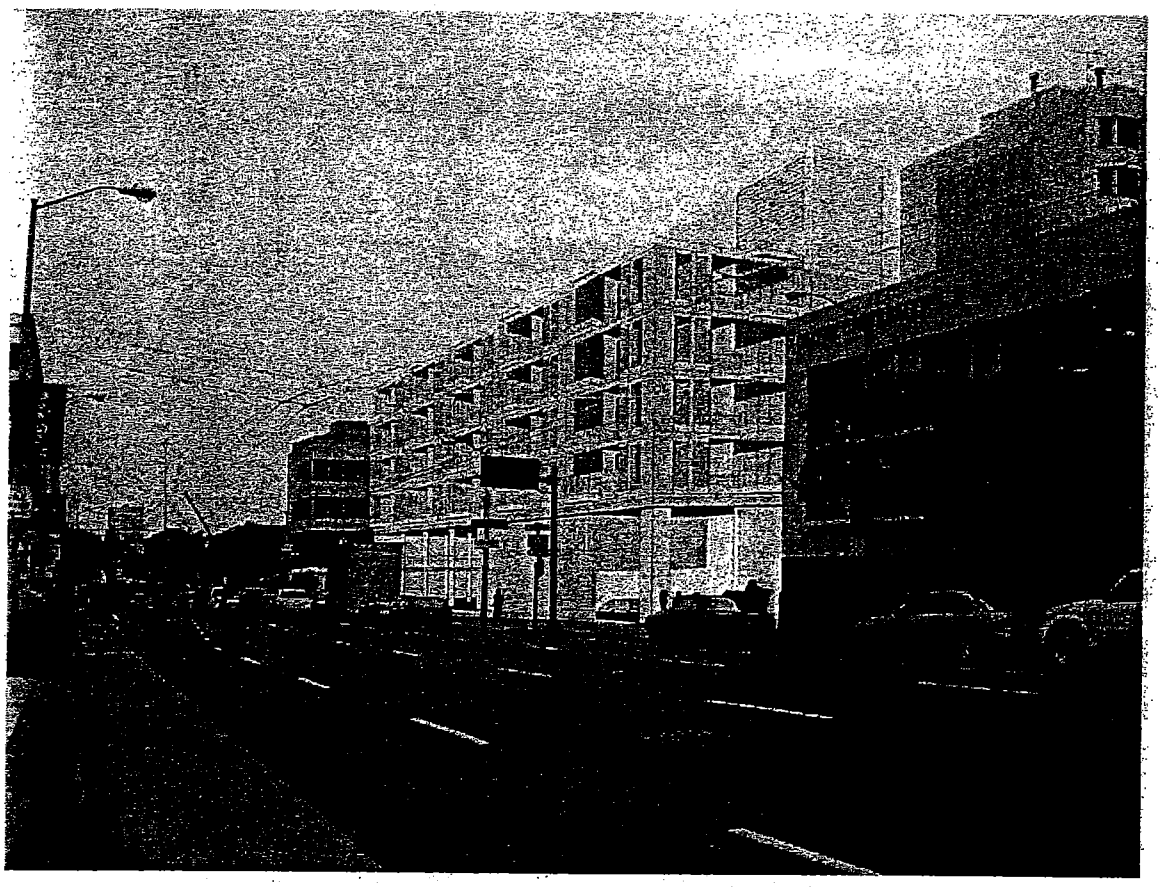
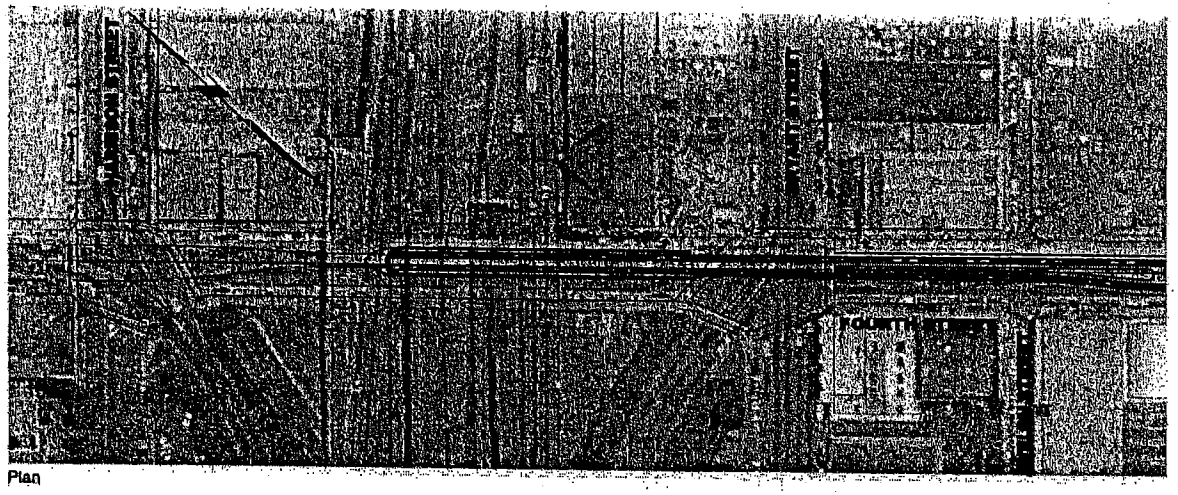
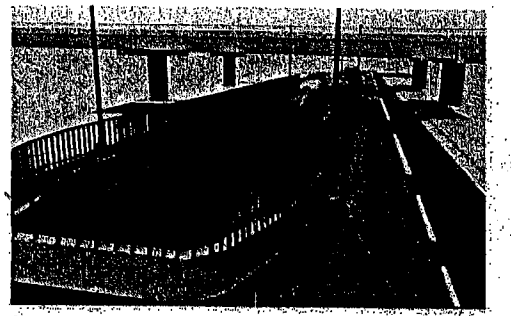


FIGURE 13 - FOURTH STREET PORTAL SIMULATION

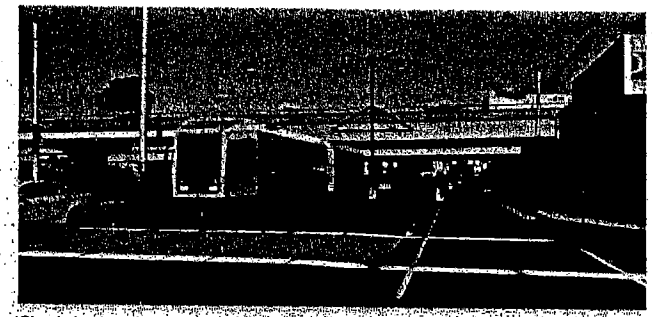
ALTERNATIVE 3B



Plan



Simulation Looking South



Simulation Looking North

Source: PB/Wong
Not to scale
Revised 1/08

2264

FIGURE 14 - UNION SQUARE STATION GEARY STREET ENTRY SIMULATION ALTERNATIVE 3B

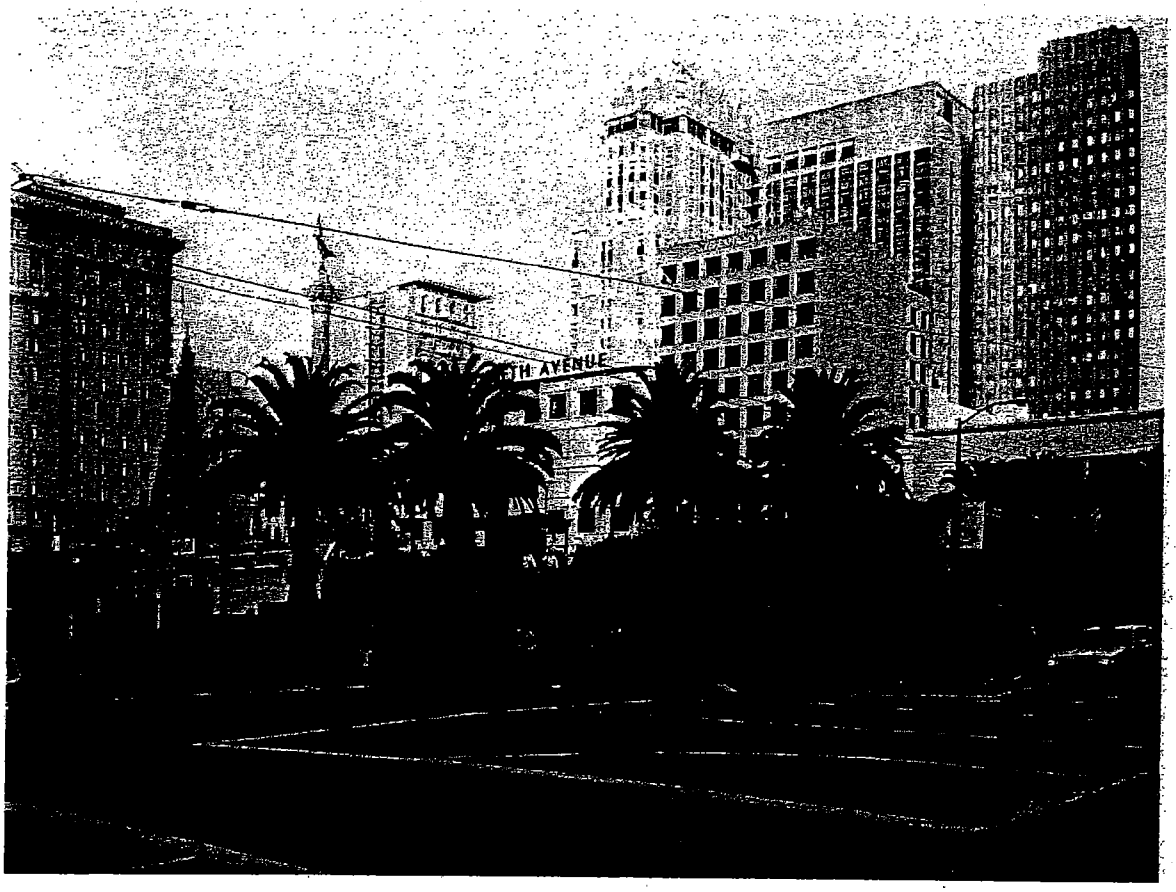


FIGURE 15 - CHINATOWN STATION STOCKTON STREET ENTRY SIMULATION ALTERNATIVE 3B

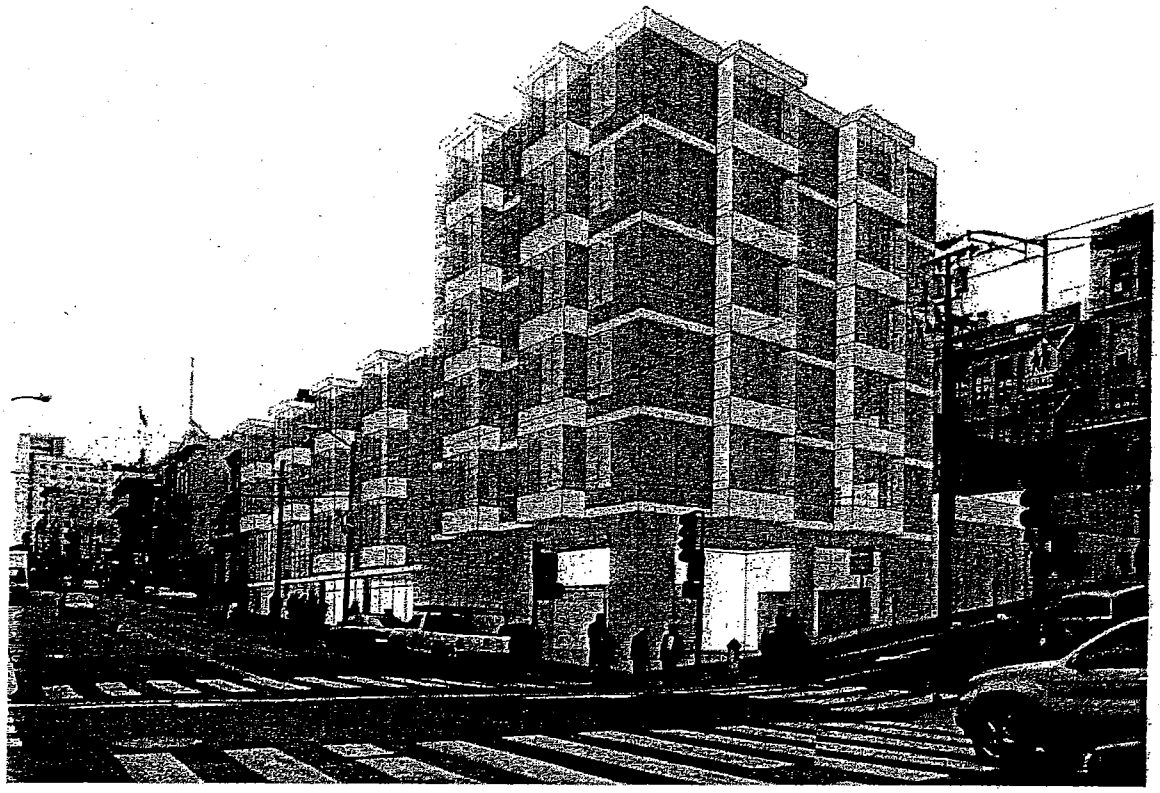


FIGURE 16 - CHINATOWN STATION SIMULATION LOOKING EAST FROM WASHINGTON STREET
ALTERNATIVE 3B

TABLE 2 - AGENCY APPROVALS

Agency	Approval or Permit
Department of Interior	Section 4(f) approval.
Advisory Council on Historic Preservation	Approval of Memorandum of Agreement (MOA) describing procedures for protection of and mitigation of impacts to historic and cultural resources pursuant to Section 106 of the National Historic Preservation Act and 36 CFR 800.
California State Historic Preservation Officer (SHPO)	Finding of Effect Determination.
California Public Utilities Commission (CPUC)	Permits required for all at-grade or grade-separated railroad, highway, and street crossings as well as pedestrian crossings of light rail and railroad tracks; public hearings before the CPUC may also be required; a formal application to conform with CPUC Rules of Practice and Procedure (CPUC Code Section 1200) is required; a formal application requesting permission to deviate from the established CPUC General Order (G.O.) standard (such as those regarding the height requirements for overhead wires) must be submitted and approved by the CPUC.
Caltrans	Access Control Properties Review. Permit to Encroach on Caltrans Right-of-Way.
Metropolitan Transportation Commission (MTC) and California Transportation Commission	Consistency with RTP and STIP.
Bay Area Rapid Transit (BART)	Amendment of joint use agreement for Powell Street Station, project review and approval for joint use of station.
Regional Water Quality Control Board	General Construction Activity Stormwater Permit.
Bay Area Air Quality Management District (BAAQMD)	Conformity determination.
San Francisco Public Utilities Commission	Batch Industrial Wastewater Discharge Permit required for dewatering affluent discharge to the combined sewer system providing the quality of the effluent meets the NPDES General Permit discharge standards.
San Francisco Municipal Transportation Agency	Approve Project. Request from FTA a "Letter of No Prejudice" for New Starts federal funding. Approval required for surface street changes, traffic operation changes, traffic control measures, and on-street parking changes.
San Francisco Department of Public Health	Review and acceptance of site remediation plan in Maher Ordinance Area – Article 20.
San Francisco Planning Commission	General Plan Review/Referral for all aspects of project which occur in public rights-of-way, and amendments to appropriate portions of General Plan, Transportation Element.
San Francisco Landmarks Preservation Advisory Board	Section 106 Review and Approval, review of SEIS/SEIR and Historical Architectural Report.
San Francisco Department of Public Works	Approval required for construction in streets and changes to sidewalk widths.
San Francisco Redevelopment Commission	Project review required for portions within existing Redevelopment Project Areas and, if adopted by the Board of Supervisors, within the proposed Redevelopment Areas. No approvals are needed for constructing light rail.
San Francisco Department of Recreation and Parks	Section 4(f) de minimis approval. Prop. K review and approval for shadow analysis.
San Francisco Arts Commission	Approval of the Public Arts Element and Civic Design.
San Francisco Board of Supervisors	Approval of General Plan amendments. Adoption of Redevelopment Plan amendments. Approval of property acquisitions, including eminent domain. Approvals required for use of City rights-of-way and Park property.
San Francisco County Transportation Authority	Review and inclusion of the project in the Countywide Transportation Plan and Capital Improvement Program of the Congestion Management Program for San Francisco funding.

4. Other City Departments with Jurisdiction Over Property

Dept: Department of Public Works, Edward D. Reiskin, Director of Public Works

Address: 1 Dr.Carlton B. Goodlett Place, City Hall. Room 348
San Francisco, CA 94102

Department staff name: Barbara Moy, Bureau Manager

Address: Bureau of Street Use and Mapping

875 Stevenson, Room 460

San Francisco, CA 94103

Signed: Barbara L Moy **Date:** 6-26-08

4. **Other City Departments with Jurisdiction Over Property (cont.)**

Dept: Recreation and Parks Department, Yomi Agunbiade, General Manager

Address: McLaren Lodge & Anenx
501 Stanyan Street
San Francisco, CA 94117

Department staff name: Daniel LaForte, Park Planner

Address: McLaren Lodge & Annex
501 Stanyan Street
San Francisco, CA 94117

Signed: Daniel LaForte **Date:** 7/7/08

5. Project Description

If other, please specify:

Sidewalk, Street, Transportation Route – Easements, Revocation of Revocable Permits to reclaim subsurface basements within the public right-of-way

Capital Improvement Plan – SFMTA Short Range Transit Plan

6. Planning Code Section 101.1(b) Priority Policies

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities or resident employment in and ownership of such businesses enhanced;

The introduction of new light rail service along the Fourth and Stockton Street corridors would enhance the accessibility of the public and neighborhood residents to the businesses along these corridors. There are neighborhood serving businesses located along the Fourth Street corridor, particularly south of Harrison Street, however, between Harrison and Market Streets the existing retail uses serve a broader citywide clientele as part of the Moscone Convention Center/Yerba Buena Gardens complex and the Market Street retail spine.

North of Market Street, the light rail runs underground on Stockton Street, the main north/south transit corridor serving the Union Square shopping district, which caters to citywide, regional and tourist markets. North of the Stockton Street tunnel, Stockton Street is the main neighborhood commercial and shopping street for the Chinatown District and also serves citywide and regional markets.

The implementation of the Central Subway project would require the acquisition of two parcels along the corridor for station development. A gas station at the southwest corner of Clementina and Fourth Streets (266 Fourth Street) is proposed for the Moscone Station. A parcel at the southwest corner of Washington and Stockton Streets (933-949 Stockton Street) currently houses eight small neighborhood-serving businesses on the ground floor. The construction of the Central Subway would displace these small businesses. As required by the Uniform Relocation Act and the California State Relocation Act, SFMTA would be required to develop a detailed relocation plan designed to minimize impacts on the businesses to be displaced by the project. The plan would assess the relocation needs of all potential displacees and develop a program that would provide relocation assistance and payments, as set by law.

During the construction of the Central Subway, there would be temporary disruption to the businesses along the corridor. A mitigation monitoring program will be put in place to minimize the anticipated construction impacts such as noise, dust, and vibration. Mitigation measures will include monitoring of construction noise and vibration levels and best management practices to minimize the release of particulate matter associated with soil disturbance.

Access to all businesses will be maintained during the construction period as required by law, but circulation would be temporarily disrupted along the corridor and detours employed to accommodate the construction process. Again, a mitigation monitoring program that includes such measures as traffic detours, rerouting of transit services, temporary relocation of truck loading zones, identification of alternative parking options, and an extensive public outreach program with bi-lingual signing of circulation changes,

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood;

The Central Subway light rail service would operate on the surface of Fourth Street between King and Bryant Streets, transitioning to an underground operation between Bryant and Harrison Streets. In the South of Market area, the land use is a mix of commercial and residential uses that begins to transition to citywide retail and institutional uses north of Folsom Street. These retail uses continue through the Union Square area. Residential uses above ground floor retail characterize the corridor in the Chinatown District.

There would be no changes to the neighborhood character along the corridor, though in the area of surface operation the character of Fourth Street itself would change from a wide one-way traffic-oriented street to a transit street with a median station. This change has the potential for enhancing neighborhood unity and focus and increasing pedestrian activity adjacent to the station. There would be no long term impacts on the existing housing stock along the corridor with one exception. The site at the southwest corner of Washington and Stockton Streets, slated for development of the Chinatown Station, currently has 17 affordable housing units. The removal of the existing historic building would displace these existing units. SFMTA plans to redevelop the site with a station entrance and retail at the ground floor and affordable housing units above. Though specific site plans have not been developed at this point, the objective, at a minimum, is to replace the affordable housing on a one for one basis and if possible increase the number of affordable housing units on the site. The architectural treatment for the new station and residential/commercial building will be designed in cooperation with the Chinatown community to be compatible with the existing historic neighborhood character.

During construction of the Central Subway, the housing along the corridor would experience similar impacts to those described above for the businesses. The mitigation measures that will be enacted as part of the mitigation monitoring program will address the construction impacts.

3. That the City's supply of affordable housing be preserved and enhanced;

As stated in Response to Priority Policy #2 above, the implementation would result in the temporary displacement of the 17 affordable housing units at the southwest corner of Washington and Stockton Streets in Chinatown (933-949 Stockton Street). The relocation of these displaced residents would be undertaken in compliance with the federal Uniform Relocation Act and the State of California Relocation Act. A relocation plan would be developed to assess the relocation needs of all of the tenants and outline a program for relocation assistance and referrals and payments to displacees. The Central Subway would result in a temporary reduction of affordable housing units, but upon completion of the project is expected to increase the supply of affordable housing units.

4. **That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;**

The implementation of the Central Subway project, the second and final phase of the Third Street light rail project is specifically designed to enhance transit service between the southeast and northeast districts of San Francisco in keeping with the city's Transit First policy. The project would address current transit deficiencies of overcrowded and unreliable service and would respond to anticipated growth in employment and population in this corridor. With the implementation of this project, transit service along the Fourth and Stockton Street corridors would assume an even more significant role than it currently plays in the movement of people in these highly congested areas. It is projected that by 2030 with the implementation of the Central Subway project when compared to the "No Project Alternative," the number of daily transit riders would increase by 17,500. By providing an exclusive transit right-of-way on the surface or in a subway that does not have to compete with traffic on congested surface streets, the reliability of transit service would improve and the travel times would be reduced for patrons.

5. **That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced;**

As an improvement in the public right-of-way, the Central Subway would not have a direct impact on the displacement of industrial and service jobs by commercial office development. The project does, however, offer an opportunity for the provision of new ground floor business opportunities on the Moscone and Chinatown station sites.

At the Chinatown station site, there are currently eight small businesses that would be displaced by the creation of the station as noted in the response to Priority Policy #1 above. The redeveloped site would include replacement ground floor retail opportunities as well as affordable housing. The Moscone Station site, which is currently occupied by a gas station, could include ground floor business opportunities as well, likely increasing overall the small business opportunities.

6. **That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;**

The Central Subway alignment does not cross any known active faults and therefore rupture of tunnels resulting from displacement along a fault is not likely to occur. The subway tunnels would be subjected to extremely high levels of groundshaking, however, and would be designed to current seismic standards to withstand a major earthquake (magnitude~7) on the San Andreas Fault. Construction of reinforced tunnel linings will minimize the expansion or contraction potential of the sediment surrounding the tunnel. In addition, the Central Subway will be designed with supplemental emergency exits

from the underground system and the SFMTA will maintain emergency evaluation plans for the Central Subway in the event of a major seismic occurrence.

7. That landmarks and historic buildings be preserved; and

The implementation of the Central Subway project would result in the loss of an historic building in the Chinatown Historic District at 933-949 Stockton Street to accommodate the construction of the Chinatown Station. The building at 933-949 Stockton Street was identified as a Class 3D contributor to the National Register of Historic Places (NRHP)-eligible Chinatown Historic District. The Chinatown Historic District is listed on the California Register of Historic Resources with a "3D" rating, but has not been formally designated as an historic district by the City of San Francisco. It contains 371 contributing historic buildings, 14 of which are located on the block of Stockton Street between Clay and Washington Streets. Designed by S.H. Woodruff, a noted local architect of the period, the 933-949 Stockton Street building was erected in 1906 to serve immediate Chinatown lodging and merchant needs in the aftermath of the 1906 earthquake. The two-part commercial block composition found in the 933-949 Stockton Street building is characteristic of architectural composition found in other parts of San Francisco.

Demolition of contributing elements to a NRHP-eligible district constitutes an adverse impact according to the section 106 of the National Historic Preservation Act and the California Environmental Quality Act. Demolition and removal of this building would create a visual break in the cohesive grouping of architecturally related buildings. Mitigation measures to reduce the impact of the demolition of the 933-949 Stockton Street building, including: documentation of the existing historic building; salvage of the architecturally significant building features for incorporation into an interpretive display in the new station; and employing an architectural historian in the design development of the new station and adjoining building to ensure that the design is culturally appropriate to the Chinatown District have been incorporated into the Mitigation Monitoring Program for the project.

8. That our parks and open space and their access to sunlight and vistas be protected from development.

Input from the San Francisco Recreation and Parks Department was taken into consideration by SFMTA in the development of the Locally Preferred Alternative. While all alternatives considered for the Central Subway included a station access in Union Square, the Central Subway project selected as the Locally Preferred Alternative (LPA) by the SFMTA Board on February 19, 2008 included an entrance at the southeastern corner of Union Square that would permanently occupy 1,690 square feet (1.51 percent) of the public square, but shifted the location of vent shafts out of Union Square to the nearby Ellis/O'Farrell garage, thereby minimizing visual impacts. The new permanent structures in Union Square would be limited to escalators with a covered station entrance area (canopy) and elevator shafts, thereby minimizing any shadow impacts. Architectural

treatment of these structures will be developed in consultation with the Recreation and Parks Department, the Planning Department, and the Union Square business associations.

In Chinatown, the selected station location at 933-949 Stockton Street, supported by the Recreation and Parks Department, eliminated the potential shadow and foot traffic impacts on Willie "Woo Woo" Wong Playground and Hang Ah Alley associated with a station option at 814-828 Stockton Street. A specific design for development of replacement affordable housing and ground floor small business spaces has not yet been developed for the 933-949 Stockton Street site, however, a preliminary shadow study using the maximum building envelope allowed indicated the potential for new shading of the eastern edge of the Gordon Lau Elementary School playground that is located directly to the west of the station site. Design of the Chinatown Station and adjoining building will be developed in consultation with the Planning Department and the Chinatown community to ensure that the exterior building articulation is done in such a way as to minimize the shadow impacts on the adjacent school yard.

City and County of San Francisco
CONTROLLER'S JOURNAL ENTRY

DEPARTMENT			CONTROLLER'S NO.
PUBLIC TRANSPORTATION			RTPT 08000060
DEPT /DIV	/ SEC	FUND TYPE/FUND	FISCAL PERIOD
35 00	00	5M CPF	FY 08 12
			DEPT. CONTROL NO.

LN NO.	TRANS CODE		DOCUMENT NUMBER		DOCUMENT REFERENCE	GENERAL LEDGER		VENDOR		BNK NO.	TREASURY NO.	INDEX CODE	SUB-OBJ	PROJECT		GRANT		AMOUNT
	No.	Sfx.	Prefix	Number	Number	G/L NO.	Subsid.	Number	Sfx.					Proj.	Detail	Grant	Detail	
1	405		RTPT	08000060								35CPT5441114	05221	CPT544	1114			2,942.00
2	408		RTPT	08000060								290225	60194					2,942.00

EXPLANATIONS FOR ENTRIES:

To transfer funds to The City and San Francisco Planning Department for a general plan referral fee for the amount of $2,942.00.

Applicant: MTA Transportation Planning & Development - Central Subway
Contact person: David Greenaway
Project Manager: John Funghi

DEPARTMENT'S USE ONLY		CONTROLLER'S USE ONLY		
PREPARED BY TERI ANCHETA	DEPARTMENT HEAD/TITLE	Document Total	5,884.00	CONTROLLER CERTIFICATION/DATE
DATE/TEL. NO 06/17/08 701-4662	Approved by: Level 190 6/17/08 Level 200 ____ MTA ____	No. of Lines	2	
		Trans. Code Hash	813	

2277

12

RE: Central Subway General Plan Referral Confirmation
Dennis-Phillips, Sarah
to:
Hollins, Guy
10/17/2012 01:53 PM
Cc:
"Crossman, Brian", "Pearson, Audrey", "Clifford, Alex J"
Hide Details
From: "Dennis-Phillips, Sarah" <sarah.dennis-phillips@sfgov.org>
To: "Hollins, Guy" <Guy.Hollins@sfmta.com>,
Cc: "Crossman, Brian" <brian.crossman@sfgov.org>, "Pearson, Audrey" <audrey.pearson@sfgov.org>, "Clifford, Alex J" <Alex.Clifford@sfmta.com>

1 Attachment

2008.0849R Note to File Central Subway.pdf

Hello Guy-

As noted previously, the licenses and the installation of temporary materials (whether pilings as previously noted or the current grout tubes) associated with subway construction do not constitute a separate project other than the overall "Subway" project covered in Case No. 2008.0849R.

Additionally, the attached Note to File was developed in 2010 to clarify that Case No. 2008.0849R considered the acquisition and use of the private and publicly-owned parcels including 801 Market Street, which was not clearly specified in the original Case No. 2008.0849R.

further General Plan Referral is required.

Best,

Sarah Dennis Phillips, AICP

Manager, Plans and Programs
T: 415.558.6314
F: 415.558.6409
sarah.dennis-phillips@sfgov.org

From: Hollins, Guy [mailto:Guy.Hollins@sfmta.com]
Sent: Tuesday, October 16, 2012 6:30 PM
To: Dennis-Phillips, Sarah
Cc: Crossman, Brian; Pearson, Audrey; Clifford, Alex J
Subject: Central Subway General Plan Referral Confirmation

Hi Sarah -

The Central Subway project needs to move forward with Resolutions of Necessity at the Board of Supervisors to preserve our ability to do work at eleven properties along the tunnel alignment and adjacent to the future Chinatown, Union Square and Moscone stations:

- Block 130, Lot 001: 1455 Stockton
- Block 193, lot 019: 1000-1032 Stockton
- Block 210A, lot 047: 930 Stockton
- Block 210A, lot 002-103: 950 Stockton
- Block 327, lot 025: 1 Stockton

- Block 309, lot 011: 212 Stockton
- Block 309, lot 013: 216 Stockton
- Block 327, lot 004: 39 Stockton
- Block 327, lot 005: 19 Stockton
- Block 3705, lot 048: 801 Market
- Block 3733, lot 008: 250 Fourth Street

The work in question is the installation of temporary grout tubes under these properties to mitigate potential building settlement during the construction of the Tunnels as well as the Chinatown, Union Square and Moscone stations. Over the past few months, we have notified each property owner of the need to perform the work under a temporary license agreement, appraised the value of these licenses, and made offers to the property owners in accordance with FTA requirements. All but one of the property owners have responded to our correspondence(s) and we are in various stages of license negotiation with each property. While we are pushing forward with these license negotiations, we cannot risk a delay to this project if one or more of the property owners does not sign the license agreement. Therefore, we will be requesting the Board of Supervisors approve resolutions of necessity for these license agreements.

The Board does require that the SFMTA get confirmation from Planning that no additional General Plan Referral is required for these temporary licenses. Can you confirm that the attached General Plan Referral suffices and that no additional GPR is required for this work? For your reference, I've attached email communication from you regarding our most recent GPR confirmation.

Please let me know if you have any questions.

Thanks for your help,

Guy Hollins
Central Subway Project
(415) 701-5266

SAN FRANCISCO
PLANNING DEPARTMENT

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

April 27, 2010

NOTE TO FILE

CASE NO. 2008.0849R
CENTRAL SUBWAY PROJECT
FOURTH AND KING STREETS TO STOCKTON AND JACKSON STREETS

On May 4, 2009, the Planning Department completed a General Plan Referral on the San Francisco Municipal Transportation Agency's (SFMTA) Central Subway Project ("Project"). The Central Subway Project would extend transit service 1.7 miles from the present terminus of the Third Street Light Rail line at Fourth and King Streets through the South of Market, Downtown and terminate in Chinatown.

General Plan Referral Case 2008.0849R considered the Project route alignment, extending 1.7 miles north from the Third Street Light Rail Line terminus at Fourth and King Streets, via Fourth Street and Stockton Streets, with stations at Fourth and Brannan, Fourth and Folsom (Moscone Station), Stockton/O'Farrell and Geary (Union Square/Market Street Station), terminating at Stockton and Jackson Streets (Chinatown Station). A tunnel extending north of the Chinatown Station would accommodate construction activities and facilitate removal of construction equipment and related material, once construction is completed.

The Central Subway Project will be constructed primarily in Public Rights-of-Way that are under the jurisdiction of the City and available for transit use. However, the Project also requires acquisition or use of a number of properties that are either privately-owned or under the jurisdiction of other City Departments and used for other purposes. While acquisition or use of the required parcels was discussed in the Case Report (Attachment 3) and Planning Code Section 101.1 Priority Findings (Attachment 4), it was not clearly stated in the body of the General Plan Referral findings letter. The Note to the File clarifies that Case No. 2008.0849R considered the acquisition and use of the private and publicly-owned parcels necessary to accommodate construction of the Central Subway. The Department is therefore appending this note to the file, specifying that the SFMTA would acquire the following privately-owned and publicly-owned parcels outright, through easements, or by use agreement. The specific parcels are listed in the table below.

NOTE TO FILE
Case No. 2008.0849R
Central Subway Project

Properties to be Acquired through Purchase, Easement or Use Agreement

Property Location Parcel No.	Purpose of Acquisition	Type of Acquisition
266 Fourth Street AB 3733 Lot 093 (Gas Station Lot)	Entrance to Moscone Station on Fourth Street, Location of Vent shafts	Purchase lot (14,800 square feet)
933-949 Stockton Street AB 0211, Lot 001 (Commercial on Ground floor, residential units above)	Entrance to Chinatown Station, Location of vent shafts	Purchase lot (10,100 square feet)
801 Market Street AB 3705, Lot 048 (Old Navy Store)	Subway alignment	Easement – Easement under building
1455 Stockton Street AB 0130, Lot 001	Subway Alignment for North Beach Tunnel Construction Variant	Easement – Easement under building
790-798 Market Street / 2 Stockton Street AB 0328, Lot 002 and 3705, Lot 001 to 004 (Virgin Records)	Subway Alignment	Easement – Easement under building
Union Square Garage AB 0308, Lot 001	Entrance to Union Square Station and Vent shafts	Agreement to locate station entry and vent shafts in Union Square Terrace/Plaza, displace 29-34 parking spaces
123 O'Farrell Street AB 0327, Lot 021 (Ellis/O'Farrell Garage)	Location of Vent shafts	Agreement to locate vent shafts in parking garage, displace 24 parking spaces

Acquisition of the parcels described above was reviewed as part of the Central Subway Final Supplemental Environmental Impact Statement/Supplemental Environmental Impact Report (FSEIS/FSEIR). The Planning Commission certified the FSEIS/FSEIR on August 7, 2008 and the SFMTA Board approved it on August 19, 2008.

cc: John Funghi, SFMTA
Audrey Pearson, City Attorney

I:\Citywide\General Plan\General Plan Referrals\2008\2008.0849R Note to File Central Subway.doc

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SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 12-087

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) intends to construct the Central Subway Project (Project) to provide rail service to the South of Market and Chinatown neighborhoods; and,

WHEREAS, The Project is the second phase of the SFMTA's Third Street Light Rail Project and the Project will add 1.67 miles of light rail track north from the northern end of the new Third Street Light Rail at Fourth and King Streets to a terminal in Chinatown, serve regional destinations, including Chinatown (the most densely populated area of the country that is not currently served by modern rail transportation), Union Square, Moscone Convention Center, Yerba Buena, SoMa and AT&T Park, connect BART and Caltrain (the Bay Area's two largest regional commuter rail services), serve a low auto ownership population of transit customers, increase transit use and reduce travel time, reduce air and noise pollution, and provide congestion relief; and,

WHEREAS, The public interest and necessity require the construction and operation of the Project to achieve such benefits; and,

WHEREAS, The Project will include four subway stations and connecting subsurface tunnels to provide direct rail service to the South of Market and Chinatown neighborhoods, and the Project has been planned and located in a manner that will be most compatible with the greatest public good and the least private injury; and,

WHEREAS, The Final Supplemental Environmental Impact Statement / Supplemental Environmental Impact Report (SEIS/SEIR) for the Project was certified by the San Francisco Planning Commission on August 7, 2008 and a Record of Decision was issued by the Federal Transit Administration on November 26, 2008; and,

WHEREAS, There have been no substantial changes proposed for the Project which will require major revisions to the SEIS/SEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; no substantial changes have occurred with respect to the circumstances under which the Project is being undertaken which will require major revisions in the SEIS/SEIR; and no new information of substantial importance has become available which was not known and could not have been known at the time the SEIS/SEIR was certified as complete and that would result in either significant environmental effects not discussed in the SEIS/SEIR, a substantial increase in the severity of previously identified significant effects, or feasible mitigation measures or alternatives that would substantially reduce one of the significant effects but which have not been adopted; and,

WHEREAS, The Project will assist the SFMTA in meeting the objectives of Goal No. 1 of the Strategic Plan (to provide safe, accessible, clean, environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First policy), of Goal No. 2 (to improve transit reliability), of Goal No. 3 (to improve economic vitality through improved regional transportation), and of Goal No. 4 (to ensure the efficient and effective use of resources); and,

WHEREAS, To construct the Project's tunnels, the SFMTA needs to acquire Tunnel Temporary Construction Licenses to install subsurface horizontal grout pipes at approximately 30 to 40 feet below the ground surface and the installation of settlement monitoring equipment at: 1455 Stockton Street, Assessor's Block 130, Lot 001; 1435 Stockton Street, Assessor's Block 130, Lot 002; 801 Market Street, Assessor's Block 3705, Lot 048; and 2 Stockton/790 Market Street, Assessor's Block 328, Lot 002; and,

WHEREAS, To construct the Project's Union Square/Market Street (UMS) Station, the SFMTA needs to acquire UMS Station Temporary Construction Licenses to install subsurface horizontal grout pipes at approximately 30 to 40 feet below the ground surface and the installation of settlement monitoring equipment at: 212 Stockton Street, Assessor's Block 309, Lot 011; 216 Stockton Street, Assessor's Block 309, Lot 013; 218 - 222 Stockton Street, Assessor's Block 309, Lot 014; 234 - 240 Stockton Street, Assessor's Block 309, Lot 020; 120 Stockton Street, Assessor's Block 313, Lot 017; 150 Stockton Street, Assessor's Block 313, Lot 018; 233 Geary Street, Assessor's Block 314, Lot 001; 101 Stockton Street, Assessor's Block 314, Lot 002; 55 Stockton Street, Assessor's Block 327, Lots 001-003, 020; 39 Stockton Street, Assessor's Block 327, Lot 004; 19 Stockton Street, Assessor's Block 327, Lot 005; 1 Stockton Street, Assessor's Block 327, Lot 025; 2 Stockton/790 Market Street, Assessor's Block 328, Lot 002; and 48 Stockton Street, Assessor's Block 328, Lots 003-004; and,

WHEREAS, To construct the Project's Chinatown Station, the SFMTA needs to acquire Chinatown Station Temporary Construction Licenses to install subsurface horizontal grout pipes at approximately 30 to 40 feet below the ground surface and the installation of settlement monitoring equipment at: 1019-1027 Stockton Street, Assessor's Block 192, Lot 002; 1013-1015 Stockton Street, Assessor's Block 192, Lot 003; 1009-1011 Stockton Street, Assessor's Block 192, Lot 004; 1000-1032 Stockton Street, Assessor's Block 193, 019; 950 Stockton Street, Assessor's Block 210A, Lot 002-103; 930 Stockton Street, Assessor's Block 210A, Lot 047; 925 Stockton Street, Assessor's Block 211, Lot 002; 913 - 917 Stockton Street, Assessor's Block 211, Lot 003; 901 - 907 Stockton Street, Assessor's Block 211, Lot 004; 910 - 914 Clay Street, Assessor's Block 211, Lot 005; 916 - 920 Clay Street, Assessor's Block 211, Lot 006; and,

WHEREAS, To construct the Project's Moscone (MOS) Station, the SFMTA needs to acquire MOS Station Temporary Construction Licenses to install subsurface horizontal grout pipes at approximately 30 to 40 feet below the ground surface and the installation of settlement monitoring equipment at: 250 4th Street, Assessor's Block 3733, Lot 008; and 801 - 805 Howard Street, Assessor's Block 3733; and,

WHEREAS, The Tunnel Temporary Construction Licenses, UMS Station Temporary Construction Licenses, Chinatown Station Temporary Construction Licenses, and MOS Station

Temporary Construction Licenses are collectively referred to as the Temporary Construction Licenses; and

WHEREAS, The acquisition and use of these Temporary Construction Licenses are necessary to construct the Project's tunnel, Chinatown Station, UMS Station and MOS Station; and,

WHEREAS, The Project has been planned and located in a manner that will be most compatible with the surrounding area, the greatest public good and interest, and the least private injury; and,

WHEREAS, The SFMTA has limited any potential private injury by seeking to acquire the Temporary Construction Licenses; and,

WHEREAS, The SFMTA mailed a offers to the affected property owners (Owners), subject to the negotiation of a license agreement, and the SFMTA is in discussions with the Owners to negotiate the terms of the Temporary Construction Licenses; and,

WHEREAS, If the SFMTA and Owners do not agree to the acquisition of the Temporary Construction Licenses within the next two months, it would delay the construction of the Project and cause Project delays; and,

WHEREAS, Funding for the Temporary Construction Licenses, either by negotiation or by eminent domain, will be furnished from federal, state and local sources; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to request the Board of Supervisors to consider adoption of Resolutions of Necessity for the acquisition of the Temporary Construction Licenses required for the Central Subway Project along the tunnel alignment and adjacent to the Chinatown, Union Square/Market Street and Moscone stations for their fair market value; and if the Board of Supervisors adopts such Resolutions of Necessity, further authorizes the Director of Transportation to take such actions that are consistent with the City's Charter and all applicable law, to proceed to acquire the Temporary Construction Licenses.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of June 19, 2012.

R. Boomer

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

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PROJECT: SFMTA Central Subway Project, San Francisco, California

ATTACHMENT_____

PROPERTY ADDRESS:	**APN:** 0309-011
212 Stockton Street	
San Francisco, CA 94108	
	Temporary License: Yes
	Approximate Square Footage: 5,445

OWNER:	
Deka USA Union Square LP	
Attn: King & Spaulding LP	
Mailing Address:	
1185 Avenue of the Americas	
New York, NY 10036	
OTHER CONTACTS:	**OTHER CONTACTS:**
Real Estate Capital Partners, LP	Terwilliger Management Company
Attn: Spencer McCann	Attn: Paige Salazar
(property management)	(property management)
Mailing Address:	**Mailing Address:**
13241 Woodland Park Road, Suite 600	600 California Street, Suite 510
Herndon, VA 20171	San Francisco, CA 94108
OTHER CONTACTS:	
Allen Matkins Leck Gamble Mallory and Natsis LLP	
Attn: Mark Seifert	
(attorneys)	

NEGOTIATOR'S DIARY

DATE:	REMARKS:	Copy
5/30/12	Offer to Purchase Temporary License Agreement at 212 Stockton Street (dated 5/24/12), Assessor's Parcel No. 0309, Lot 011, San Francisco, CA 94108. Signed by Ed Reiskin, Director of Transportation. Sent USPS Certified Mail. Attached were a draft of the proposed agreement and the building protection plans.	✓
6/15/12	Alex Clifford called Terwilliger Management requesting confirmation of the owner of the property and the details of the appropriate contact person regarding the proposed construction license.	
6/21/12	Alex Clifford received a letter from Real Estate Capital Partners in relation to	✓

	the proposed agreement.	
6/27/12	Alex Clifford emailed building protection plans to Spencer McCann	
7/12/12	Alex Clifford, Guy Hollins, and Ken Johnson, Central Subway project hold a conference call with Spencer McCann, his real estate management colleagues, and engineering consultants. Details of the Union Square / Market Street station construction and the proposed construction license are discussed. Various follow up items are to be addressed by Central Subway.	
8/28/12	Alex Clifford E-mailed Spencer McCann the requested engineering information.	
8/29/12	Notice of Intent to Appraise for Temporary Subsurface Encroachment and License Agreement for Building Inspection and Installation of Monitoring Equipment. Signed by John Funghi, Program Director. Attached was the City and County of San Francisco Real Estate Division's, "*The Use of Eminent Domain by the City and County of San Francisco: A Summary of the Process and Property Owners Rights*"	✓
9/14/12	Alex Clifford E-mailed further engineering information to Spencer McCann	
9/26/12	Alex Clifford E-mailed Spencer McCann enquiring re: the status of the reviews	
10/5/12	Alex Clifford, Guy Hollins, and Ken Johnson, Central Subway project hold a conference call with Spencer McCann, his real estate management colleagues, and engineering consultants. One follow up item is to be addressed by Central Subway.	
10/17/12	Offer to Purchase Temporary License Agreement (dated 10/15/12) at 212 Stockton Street, Assessor's Parcel No. 0309, Lot 011, San Francisco, CA 94108. Signed by Ed Reiskin, Director of Transportation. Sent USPS Certified Mail. Attached was (1) summary appraisal for the proposed license; and (2) the City and County of San Francisco Real Estate Division's, "The Use of Eminent Domain by the City and County of San Francisco: A Summary of the Process and Property Owners Rights"	✓
10/24/12	Alex Clifford E-mailed Spencer McCann the requested engineering information	
10/22/12	Spencer McCann E-mailed Alex Clifford comments regarding the proposed license agreement	
10/26/12	Alex Clifford receives USPS Certified Mail Receipt signed and returned to SFMTA Central Subway Project Office, 821 Howard Street, San Francisco, CA 94103.	✓
	Alex Clifford E-mailed Spencer McCann advising Central Subway are reviewing their comments and attached copies of the 10/17/12 offer letters and relevant attachments.	

✓ indicates copy of correspondence has been added to the Board of Supervisors' file.
Copies of all correspondence are included in the SFMTA files.

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central T subway

Connecting people. Connecting communities.

CS Letter No. 1694

VIA CERTIFIED MAIL WITH RETURN RECEIPT

May 24, 2012

Deka USA Union Square LP
Att'n: King & Spaulding, LLP
1185 Avenue of the Americas
New York, NY 10036

Subject: Offer to Purchase Temporary License at 212 Stockton Street, San Francisco (Block 0309, Lot 011)

Dear Property Owner:

The City and County of San Francisco ("City"), acting through the San Francisco Municipal Transportation Agency ("SFMTA"), offers to purchase a temporary license ("License") in your property at 212 Stockton Street, San Francisco (Block 0309, Lot 011) (the "Property") for $3,067 (the "Proposed Price"), subject to the negotiation of a mutually acceptable license agreement. A draft temporary license agreement is enclosed for your review.

The City would use the License as part of its Central Subway Project. The Central Subway, as currently planned, will extend light rail service (primarily by subway) from Fourth and King streets to serve the South of Market, Union Square and Chinatown neighborhoods.

This letter is SFMTA's offer to purchase the License from you for the following:

- Installation of subsurface horizontal grout pipes under your building to provide additional support during construction of the Central Subway Project's Union Square / Market Street Station. These thin-diameter grout pipes would be installed at approximately 30 to 40 feet below the ground surface.
- Installation of internal building monitoring equipment comprising 16 liquid level system gauges with connecting one-half inch (.5") diameter plastic tubes, 17 pairs of tape extensometers, 4 tilt meters, 4 tilt plates, and 1 vibration monitoring point.
- Installation of external building monitoring equipment comprising crack gauges, and 1 Building Settlement Point (Prism on roof top or wall).

Installing the grout pipes will not impact normal operations at your building, due to the depth at which they would be installed. The grout pipes will be installed over a thirty (30) day period, but you would be able to remove them for any future excavation work at the Property. Due to these factors, the grout pipes under your building would have no discernible effect on the existing or future property improvements. Access to the Property would not be required to install the grout tubes.

SFMTA | Municipal Transportation Agency

821 Howard Street 415.701.5262 Phone
San Francisco, Ca 94103 415.701.5222 Fax

The internal and external monitoring equipment would be installed at a time and location to be coordinated and agreed between your representative and the SFMTA contractor performing the work. The contractor will have the responsibility to minimize any disruption to the operation activities of the building and for repairing any damage caused as a result of the installation or removal of the monitoring equipment. A depiction of the internal and external monitoring equipment is enclosed for your reference.

We would appreciate a response to this offer at your earliest possible convenience. Should you have any questions in regards to the matters set forth in this offer letter, please contact Alex Clifford at 415.533.7906.

Thank you for your prompt attention.

Sincerely,

Edward D. Reiskin
Director of Transportation

Attachments:
Draft License Agreement
Depictions of Monitoring Equipment

cc: Kerstin Magary, SFMTA (w/o attachments)
John Funghi, SFMTA (w/o attachments)
Guy Hollins, PMCM (w/o attachments)
Alex Clifford, PMCM (w/o attachments)
CS File No. M544.1.5.1020

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Rec'd cert mail 6/21/12

REAL ESTATE CAPITAL PARTNERS

Limited Partnership

June 19, 2012

Alex Clifford
c/o San Francisco Municipal Transportation Agency
SFMTA Real Estate Section
1 South Van Ness Avenue, 8th Floor
San Francisco, CA 94103
Attn: Senior Manager
Fax: 415-701-4341

Alex Clifford
c/o San Francisco Municipal Transportation Agency
Central Subway Project
821 Howard Street, 2nd Floor
San Francisco, CA 94103
Attn: David Greenaway
Fax: 415-701-5222

Re: SFMTA Offers to Purchase Temporary Licenses at 1 Stockton Street and 212 Stockton Street, San Francisco

Dear Mr. Clifford:

This will respond to Edward T. Reiskin's letters dated May 24, 2012 (received June 5, 2012) addressed to Deka USA Stockton LP and Deka USA Union Square LP offering to purchase temporary licenses at 1 Stockton Street and 212 Stockton Street, respectively, in San Francisco in connection with your work on the Central Subway tunneling project. Going forward, I will be your primary contact on behalf of the ownership for each of these buildings.

The building ownership for each of these buildings is reviewing the offers to purchase licenses to install grout pipes, internal monitoring equipment, and external monitoring equipment, as described in Mr. Reiskin's letters and the attachments thereto. It would greatly facilitate and expedite that review if your office would provide civil, structural, architectural, excavation / shoring, soil grouting, demolition and similar drawings, specifications and geotechnical information for the vicinity of each of these buildings. (This would include more legible copies of the drawings attached to Mr. Reiskin's letters.) In addition, the building ownership would like to schedule a call among its engineering consultants and the engineers retained by SFMTA who are thoroughly familiar with the proposed grouting and monitoring work.

13241 Woodland Park Road, Suite 600, Herndon, VA 20171 • 703.481.7100 • Fax: 703.481.7101

Please contact me to arrange for providing the requested drawings and scheduling the requested call. Thank you, and I look forward to working with you on these matters.

Sincerely,

Spencer McCann
Real Estate Capital Partners, LP
Asset Manager for 1 Stockton Street and 212 Stockton Street, San Francisco

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central T subway

Connecting people. Connecting communities.

CS Letter No. 1748

August 29, 2012

Deka USA Union Square LP
1185 Avenue of the Americas
New York, NY 10036

Att'n: King & Spaulding, LLP

Reference: Project No. M544.1, Contract No. CS-149

Subject: **Notice of Intent to Appraise for Temporary Subsurface License**
212 Stockton Street, San Francisco
Block: 0309, Lot: 011

Dear Sir or Madam:

The City and County of San Francisco, acting through the San Francisco Municipal Transportation Agency ("SFMTA"), is planning a public construction project known as the Central Subway (the "Project"). The Project will extend light rail service from the Third Street Light Rail Station at Fourth and King Street to underground subway stations at Moscone Center, Union Square/Market Street and Chinatown.

We understand that you own the above-referenced property, which is within the general area that may be affected by the construction of the Union Square/Market Street Station. SFMTA will closely monitor this area before, during and after the station construction to detect any construction-related settlement. To that end, SFMTA previously sent you a letter to request a temporary license for the installation of subsurface grout pipes and interior and exterior building monitoring equipment at your property ("Proposed License"). SFMTA believes the fair market value of the Proposed License is nominal, but SFMTA now intends to obtain a fair market value appraisal to confirm the value of the Proposed License.

As part of the appraisal process, SFMTA's appraiser will contact you in the near future to arrange a mutually agreeable time to conduct a non-invasive inspection of your property. You or your representative may accompany the appraiser during the inspection.

The Project's station contractor will also contact you to arrange a mutually-agreeable time to visually inspect your property and to discuss the exterior and interior monitoring equipment that SFMTA would like to install at your property. If you have concerns about the proposed placement of the monitoring equipment, our station contractor will work with you to find an alternative location. The contractor will also work with you to find a mutually-agreeable time to install the equipment.

Please note that this letter is only for the purposes mentioned above, and it is not a notice to vacate or move from the property. If you have any questions in regard to the matters set forth in this letter, please contact Alex Clifford at (415) 533-7906.

Sincerely,

John Funghi
Program Director

JF:ac

Enclosures:
The Use of Eminent Domain by the City and County of San Francisco

Cc: Alex Clifford, PMCM (w/o attachments)
Guy Hollins, PMCM (w/o attachments)
CS File No. M544.1.5.1020

Exhibit "B"

THE USE OF EMINENT DOMAIN BY THE CITY AND COUNTY OF SAN FRANCISCO

A SUMMARY OF THE PROCESS AND PROPERTY OWNERS' RIGHTS

CITY AND COUNTY OF SAN FRANCISCO
REAL ESTATE DIVISION
JANUARY 2009

ABOUT THIS PAMPHLET

SB 698, which went into effect on January 1, 2008 and amended Section 1255.410 of the California Code of Civil Procedure and Section 7267.2 of the California Government Code, requires that every property owner whose property may be the subject of an eminent domain action be given an "informational pamphlet" outlining the property owner's rights under the Eminent Domain Law of California.

The City and County of San Francisco has prepared this pamphlet based on the efforts of the following organizations:

League of California Cities

California State Association of Counties

Association of California Water Agencies

California Special Districts Association

California Redevelopment Association

INTRODUCTION

Eminent domain (sometimes called "condemnation") is the power of the government to purchase private property for a "public use" so long as the government pays the property owner "just compensation," which is the fair market value as determined by appraisal and which may ultimately be determined by a court. An owner's right to be paid just compensation in eminent domain is guaranteed by the Federal and State Constitutions and applicable State laws.

Whenever possible, the City tries to avoid eminent domain proceedings because of the added time, concern and cost to everyone. But if the City and a property owner cannot reach an agreement on the price for needed property, the City will consider whether to proceed with an eminent domain action.

The City decides whether to acquire private property for a public project only after a thorough public review of the project. That review process includes one or more public hearings, and, if required, environmental review for the project under the California Environmental Quality Act (CEQA). Ultimately, the City may not exercise its eminent domain power unless the San Francisco Board of Supervisors approves the action after a public hearing. Often, before the Board of Supervisors acts, a particular City commission with authority over the project also holds a public hearing to consider the proposed exercise of eminent domain.

This pamphlet provides general information about the eminent domain process under California law and the property owner's rights in that process.

IMPORTANT NOTE:

THIS PAMPHLET REFLECTS THE CURRENT LAW AS OF THE PUBLICATION DATE. BUT THE INFORMATION IN THIS PAMPHLET IS NOT, NOR SHOULD YOU CONSTRUE IT TO BE, LEGAL, FINANCIAL OR TAX ADVICE TO YOU. YOU SHOULD CONSULT WITH QUALIFIED LEGAL COUNSEL AND OTHER APPROPRIATE EXPERTS FOR LEGAL, FINANCIAL AND TAX ADVICE REGARDING YOUR SPECIFIC SITUATION, RATHER THAN RELYING ON THIS PAMPHLET AS A SUBSTITUTE FOR THAT ADVICE.

FREQUENTLY ASKED QUESTIONS AND ANSWERS

- **What is a "public use"?**

A "public use" is a use that confers public benefits, like the provision of public services or facilities or the promotion of public health, safety, and welfare. Public uses include a wide variety of projects, such as street and transportation improvements, parks, schools, construction of water pipelines or storage facilities, construction of civic buildings, open space and watershed preservation, and redevelopment of blighted areas. Some public uses are for private entities, such as universities, hospitals and public utilities, which serve the public. These are some examples of public uses. There are many other public purposes for which a public agency may use eminent domain.

Proposition 99, adopted by California's voters in June 2008, amended the California Constitution to prohibit the government from "acquiring by eminent domain an owner-occupied residence for the purpose of conveying it to a private person." Sections 19(c) and 19(d) of this law provide that the government is still allowed to use eminent domain to acquire owner-occupied residences if the purpose is related to public health and safety; preventing serious, repeated criminal activity; responding to an emergency; remedying hazardous environmental contamination that poses a threat to public health and safety; or for a public work or improvement.

- **What is "just compensation"?**

Just compensation is the fair market value of the property being acquired by the government. State law defines fair market value as "the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available."

THE EMINENT DOMAIN PROCESS AND THE PROPERTY OWNER'S RIGHTS

The eminent domain process begins with the creation of a public project. When selecting a project location, the City is guided by the goal of rendering the greatest public good and the least private injury and inconvenience. If the City determines that all or a portion of your property may be necessary for a public project, it will begin an appraisal process to determine the property's fair market value.

- **How is the fair market value of my property determined?**

The City will retain an independent, accredited appraiser familiar with local property values to appraise your property. The appraiser will invite you to come along during an inspection of your property. You may give the appraiser any information about improvements and any special features that you believe may affect the value of your property. It is in your best interest to provide the appraiser with all the useful information you can to ensure that nothing of value will be overlooked. If you are unable to meet with the appraiser, you may wish instead to have a person who is familiar with your property meet with the appraiser.

After the inspection, the appraiser will complete an appraisal that will include a determination of your property's fair market value and the information upon which the fair market value is based. The appraiser will provide the City with the appraisal. The City will then make a written offer to purchase your property, which will be for no less than the amount of the appraisal. The offer will also include a summary of the appraisal.

- **What factors does the appraiser consider in determining fair market value?**

Each parcel of real property is different. Therefore, no single formula can be used to appraise all properties. Factors an appraiser typically considers in estimating fair market value include the following:

- The location of the property;
- The age and condition of improvements on the property;
- How the property has been used;
- Whether there are any lease agreements relating to the property;
- Whether there are any environmental issues, such as contaminated soil;
- Applicable current and potential future zoning and land use requirements;
- How the property compares with similar properties in the area that have been sold recently;
- How much it would cost to reproduce the buildings and other structures, less any depreciation; and
- How much rental income the property produces, or could produce if put to its highest and best use.

- **Will I receive a copy of the appraisal?**

Before proceeding with eminent domain, the City must provide you with its purchase offer, a summary of the appraiser's opinion, and the basis for the City's offer, and give you a reasonable period to consider the offer. Among other things, the appraisal summary must include the following information:

- A general statement of the City's proposed use for the property;
- An accurate description of the property to be acquired;
- A list of the improvements covered by the offer;
- The amount of the offer; and
- The amount considered to be just compensation for each improvement that is owned by a tenant and the basis for determining that amount.

State law requires the City to show you a copy of the full appraisal only if your property is an owner-occupied residential property with four or fewer residential units. Otherwise, the City may, but is not required to, disclose its full appraisal during negotiations (though different disclosure requirements apply during the litigation process if the issue of fair market value goes to court).

- **Can I have my own appraisal done?**

Yes. You may decide to obtain your own appraisal of the property in negotiating the fair market value with the City. At the time of making its initial offer to you, the City must offer to reimburse you the reasonable costs, not to exceed $5,000, of an independent appraisal you obtain for your property. To be eligible for this reimbursement, you must have the independent appraisal conducted by an appraiser licensed by the State Office of Real Estate Appraisers.

- **What advantages are there in selling my property to the City?**

As a real estate transaction, a sale of property to the City is similar to a sale of property to a private buyer. But there may be certain financial advantages to selling to a public entity such as the City:

- You will not be required to pay for real estate broker commissions, preparation of sale documents, buyer's title insurance policy premiums or recording fees required in closing the sale. The City will pay any and all of these costs.
- Sales to the City are not subject to the local documentary transfer tax, which generally applies to sales of private property from one private owner to another. However, if the property is located within a charter city other than San Francisco, a sale to the City may be subject to the charter city's separate real estate transfer tax.
- The City cannot give you tax advice or direction. You might be eligible for certain real property tax and income tax advantages, and your tax liability may differ depending on where your property is located. You

should check with the Internal Revenue Service (IRS) and/or consult your personal tax advisor or lawyer for details.

- **If the City acquires only a portion of my property, will I be paid for the loss to my remaining property?**

In general, when the City needs only a part of your property for the project, it will make every reasonable effort to ensure you do not suffer a financial loss to the "remainder" property. The City will compensate you for any loss in value to your remaining property that is not offset by the benefits conferred by the project for which the City is taking your property. This compensation is often referred to as "severance damages."

Whether the City's purchase of a portion of your property will result in any loss in value to the remainder is a complex appraisal issue. If the appraiser concludes the proposed acquisition will have this effect, a City real estate representative will explain the effect to you.

Also, if any part your property that would remain after the City takes the portion it needs is of such a shape or condition as to be of little market value, the City will offer to acquire that remaining part (or remnant) from you, if you so wish.

- **Will I be compensated for loss of goodwill to my business?**

If you are the owner of a business that operates on the property being acquired, you may have a right to additional compensation for lost business goodwill if the loss is caused by the acquisition of the property. "Goodwill" consists of the economic value of a business, separate from the property on which the business is located, as a result of its location, reputation for dependability, skill or quality of the staff, services or merchandise, and any other circumstances that make the business attractive to existing and new patrons.

- **What will happen to the loan on my property?**

Where the City is acquiring the entire property, generally the compensation payable to the owner is first used to satisfy outstanding loans or liens, as in a typical real estate transaction. Where less than the entire property is being acquired, whether outstanding loans or liens are paid from the compensation will depend on the particular facts and circumstances.

- **Do I have to sell at the price offered?**

No. If you and the City are unable to reach an agreement on a mutually satisfactory price, you are not obligated to sign or accept an offer or enter into a purchase agreement.

- **If I agree to accept the City's offer, how soon will I be paid?**

If you reach a voluntary agreement to sell your property or an interest in the property to the City, the City will make its payment at a mutually acceptable time, generally within 60 to 90 days after you, the City (including any necessary boards and commissions), and any other required parties with ownership interests in the property agree to the sale and sign the purchase and sale contract.

- **What happens if we are unable to reach an agreement on the property's fair market value?**

The City will make every reasonable effort to acquire your property by negotiated purchase. But if the negotiations are unsuccessful, the City may either file an eminent domain action in a court located in the county where your property is located or abandon its intent to acquire the property. If the City abandons its intent to acquire, it will promptly notify you.

If the City proceeds with eminent domain, the first public step is for its staff to request authority from the San Francisco Board of Supervisors–the elected legislative body–to file an eminent domain action. The Board of Supervisors grants approval to proceed by adopting a "Resolution of Necessity." In considering whether to adopt the Resolution of Necessity, the Board of Supervisors must determine whether the public interest and necessity require the project, whether the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury, and whether your property is necessary for the project.

You will be given notice and an opportunity to appear before the Board of Supervisors when it considers whether to adopt the Resolution of Necessity. You may want to call an attorney or contact an attorney referral service right away. You or your representatives can raise any objections to the Resolution of Necessity and the proposed eminent domain either orally at the hearing on the Resolution of Necessity or in writing to the Board of Supervisors before that hearing.

The full Board of Supervisors, not just a committee of the Board, must conduct a public hearing before considering approval of the Resolution of Necessity. The Board of Supervisors must approve the Resolution of Necessity by a 2/3 vote–i.e., at least eight of its eleven members. If the Board of Supervisors approves the Resolution of Necessity, the Resolution is forwarded to the Mayor, who then has 10 days to either approve the Resolution by signing it; allow it to go into effect without signing it; or veto it. If the Mayor vetoes it, the Board of Supervisors can override the veto by a 2/3 vote.

If the Resolution of Necessity is adopted, the City can then file a complaint in court to acquire title to the property by eminent domain upon payment of the property's fair

market value. In that action, the City is the plaintiff. Anyone with a legal interest in the property, generally determined from a title report on the property (including tenants or mortgage holders), is named in the complaint as a defendant. Often, the City will also deposit with the State Treasurer of California the amount the City believes is the "probable amount of compensation." The City must make the deposit if it is seeking to acquire possession of the property before agreement is reached, or a judgment is entered, establishing the fair market value of the property.

- **Can the City acquire possession of my property before a court in the eminent domain lawsuit determines the property's fair market value?**

In some cases, the City may decide it needs possession of the property before a court finally determines the property's fair market value. This type of possession is commonly referred to as "immediate possession." In such a case, the City must apply to the court for an "order for possession" to allow it to take control of the property before a final determination of the property's fair market value. The City is required to schedule a hearing with the court on the proposed order for possession and to give you advance notice of the hearing. The City generally must send the notice at least 90 days before the hearing date if the property is occupied and 60 days before the hearing date if the property is unoccupied. A judge will decide whether the order for possession should be granted. As noted above, the City must deposit with the State Treasurer the probable amount of just compensation to obtain immediate possession of the property.

- **Can I oppose the motion for an order for possession?**

Yes. You may oppose the motion in writing by serving the City and the court with your written opposition within the period of time set forth in the notice from the City.

- **Can I rent the property from the City?**

If the City agrees to allow you or your tenants to remain on the property after it acquires possession, you or the tenants will be required to pay a fair market rent to the City. Generally, fair market rent is based on rent for the use of property similar to yours in a similar area.

- **Can I withdraw the amount deposited with the State Treasurer before the eminent domain action is completed, even if I don't agree that the amount reflects the fair market value of my property?**

Yes. Subject to the rights of any other persons having an interest in the property (such as a lender, tenant, or co-owner), you may withdraw the amount deposited with the State Treasurer before the eminent domain action is completed. If you withdraw the amount on deposit, you may still seek a higher fair market value during the eminent domain proceedings. But your withdrawal will mean that you may not

contest the City's right to acquire the property, meaning you waive any ability to contest that the acquisition of your property is for a public purpose or is otherwise legally improper.

You also have the right to ask the court to require the City to increase the amount deposited with the State Treasurer if you believe the amount the City has deposited less than the "probable amount of compensation."

- **Can I contest the City's acquisition of my property?**

Yes. As long as you have not withdrawn the amount deposited, you can challenge in court the City's legal right to acquire or condemn your property.

- **What happens in an eminent domain trial?**

The main purpose of an eminent domain trial is to determine the fair market value of your property, including compensable interests such as lost business goodwill caused by the taking or severance damages. The trial is usually conducted before a judge and jury. You (together with any others with interests in the property) and the City will have the opportunity to present evidence of your property's value. The jury will determine the property's fair market value. In cases where the parties choose not to have a jury, the judge will decide the property's fair market value. Generally, each party to the litigation must disclose its respective appraisals to the other parties before trial.

If you challenge the City's right to acquire the property, the eminent domain trial will also determine whether the City has the legal right to acquire the property. In such cases, the judge (not the jury) will make this determination before any evidence is presented concerning the property's fair market value.

If the Court concludes the City has the right to acquire the property, the jury will establish the fair market value and the judge will enter a judgment requiring the City to pay that amount. Once the City pays the amount of the judgment, the judge will enter a final order of condemnation. The City will record the final order with the County Recorder, and title to the property will then pass to the City.

- **Am I entitled to interest?**

Anyone receiving compensation in an eminent domain action is generally entitled to interest on that compensation from the date the condemning agency takes possession of the property until the person receiving the compensation has been fully paid. Formulas set by State law determine the rate and method of calculation of the interest.

- Will the City pay my attorneys' fees and costs?

In an eminent domain action, you are entitled to be reimbursed by the City for your court costs, such as court filing fees. In some circumstances, you may also be entitled to be reimbursed by the City for your attorneys' fees in the lawsuit. Whether you are entitled to receive reimbursement for your attorneys' fees will depend on the particular facts and circumstances of the case and the offers and demand for compensation made in connection with the action.

- Will I receive assistance with relocation?

Any person, business, or farm operation displaced as a result of the property acquisition is typically entitled to relocation advice and financial assistance for eligible relocation expenses, such as moving expenses. The amount of relocation compensation will be determined on a case-by-case basis in accordance with prescribed law. The City will work with you to help you obtain relocation assistance and benefits.

CONTACT INFORMATION

We are available to answer your questions and to assist you in understanding the acquisition program and the eminent domain process. If you would like further information, please contact:

San Francisco Real Estate Division, General Services Agency
25 Van Ness Ave, Suite 400
San Francisco, CA 94102
(415) 554-9850

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central T subway

Connecting people. Connecting communities.

CS Letter No. 1756

VIA CERTIFIED MAIL WITH RETURN RECEIPT

October 15, 2012

Deka USA Union Square LP
1185 Avenue of the Americas
New York, NY 10036

Att'n: King & Spaulding LLP

Subject: Offer to Purchase Temporary License at 212 Stockton Street
(Block 0309, Lot 011)

Dear Property Owner:

The City and County of San Francisco ("City"), acting through the San Francisco Municipal Transportation Agency ("SFMTA"), offers to purchase a temporary license ("License") in your property at 212 Stockton Street, San Francisco, (Block 0309, Lot 011) (the "Property") for $3,400 (the "Proposed Price"), subject to the negotiation of a mutually acceptable license agreement.

The City would use the License as part of its Central Subway Project. The Central Subway, as currently planned, will extend light rail service (primarily by subway) from Fourth and King Streets to serve the South of Market, Union Square and Chinatown neighborhoods. This letter and the enclosed materials comprise SFMTA's offer to purchase the License from you for this public project, pursuant to California Government Code Section 7267.2 and 49 Code of Federal Regulations Section 24.102(d) and (e).

As explained in our previous correspondence, SFMTA is planning to install subsurface horizontal grout pipes under the building at the Property to provide additional support during construction of the Central Subway Project's Union Square / Market Street Station. These thin-diameter grout pipes would be installed at approximately 30 to 40 feet below the ground surface, depending on the existing building structure and ground conditions.

Installing the grout pipes will not impact normal operations at the building, due to the depth at which they would be installed. You would be able to remove them for any future excavation work at the Property, provided that any removal work does not damage the Project or adjacent City property. Due to these factors, the grout pipes under the building would have no discernible effect on the existing or future property improvements.

In accordance with California Code of Civil Procedure Section 1263.320(a), the Proposed Price represents the fair market value of the License, as determined by the SFMTA. At SFMTA's request, an independent licensed appraiser performed an appraisal of the License to ensure that the Proposed Price was not less than the appraised value of the License. Enclosed is an

Appraisal Summary Report, which provides the legal description of the License and the basis for the determination of the appraised value. For your reference, a pamphlet entitled "The Use of Eminent Domain By The City and County of San Francisco (A Summary Of the Process And Property Owners' Rights)" is also enclosed. Under California Code of Civil Procedure Section 1263.025, if you wish to seek an independent appraisal of the fair market value of the License, the SFMTA will pay the reasonable costs of this appraisal, in an amount not to exceed $5,000. The independent appraisal must be conducted by an appraiser with a certified general license issued by the California Office of Real Estate Appraisers.

We would appreciate a response to this offer at your earliest possible convenience. Should you have any questions in regards to the matters set forth in this offer letter, please contact Alex Clifford at 415.533.7906.

Thank you for your prompt attention.

Sincerely,

Edward D. Reiskin
Director of Transportation

Enclosures:
Appraisal Summary Report
The Use of Eminent Domain by the City and County of San Francisco

cc: Kerstin Magary, SFMTA
John Funghi, SFMTA
Guy Hollins, PMCM
Alex Clifford, PMCM
CS File No. M544.1.5.1030

City and County of San Francisco

APPRAISAL SUMMARY STATEMENT

CONFIDENTIAL
This document contains personal information and pursuant to Civil Code 1798.21, it shall be kept confidential in order to protect against unauthorized disclosure.

"Exhibit A"

Owner: Deka USA Union Square LP
1185 Avenue of the Americas
New York, NY 10036

Att'n: King & Spaulding, LLP

Property Address: 212 Stockton Street
San Francisco, CA 94108
APN: 0309 011

Property to be acquired: Temporary Construction License

Locale: San Francisco County, California

Site Area: **5,445 SF**

Including Access Rights: Yes X No ☐

STATUTORY BASIS OF VALUATION

The market value for the temporary construction license to be acquired by the City and County of San Francisco ("City") is based upon an appraisal prepared in accordance with accepted appraisal principles and procedures.

Code of Civil Procedure Section 1263.320 defines Fair Market Value as follows:

a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

Code of Civil Procedure Section 1263.321 defines Fair Market Value as follows:

A just and equitable method of determining the value of nonprofit, special use property for which there is no relevant, comparable market is as set forth in Section 824 of the Evidence Code, but subject to the exceptions set forth in subdivision (c) of Section 824 of Evidence Code.

The market value for the property to be acquired by the City is based upon Code of Civil Procedure Section 1263.320 as defined above.

BASIC PROPERTY DATA

Interest valued:	Temporary Construction License
Date of valuation:	September 25, 2012
Applicable zoning:	C3R
License Area:	**5,445 SF** (between approximately 30 feet and 40 feet below existing ground surface for access and installation of Subsurface Compensation Grouting System; Access to to install, maintain, and eventually remove Settlement Monitoring Equipment)
Highest and best use:	Vertical retail project

Current use: Vertical retail project

Value of the Site Area $ 7,120,000

Value of the Temporary Construction
License for temporary Subsurface
Compensation Grouting System,
Settlement Monitoring Equipment

Land:	$	3,400
Imps:	$	N/A

Fair Market Value of Temporary Construction License $ 3,400*

Severance Damages

Cost to Cure Damages: $ None

Incurable Damages: $ None

Total Damages: $ None

Construction Contract Work: $ None

Benefits: $ None

Net Damages: $ None

The amount of any other compensation: $ None

JUST COMPENSATION FOR ACQUISITION $ 3,400

Total **$ 3,400**

THE FOLLOWING INFORMATION IS BASED ON THE ENTIRE SITE AREA

1. The Sales Comparison approach is based on the consideration of comparable land and improved sales.

   Indicated value by Sales Comparison Approach $ 3,400
   See attached sheet for principal transactions.

* The Temporary Construction License will not impact the historic or future commercial utility of the Site Area nor affect the existing use or any alternative use. There is nominal impact on the utility of the Site Area, since it will continue to provide essentially all its functions without deficiency. The estimated value of the Site Area, in its highest and best use, will remain the same in the after condition as in the before condition and therefore there is no severance damages. The highest value for the Subsurface Compensation Grouting system component of the License is $3,400. The highest value for the Settlement Monitor component of the License is $0. The Settlement Monitoring Equipment valuation relied upon comparable projects including the Massachusetts Department of Transportation Boston's Big Dig, Seattle's Alaskan Way Viaduct, Los Angeles

County Metro Transportation Agency Eastside Extension and BART's Earthquake Safety Program. In every instance, no compensation was required by property owners for the installation, maintenance and removal of settlement monitoring equipment.

LIST OF PRINCIPAL TRANSACTIONS

ADDRESS:	**Sony Metreon Retail and Entertainment Center, San Francisco County**
TRANSACTION DATE:	July 1995
SITE SIZE:	118,570 SF - Gross Land Area
TOTAL VALUE:	$24,897,600 (Includes Contingent Income/Percentage Rent)

ADDRESS:	**The Ferry Building, San Francisco County**
TRANSACTION DATE:	June 2000
SITE SIZE:	115,262 SF of Pier and Land Area
TOTAL VALUE:	$23,571,902 (Based on rentable area of approximately 232,194 SF)

ADDRESS:	**The Elevated Shops, Union Square, San Francisco County**
TRANSACTION DATE:	May 2000
SITE SIZE:	18,906 SF – Gross Site Area
TOTAL VALUE:	$28,800,000 (Based on rentable area of approximately 113,440 SF)

ADDRESS:	**Rincon Park Restaurants, Embarcadero, San Francisco County**
TRANSACTION DATE:	Proposed Future Development Approved June 2003 by Port Commission Resolution No. 03-40
SITE SIZE:	20,000 SF – Site Area
TOTAL VALUE:	$2,937,600 (Based on a rentable floor area of approximately 14,400 SF)

ADDRESS:	**Mark Hopkins Hotel, Union Square, San Francisco County**
TRANSACTION DATE:	May 2010
SITE SIZE:	56,715 SF – Site Area
TOTAL VALUE:	$22,625,000 (Based on a unit price per hotel room of approximately $59,200 for the 380 room hotel)

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

DEKA USA UNION SQUARE LP
ATT'N: PROPERTY OWNER
1185 AVENUE OF THE AMERICAS
NEW YORK, NY 10036

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☑ Agent ☐ Addressee

B. Received by (Printed Name) DON LEAVITT
C. Date of Delivery 10/24/12

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 3500 0002 8827 1919

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

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San Francisco, CA 94103

10/26

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BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with Section 1245.235 of the Code of Civil Procedure, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: **Tuesday, December 11, 2012**

Time: **3:00 p.m.**

Location: **Legislative Chamber, Room 250 located at City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA**

Subject: **Public Hearing to Consider Property Acquisition - Eminent Domain, interest in real property: a temporary construction license at the real property commonly known as 212 Stockton Street, San Francisco, California, Assessor's Parcel Block No. 0309, Lot No. 011, for the public purpose of constructing the Central Subway/Third Street Light Rail Extension and other improvements. (File No. 121089)**

Said public hearing will be held to make findings of whether public interest and necessity require the City and County of San Francisco to acquire, by eminent domain, the following interests in real property: a temporary construction license at the real property commonly known as 212 Stockton Street, San Francisco, California, Assessor's Parcel Block No. 0309, Lot No. 011, for the public purpose of constructing the Central Subway/Third Street Light Rail Extension and other improvements; adopting environmental findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Administrative Code Chapter 31; and adopting findings of consistency with the General Plan and City Planning Code Section 101.1. A description of the real property is set forth in **Exhibits A** and **B**, available in the official file for review in the Office of the Clerk of the Board.

The purpose of said hearing is to hear all persons interested in the matter. You have a right to appear and be heard on the matters referred to in California Code of Civil

121094

EXHIBIT "A"

PROPERTY DESCRIPTION

For a portion of 212 Stockton Street,
Assessor's Block 0309, Lot 011

The proposed acquisition comprises a license affecting an underground rectangular area coterminous with the area of the subject property, in which thin-diameter grout pipes cross the property line in a horizontal orientation at approximately 30 to 40 feet below the surface of the ground. The license further authorizes installation, monitoring, repair, and maintenance of settlement monitor markers and equipment.

Containing 5,445 square feet, more or less.

APN: 0309-011

central T subway

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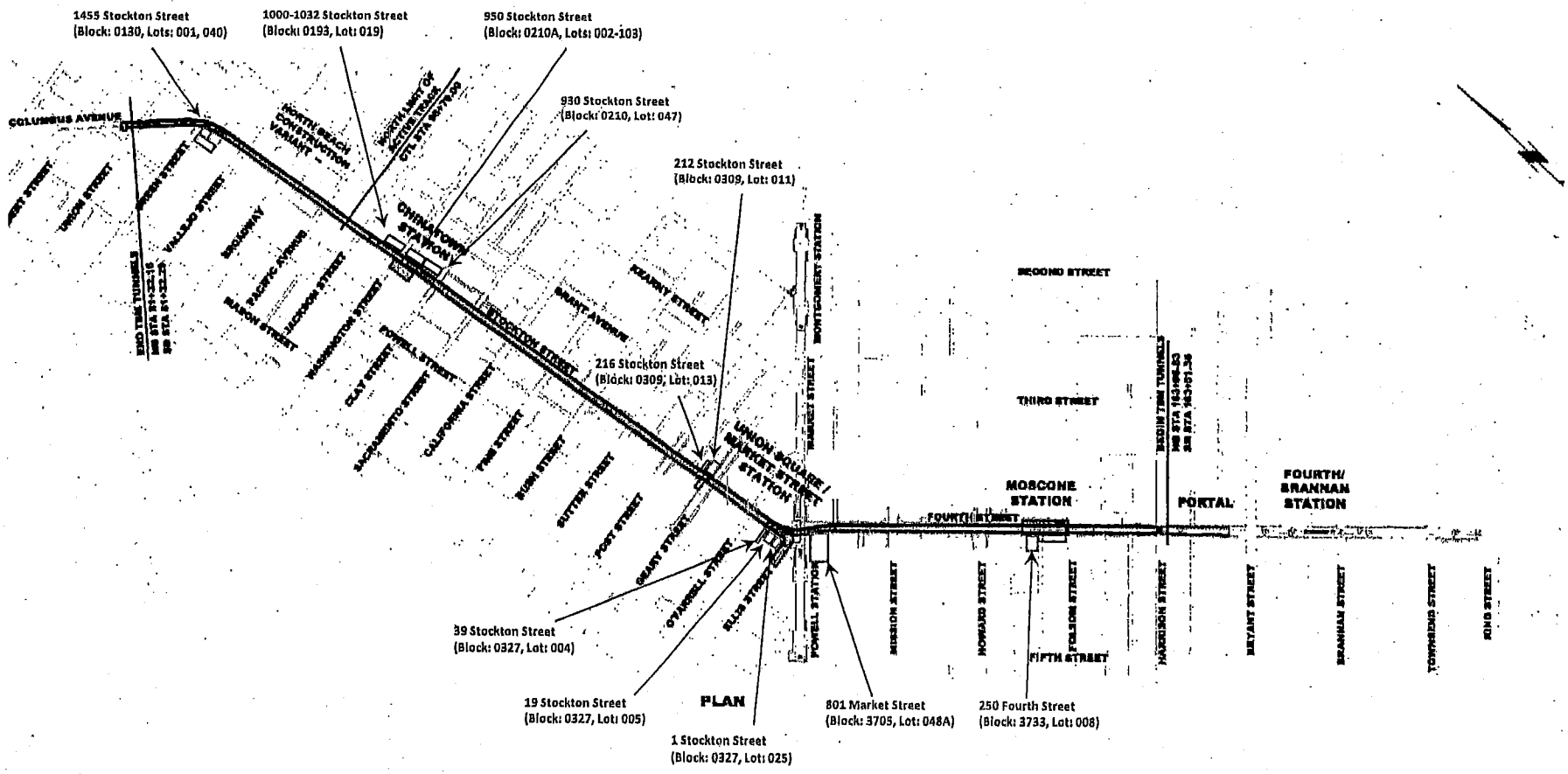

SFMTA | Municipal Transportation Agency

EXHIBIT "B"

PROOF OF SERVICE

I, Alisa Miller, declare as follows:

I am a citizen of the United States, over the age of 18 years. I am employed at the Office of the Clerk of the Board of Supervisors, Room 244, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

On November 21, 2012, I served the following document:

NOTICE OF PUBLIC HEARING; BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

Subject: **Hearing of persons interested in or objecting to proposed Resolutions authorizing the acquisition of real properties commonly known as 1 Stockton Street #1 (File No. 121090), (Assessor's Parcel Block No. 0327, Lot No. 025); 1000-1032 Stockton Street #2 (File No. 121091), (Assessor's Parcel Block No. 0193, Lot No. 019); 1455 Stockton Street #3 (File No. 121092), (Assessor's Parcel Block No. 0130, Lot Nos. 001 and 040); 19 Stockton Street #4 (File No. 121093), (Assessor's Parcel Block No. 0327, Lot No. 005); 212 Stockton Street #5 (File No. 121094), (Assessor's Parcel Block No. 0309, Lot No. 011); 216 Stockton Street #6 (File No. 121095), (Assessor's Parcel Block No. 0309, Lot No. 013); 250-4th Street #7 (File No. 121096), (Assessor's Parcel Block No. 3733, Lot No. 008); 39 Stockton Street #8 (File No. 121097), (Assessor's Parcel Block No. 0327, Lot No. 004); 801 Market Street #9 (File No. 121098), (Assessor's Parcel Block No. 3705, Lot No. 048A); 930 Stockton Street #10 (File No. 121099), (Assessor's Parcel Block No. 0210, Lot No. 047); 950 Stockton Street #11 (File No. 121100), (Assessor's Parcel Block No. 0210A, Lot Nos. 002-103) by eminent domain for the public purpose of constructing the Central Subway/Third Street Light Rail Extension and other improvements; adopting environmental findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Administrative Code, Chapter 31; and adopting findings of consistency with the General Plan and City Planning Code, Section 101.1.**

on the following persons at the locations specified:

See attached list

in the manner indicated below:

BY UNITED STATES MAIL: Following ordinary business practices, I sealed true and correct copies of the above documents in addressed envelope(s) and placed them at my workplace for collection and mailing with the United States Postal Service. I am readily familiar with the practices of the Office of the Clerk of the Board for collecting and processing mail. In the ordinary course of business, the sealed envelope(s) that I placed for collection would be deposited, postage prepaid, with the United States Postal Service the same day.

I declare under penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct.

Executed December 3, 2012, at San Francisco, California.

Alisa Miller
Assistant Committee Clerk