



**DATE:** June 13, 2022

**TO:** Whom It May Concern

**FROM:** Andrico Q. Penick, Director of Real Estate

**RE:** Parkmerced Project Subphases 1C and 1D – Street Vacations and Street Dedications

A blue ink signature of Andrico Q. Penick.

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The Parkmerced Development Agreement ("Development Agreement") was approved and adopted by the San Francisco Board of Supervisors and Mayor in 2011 by Ordinance No. 89-11.

### **Development Agreement**

The Development Agreement contemplates certain Street Vacations and Street Dedications necessary to implement the Parkmerced Project. Section 6.1.1 of the Development Agreement provides that the City will vacate portions of streets at the locations generally shown in Exhibit J of the Development Agreement, and convey the associated real property to the project sponsor, as and when needed in conjunction with the development of an approved Development Phase for the Project.

The Development Agreement, Section 6.1.2, further provides that:

- All real property exchanged under the Development Agreement shall be valued on a square foot basis, and shall be deemed equal in value per square foot.
- If any real property exchange under the Development Agreement results in a net loss of acreage for the City, then the project sponsor must pay to the City the fair market value of the real property loss at the time of transfer based on the then-current use of the property so transferred.
- The City shall not be required to pay for any net gain in real property; provided, however, such gain can be applied against future real property transfers for purposes of determining whether there has been a net loss as described above.

## **Subphases 1C and 1D Proposed Street Vacations and Street Dedication**

I am informed that Tentative Subdivision Map applications 10699 and 10700 implement Subphases 1C and 1D of the Parkmerced Project. I have reviewed the Street Vacations as shown in Public Works SUR Map Nos. 2022-003, 2022-004, 2022-005, 2022-006, 2022-007, and 2022-008 and consisting of portions of Higuera Avenue, Vidal Drive, Arballo Drive, and Garces Drive (along with public service easements within those portions of streets). I have also reviewed the Street Dedication as depicted in Tentative Subdivision Map applications 10699 and 10700 and on the enclosed exhibit prepared by BKF Engineers.

Based on the materials listed above, and excluding 1) the potential future transfer of parcel 7333-002 (CCSF 7333) and associated dedication of parcel 7 as public right-of-way, which I am informed will be the subject of a separate action, and 2) the proposed vacation of certain SFPUC easements contemplated by the vacation ordinance, which are not at issue for the purposes of this letter, the proposed Street Vacations and Street Dedication of Subphases 1C and 1D result in a net gain of 8,561 square feet of real property to the City, as follows:

- Vacation parcels 1, 2, 3, 4, 5, and 6 = 16,398 square feet
- Dedication parcels 1, 2, 3, 4, 5, 6, 8, 9, 10, and 11 = 24,959 square feet

Per the terms of the Development Agreement cited above, it is my opinion that no payment by the project sponsor is now due to the City for the Street Vacations in Subphases 1C and 1D. Further, it is my opinion that the net gain of 8,561 square feet should be credited against future transfers of real property according to the terms of the Development Agreement. This conclusion solely pertains to the Street Vacations and Street Dedication listed above and as depicted in Tentative Subdivision Map applications 10699 and 10700 and shown in Public Works SUR Map Nos. 2022-003, 2022-004, 2022-005, 2022-006, 2022-007, and 2022-008.

Based upon the documents presented and the reasons stated above, I recommend approval of the property transactions related to the Street Vacations pursuant to the vacation ordinance.

Attachment: Subphase 1C and 1D Street Vacations and Dedication

