

1 [Purchase and Sale Agreement - Timothy Su and Lan Fong Chen - 7484 Sheridan Road,  
2 Sunol, CA - \$3,550,000]

3 **Resolution approving and authorizing the execution of a Purchase and Sale Agreement**  
4 **with Timothy Su and Lan Fong Chen (together, “Buyer”) or Buyer’s assignee, for the**  
5 **sale by the City and County of San Francisco, acting though the San Francisco Public**  
6 **Utilities Commission, to Buyer of approximately 84 acres of improved real property**  
7 **located at 7484 Sheridan Road, Sunol, California for \$3.55 million; adopting findings**  
8 **under the California Environmental Quality Act; adopting findings that the sale is**  
9 **consistent with the General Plan, and the priority policies of Planning Code, Section**  
10 **101.1; and authorizing the Director of Property and/or the SFPUC’s General Manager to**  
11 **execute documents, make certain modifications, and take certain actions in**  
12 **furtherance of this Resolution, as defined herein.**

13  
14 WHEREAS, The City and County of San Francisco (“City”) owns certain improved real  
15 property known as the Mackin Ranch under the jurisdiction of the San Francisco Public  
16 Utilities Commission (“SFPUC” or “Commission”) located at 7484 Sheridan Road, Sunol,  
17 California (“Property”), also known as Alameda County Assessor’s Parcels Number 096-0001-  
18 020-03; and

19 WHEREAS, A portion of the Property was used for the operation of a dewatering well  
20 (“Well”) as a part of the SFPUC New Irvington Tunnel, Project No. CUW35901 (“Project”), a  
21 key project that is part of the Water System Improvement Program; and

22 WHEREAS, The SFPUC purchased a 24-month temporary construction easement  
23 (“Temporary Easement”) from Kenneth Paul Mackin and Janice Mackin (“Mackins”) who  
24 owned the Property until 2013; and

1           WHEREAS, The Mackins were unwilling to extend the Temporary Easement after it  
2 expired on September 30, 2013, but were willing to sell the Property to the SFPUC; and

3           WHEREAS, Loss of the Well would have resulted in significant construction delays and  
4 significant increased Project costs to identify and implement suitable alternatives; and

5           WHEREAS, The Commission approved the purchase of the Property by Resolution No.  
6 13-0173, dated November 12, 2013, a copy of which is on file with the Clerk of the Board of  
7 Supervisors in File No. 170758; and

8           WHEREAS, The Project no longer requires ongoing operation of the Well; and

9           WHEREAS, The SFPUC will retain an easement for the operation of the Well in the  
10 event that a future project requires dewatering activities (the "Well Easement"); and

11           WHEREAS, The SFPUC will retain a subsurface easement for maintenance and use of  
12 two aqueduct tunnels and a surface easement for an electric transmission line and telephone  
13 line (the "Tunnel Easement"); and

14           WHEREAS, The SFPUC will retain a right-of-way easement for maintenance, repair,  
15 or replacement for two lines of electrical towers (the "Tower Easement"); and

16           WHEREAS, The Commission determined that the Property is no longer required for  
17 SFPUC operational needs by Resolution No. 17-0145, dated June 13, 2017, a copy of which  
18 is on file with the Clerk of the Board of Supervisors in File No. 170758; and

19           WHEREAS, San Francisco Charter, Section 8B.121(a) grants the SFPUC the exclusive  
20 charge of the real property assets under the Commission's jurisdiction; Charter, Section  
21 8B.121(e) provides that the Commission may transfer real property interests the Commission  
22 declares to be surplus to the needs of any utility; and Charter, Section 9.118(c) provides that  
23 any sale of real property owned by the City must be approved in advance by the Board of  
24 Supervisors; and

1           WHEREAS, The SFPUC complied with reporting, notice, and other requirements of the  
2 California Surplus Property Statute (California Government Code, Sections 54220 through  
3 54233) and the San Francisco Surplus Property Ordinance (San Francisco Administrative  
4 Code, Chapter 23A) with respect to the sale of the Property; and

5           WHEREAS, The SFPUC, through its real estate broker Colliers International CA, Inc.,  
6 solicited bids from prospective buyers of the Property to be submitted between May 10, 2017,  
7 and May 19, 2017; and

8           WHEREAS, On May 17, 2017, Buyer submitted an offer to purchase the Property for  
9 \$3.55 million, which SFPUC staff has determined to be the highest and best responsible offer;  
10 and

11           WHEREAS, The purchase price of \$3,550,000 along with the value of the Well  
12 Easement, Tunnel Easement, and Tower Easement (collectively, the “Easements”), in the  
13 opinion of the Director of Property, meet the requirements of Section 23.3 of the  
14 Administrative Code; and

15           WHEREAS, SFPUC staff, through consultation with the Director of Property and the  
16 Office of the City Attorney, have negotiated a proposed Purchase and Sale Agreement with  
17 Buyer (“Purchase and Sale Agreement”), a copy of which is on file with the Clerk of the Board  
18 of Supervisors under File No. 170758, which is incorporated herein by this reference; and

19           WHEREAS, The San Francisco Public Utilities Commission determined, by letter dated  
20 May 24, 2017, that the sale of the Property does not constitute a project under California  
21 Environmental Quality Act (CEQA) Guidelines, Section 15378 because there would be no  
22 physical change in the environment, a copy of which is on file with the Clerk of the Board of  
23 Supervisors under File No. 170758 and is incorporated herein by reference; and

24           WHEREAS, The Director of the San Francisco Planning Department, by letter dated  
25 June 15, 2017, found that the sale of the Property is consistent with the General Plan, and

1 with the eight priority policies of Planning, Code Section 101.1, a copy of which is on file with  
2 the Clerk of the Board of Supervisors under File No. 170758 and is incorporated herein by  
3 reference; now, therefore, be it

4           RESOLVED, That the Board of Supervisors hereby finds that the sale of the Property is  
5 not a project under CEQA Guidelines Section 15060(c) and 15378 and is consistent with the  
6 General Plan and the eight priority policies of Planning Code, Section 101.1 as set forth in the  
7 letter from the Director of Planning dated June 15, 2017; and, be it

8           FURTHER RESOLVED, That the Board of Supervisors, in accordance with the  
9 recommendations of the SFPUC and the Director of Property, hereby approves the terms and  
10 conditions of the Purchase and Sale Agreement for the sale of the Property to Buyer, or its  
11 nominee, and authorizes the Director of Property and/or the SFPUC's General Manager, in  
12 City's name and behalf, to execute the Purchase and Sale Agreement in substantially the  
13 form presented to the Board and to take any and all steps (including, but not limited to, the  
14 execution and delivery of any and all certificates, agreements, notices, consents, escrow  
15 instructions, closing documents, and other instruments or documents) as the Director of  
16 Property or the SFPUC General Manager deems necessary or appropriate in order to  
17 consummate the sale contemplated by the Purchase and Sale Agreement to Buyer or its  
18 nominee, or to otherwise effectuate the purpose and intent of this resolution, such  
19 determination to be conclusively evidenced by the execution and delivery by the Director of  
20 Property and/or SFPUC General Manager of any such documents; and, be it

21           FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
22 Property and/or the SFPUC General Manager, in City's name and behalf, to enter into any  
23 amendments or modifications to the Purchase and Sale Agreement (including the attached  
24 exhibits) and enter into ancillary agreements, any consent to the assignment of the Purchase  
25 and Sale Agreement to Buyer's nominee, and any other documents or instruments in

1 connection with the Purchase and Sale Agreement that the Director of Property or the SFPUC  
2 General Manager determines, in consultation with the City Attorney, are in City's best interest,  
3 do not materially decrease City's benefits or materially increase the City's liabilities or  
4 obligations in connection with the proposed sale transaction, and are necessary and advisable  
5 to complete the proposed sale transaction and effectuate the purpose and intent of this  
6 resolution, such determination to be conclusively evidenced by the execution and delivery by  
7 the Director of Property or the SFPUC General Manager of any such additions, amendments,  
8 or other modifications; and, be it

9           FURTHER RESOLVED, That the Director of Property and/or the SFPUC General  
10 Manager is hereby authorized and urged, in City's name and on behalf, to take any and all  
11 steps (including, but not limited to, the execution and delivery of any and all certificates,  
12 agreements, notices, consents, escrow instructions, closing documents and other instruments  
13 or documents) as the Director of Property and/or the SFPUC General Manager deems  
14 necessary or appropriate in order to consummate the sale of the Property pursuant to the  
15 Purchase and Sale Agreement, or to otherwise effectuate the purpose and intent of this  
16 Resolution, such determination to be conclusively evidenced by the execution and delivery by  
17 the Director of Property and/or the SFPUC General Manager of any such documents; and, be  
18 it

19           FURTHER RESOLVED, That the Director of Property shall provide the Clerk of the  
20 Board of Supervisors a fully executed copy of the Purchase and Sale Agreement within thirty  
21 (30) days of signature of same.

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1 Recommended:

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4 JOHN UPDIKE  
5 Director of Property

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HARLAN L. KELLY, JR.  
General Manager of the SFPUC

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