



October 28, 2016

Through Harlan L. Kelly, Jr.,  
General Manager  
San Francisco Public Utilities Commission

Mohammed Nuru  
Director  
San Francisco Public Works

Honorable Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Carlton B. Goodlett Place  
San Francisco, CA 94102

**Subject: Jurisdictional Transfer and Exchange of City Property - San Francisco Public Utilities Commission - San Francisco Public Works – 160 Napoleon Street – 1801 Jerrold Avenue**

Dear Board Members:

Attached for your consideration is a Resolution approving and authorizing the jurisdictional transfer and exchange of two City-owned properties between the San Francisco Public Utilities Commission and the San Francisco Public Works Department.

Specifically, the Resolution approves:

(A) The jurisdictional transfer of 1801 Jerrold Avenue, Assessor's Block No. 5281, Lot No. 001, consisting of approximately 64,340 square feet, commonly known as the Asphalt Plant Site, currently under the jurisdiction of the San Francisco Public Works (SFPW) to the San Francisco Public Utilities Commission (SFPUC), subject to the terms and conditions of a Memorandum of Understanding between the SFPUC and SFPW;

(B) The jurisdictional transfer of a portion of Block 4343, Lots 018 and 031 and Block 4346, Lots 001 and 001A (entirety of which are the SFPUC's Parcels), consisting of 59,132 square feet, commonly known as the Napoleon Yard, currently under the jurisdiction of the SFPUC to the SFPW, subject to the terms and conditions of a Memorandum of Understanding between the SFPUC and SFPW;

(C) The environmental findings and other findings that the actions set forth in this Resolution are consistent with the City's General Plan and the eight priority policies of City Planning Code, Section 101.1; and

(D) Authorizes other actions in furtherance of the Resolution.

**Background**

The San Francisco Public Works Department (SFPW) has jurisdiction over the Asphalt Plant Site, but has not been using the site as a municipal asphalt plant since FY 2010.

The San Francisco Public Utilities Commission (SFPUC) has jurisdiction over the SFPUC parcels, which includes the Napoleon Yard which is subject to SFPUC easements and SFPUC subsurface wastewater facilities running through those easements. The SFPUC Parcels have no surface structural improvements. The SFPUC uses a portion of the SFPUC Parcels for parking and seven furnished trailers (Trailers) for office use. The SFPW has a permit from SFPUC to maintain a facility for its operational vehicles,

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- Harlan L. Kelly, Jr.  
General Manager



equipment and storage on Cesar Chavez Street near Evans Street (the SFPW Yard) which is located on a portion of, and adjacent to, the SFPUC Parcels.

The SFPW desires to acquire jurisdiction over and occupy the Napoleon Site to expand its SFPW Yard and operations. The SFPW also desires to obtain ownership and use of the seven Trailers owned by the SFPUC. The Trailers are operational but have limited residual monetary value to the SFPUC.

The SFPUC desires to acquire jurisdiction over and occupy the Asphalt Plant Site as part of its capital improvement program in exchange for consenting to transfer the Napoleon Site and ownership of the Trailers to SFPW, subject to appropriate restrictions regarding the use of, and access to, the existing and future wastewater facilities within the site.

The Asphalt Plant Site is located directly across from the SFPUC'S Southeast Water Pollution Control Plant (SEP) facilities. The SEP facilities are old, and require substantial maintenance, repair, and replacement. The SFPUC is undertaking scheduled repair and replacement projects at the SEP and at various locations in San Francisco in the near term, and has immediate need for additional space for storage of equipment and vehicles and temporary relocation of existing uses in the vicinity of the SEP. In the longer term, the SFPUC anticipates a continuing need for more space for capital improvement projects related to existing facilities and upgrades to the wastewater system. Because of the existing intensive competition for available industrial land in San Francisco, particularly in proximity to the SFPUC'S existing utility plants and facilities, the SFPUC now seeks to secure land necessary to support its current and future obligations to provide essential utility services. The Asphalt Plant Site meets the SFPUC'S need for additional land.

#### **SFPUC Resolution**

On October 25, 2016, the SFPUC approved Resolution No. 16-0228, which found the Napoleon Site surplus to the SFPUC'S utility needs and authorizes the SFPUC General Manager to negotiate and execute an MOU with the SFPW for the jurisdictional transfer and exchange of the Napoleon Site and Trailers, subject to the SFPUC'S continued rights to access, maintain, operate, repair, and replace the wastewater facilities contained within and under the Napoleon Site, to SFPW and acceptance of the Asphalt Site from SFPW.

#### **Appraised Value**

Upon review and consideration of appraisals of the two properties conducted by an MAI designated independent appraiser, the Director of Property has determined that the appraised fair market value of the Napoleon Site and Trailers is approximately the same as the appraised fair market value of the Asphalt Site, and in his opinion, the appraisals demonstrate that the fair market value of the two properties proposed for exchange are reasonably equivalent and the Asphalt Plant Site can be used more advantageously by the SFPUC and the Napoleon Site can be used more advantageously by the SFPW.

The San Francisco Public Utilities Commission and the San Francisco Public Works Department recommend approval of the proposed Resolution and the jurisdictional transfer of the two properties. If you have any questions, please contact Shelby Campbell at 415.554.3431 or [scampbell@sfgwater.org](mailto:scampbell@sfgwater.org) or Sue Black at 415.695.2013 or [Sue.Black@sfdpw.org](mailto:Sue.Black@sfdpw.org).

Sincerely,



Harlan L. Kelly, Jr.  
General Manager