



San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102
T 415.487.5226

March 23, 2016

Easement Conveyance

City of Modesto

Honorable Board of Supervisors

City & County of San Francisco

City Hall, Room 244

1 Dr. Carlton B. Goodlett Place

San Francisco, CA 94102-4689

Dear Board Members:

The City and County of San Francisco (City), by and through its Public Utilities Commission (SFPUC), owns real property adjacent to State Highway 168, also known as McHenry Avenue, in the City of Modesto, Stanislaus County (SFPUC Property). The SFPUC maintains two electrical transmission towers, overhead power lines, and valve boxes on the surface of the SFPUC Property and three water transmission pipelines (San Joaquin Pipeline Nos. 1 through 3) underneath the surface of the SFPUC Property. As a condition of a development approval, the City of Modesto required JWG McHenry, LLC (Developer) to widen McHenry Avenue between Claratina and Grecian Avenues, including installing street, curb, gutter and sidewalk improvements within an approximately 3,627 square feet portion of the SFPUC Property. SFPUC is willing to allow the Developer to construct the improvements within the SFPUC Property at the Developer's expense provided that the City of Modesto accepts ownership of the improvements and accepts an easement on the SFPUC Property for such use.

On July 14, 2015, the Commission approved Resolution No. 15-0156 authorizing an agreement for the sale of real estate between the City and County of San Francisco on behalf of the SFPUC and JWG McHenry to convey a permanent easement to the City of Modesto for \$35,000 to be paid by JWG McHenry LLC.

Through this proposed legislation, we are asking that the Board of Supervisors:

1. Approve and authorize the acquisition of the easement.
2. Adopts and incorporates findings under the California Environmental Quality Act ("CEQA"), which were previously adopted by the City of Modesto acting, as the lead agency.

Edwin M. Lee
Mayor

Francesca Viotor
President

Anson Moran
Vice President

Ann Moller Caen
Commissioner

Vince Courtney
Commissioner

Ike Kwon
Commissioner

Harlan L. Kelly, Jr.
General Manager

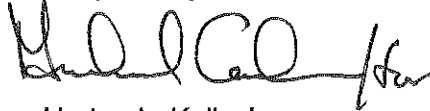


3. Adopts and incorporates findings that the conveyance of the easement is consistent with the City's General Plan and eight priority policies of City Planning Code Section 101.1 per the General Plan referral findings dated October 15, 2015.

4. Approve the Sale Agreement and authorize the Director of Property and/or SFPUC General Manager to execute documents, make certain modifications, and take certain actions in furtherance of the resolution.

Should you have any questions or need additional information, do not hesitate to call Rosanna Russell of our office at 415-487-5213.

Respectfully,

A handwritten signature in black ink, appearing to read "Harlan L. Kelly Jr.", with a stylized flourish at the end.

Harlan L. Kelly Jr.
PUC General Manager

cc: Naomi Kelly, City Administrator

w/ Resolution;
Rosanna Russell SFPUC