

1 [Agreement to sell and exchange former Central Freeway parcels.]

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3 **Resolution approving and authorizing agreements for the sale at fair market value and**
4 **for the exchange of certain real property formerly occupied by the Central Freeway;**
5 **adopting findings pursuant to the California Environmental Quality Act; adopting**
6 **findings that the conveyance is consistent with the City's general plan and eight**
7 **priority policies of City Planning Code section 101.1; and authorizing the Director of**
8 **Property to execute documents and take certain actions in furtherance of this**
9 **resolution.**

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11 WHEREAS, The City has acquired certain real property consisting of the area formerly
12 occupied by the Central Freeway, including those parcels described generally as Lot 36,
13 Block 793 ("Parcel H") and portions of Lot 27, Block 761 ("Parcel A-1") and Lot 30, Block 817
14 ("Parcel K-1" and "Parcel K-2") (collectively referred to as the "Property"), from the State of
15 California, Department of Transportation, pursuant to Section 72.1 of the California Streets
16 and Highways Code and Board of Supervisors Resolution No. 000667; and,

17 WHEREAS, Section 72.1 of the California Streets and Highways Code requires that the
18 City use all proceeds from disposition of the former Central Freeway parcels acquired from
19 the State to finance the City's replacement of the former Central Freeway with a ground-level
20 boulevard along Octavia Street from Market to Fell Street, as described in that certain
21 Cooperative Agreement between the City and the State dated November 29, 2000, (the
22 "Octavia Boulevard Project") and, upon full funding of the Octavia Boulevard Project, for
23 transportation and related purposes authorized under Article XIX of the California Constitution;
24 and,

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1 WHEREAS, Parcel A-1 is a triangular area consisting of approximately 1,810 square
2 feet and is of limited value to the City in the development of the remainder of Parcel A and has
3 little or no value to other third parties, but has full market value to the owner of the adjacent
4 parcel; and,

5 WHEREAS, Parcel A-1 has been appraised as having a fair market value of \$270,000, and
6 the owner of the adjacent parcel has agreed to pay fair market value for the parcel and to
7 further include 15% affordable housing in any housing developed on the combined adjacent
8 parcel and Parcel A-1, as described in the copy of the proposed Term Sheet on file with the
9 Clerk of the Board of Supervisors in File No. _____ (the "Parcel A-1 Sale"); and,

10 WHEREAS, Parcel H is a triangular shaped corner parcel which adjoins a similarly
11 shaped lot, with such neighboring lot having an access easement through Parcel H; and,

12 WHEREAS, An exchange of equal land areas by the City and the owner of the property
13 adjacent to Parcel H would create two rectangular parcels, thereby enhancing property values
14 and development opportunities for both the City and the adjacent property owner; and,

15 WHEREAS, The proposed exchange would add \$200,000 to the appraised fair market
16 value of Parcel H and \$400,000 to the appraised fair market value of the adjacent property,
17 and the owner of the adjacent parcel has agreed to the exchange and has agreed to pay the
18 City \$200,000, the difference in added value, and to further include 15% affordable housing in
19 any housing developed on the newly configured adjacent parcel, as described in the copy of
20 the proposed Term Sheet on file with the Clerk of the Board of Supervisors in File No.
21 _____ (the "Parcel H Exchange"); and,

22 WHEREAS, Parcel K-1 is a triangular area consisting of approximately 59 square feet
23 and is of limited value to the City in the development of the remainder of Parcel K and has
24 little or no value to other third parties, but has full market value to the owner of the adjacent
25 parcel; and,

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1 WHEREAS, Parcel K-1 has been appraised as having a fair market value of \$7,375,
2 and the owner of the adjacent parcel has agreed to pay fair market value for the parcel, as
3 described in the copy of the proposed Term Sheet on file with the Clerk of the Board of
4 Supervisors in File No. _____ (the "Parcel K-1 Sale"); and,

5 WHEREAS, Parcel K-2 is a triangular area consisting of approximately 980 square feet
6 and is of limited value to the City in the development of the remainder of Parcel K and has
7 little or no value to other third parties, but has full market value to the owner of the adjacent
8 parcel; and,

9 WHEREAS, Parcel K-2 has been appraised as having a fair market value of \$182,500,
10 and the owner of the adjacent parcel has agreed to pay fair market value for the parcel and to
11 include 15% affordable housing in any housing developed on the combined adjacent parcel
12 and Parcel K-2, as described in the copy of the proposed Term Sheet on file with the Clerk of
13 the Board of Supervisors in File No. _____ (the "Parcel K-2 Sale"); and,

14 WHEREAS, The proposed conveyances of land under the Parcel A-1 Sale, the Parcel
15 H Exchange, the Parcel K-1 Sale and the Parcel K-2 Sale (together, the "Transfers") are
16 exempt from the California Subdivision Map Act, California Government Code §§ 66410 et
17 seq., because in this instance public policy does not necessitate a parcel map in accordance
18 with Section 66428(a)(2); and,

19 WHEREAS, Pursuant to the California Environmental Quality Act ("CEQA"), State
20 CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code, the Transfers
21 are categorically exempt from CEQA as set forth in the Planning Department letter dated
22 _____, 2001, a copy of which is on file with the Clerk of the Board of
23 Supervisors in File No. _____; and,

24 WHEREAS, In a letter dated _____, 2001, a copy of which is on file with the
25 Clerk of the Board of Supervisors in File No. _____, the Director of City Planning found

1 that the Transfers are consistent with the City's General Plan and with the Eight Priority
2 Policies of City Planning Code Section 101.1; now, therefore, be it

3 RESOLVED, That in accordance with the recommendations of the Director of Property
4 and the Mayor's Office of Economic Development, the Board of Supervisors hereby approves
5 the Transfers and authorizes and urges the Director of Property to execute the necessary
6 sales and exchange agreements, in the name and on behalf of the City, consistent with the
7 Term Sheets presented to this Board to effectuate the Transfers; and, be it

8 FURTHER RESOLVED, That the Director of Property is hereby authorized and urged,
9 in the name and on behalf of the City and County, to execute and deliver quitclaim deeds to
10 the buyers of the Property under the Transfers upon the closing described in the sales
11 agreements in accordance with the terms and conditions of those agreements, and to take
12 any and all steps (including, but not limited to, the execution and delivery of any and all
13 certificates, agreements, notices, consents, escrow instructions, closing documents and other
14 instruments or documents) as the Director of Property and City Attorney deems necessary or
15 appropriate in order to consummate the Transfers, or to otherwise effectuate the purpose and
16 intent of this resolution, such determination to be conclusively evidenced by the execution and
17 delivery by the Director of Property of any such documents; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors hereby finds that it is in the
19 City's best interest to sell the Property directly to the adjacent property owners pursuant to the
20 Transfers in order to obtain fair market value for the Property, to facilitate development of the
21 Property and Parcel H, to increase inclusionary affordable housing on Parcel A-2, the parcel
22 adjoining Parcel H and Parcel K-2, and to remove the access easement from Parcel H, that
23 the public interest or necessity demands, or will not be inconvenienced by, the sale of the
24 Property directly to the adjacent property owners pursuant to the Transfers, and that, because

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1 of the irregular shapes of the parcels which comprise the Property, competitive bidding would
2 be impractical or impossible in these instances; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
4 Property to enter into any additions, amendments or other modifications to the Transfers
5 (including, without limitation, attachment of exhibits) that the Director of Property and the City
6 Attorney determines are in the best interests of the City, do not decrease the sales price for
7 the Property or otherwise materially increase the obligations or liabilities of the City, and are
8 necessary or advisable to complete the Transfers and effectuate the purpose and intent of this
9 resolution, such determination to be conclusively evidenced by the Director's execution and
10 delivery of sale agreements and any amendments thereto; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors finds, based on the record
12 before it and in its independent judgment, that the actions proposed in this legislation are
13 categorically exempt from CEQA for the reasons set forth in the CEQA findings of the Director
14 of City Planning set forth above and adopts as its own and incorporates by reference herein
15 as though fully set forth said findings; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors adopts as its own and
17 incorporates by reference herein as though fully set forth the findings in the Director of City
18 Planning's letter referred to above, that the proposed Transfers are in conformity with the
19 General Plan and are consistent with the Eight Priority Policies of Planning Code Section
20 101.1.

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1 RECOMMENDED:

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Marc McDonald
Director of Property

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Richard Hillis
Mayor's Office of Economic Development

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