

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 20-0137

WHEREAS, The City and County of San Francisco (City) owns certain real property presently under the jurisdiction of the San Francisco Public Utilities Commission (SFPUC) known as SFPUC Parcel 22 located between West Orange Avenue and Southwood Drive in South San Francisco, California (Property); and

WHEREAS, The City purchased the Property from the Spring Valley Water Company pursuant to a deed dated March 3, 1930 for use as part of the SFPUC's regional water transmission pipeline system known as the Bay Division Pipelines 3 and 4; and

WHEREAS, The Property was acquired by the Spring Valley Water Company pursuant to a deed dated April 6, 1907 (Original Deed) between the Baden Company as original Grantor, and Spring Valley Water Company, as the original Grantee; and

WHEREAS, In 1964, The Koret Foundation, successor in interest to the Baden Company, designed and constructed a 102-unit market-rate apartment complex known as the Clubview Apartments (Clubview) located adjacent to the Property; and

WHEREAS, The City and Koret are parties to that certain lease dated January 7, 2000 (Lease) whereby Koret leases the surface of the Property for Clubview's landscaping, on-site circulation, access, and parking because Koret and the SFPUC understood these rights to be in excess of the rights granted to Koret under the Original Deed; and

WHEREAS, In its review of the Original Deed as part of negotiations for renewal of the Lease, the SFPUC concluded that all of Koret's rights under the Lease, except for parking, were in fact granted under the Original Deed, and that an amendment to the Original Deed would be more appropriate than a new lease; and

WHEREAS, Koret desires to amend the Original Deed to expand its reserved rights to include the right to park on the Property, in exchange for providing additional rights to the SFPUC; and

WHEREAS, The SFPUC desires to amend the Original Deed to expand its rights in exchange for providing Koret with the right to park on the Property; and

WHEREAS, The First Amendment to the Deed provides Koret with the right to park on the Property, in exchange for additional rights granted to the City that are consistent with the rights typically granted to the City in its modern leases and licenses; and

WHEREAS, The City engaged the services of Century Urban, an economic and land use consulting firm, to evaluate the rights exchanged in the Amended Deed to ensure the City is not transferring net value to Koret; and

WHEREAS, In its report dated March 9, 2020, Century Urban concluded that no identifiable, material net value is transferred between the parties to the Amended Deed; and

WHEREAS, A copy of the First Amendment is on file with the Commission Secretary;
and

WHEREAS, Adoption of this Resolution does not constitute a “project” under California Environmental Quality Act Guidelines Section 15378 because there would be no physical change in the environment; now, therefore, be it

RESOLVED, That this Commission hereby approves the terms and conditions of the First Amendment to the Deed on file with the Commission Secretary; and, be it

FURTHER RESOLVED, That this Commission hereby authorizes the SFPUC General Manager to seek approval by the Board of Supervisors and Mayor of the First Amendment to the Deed and, upon such approval, to execute the First Amendment; and be it

FURTHER RESOLVED, That this Commission hereby authorizes the SFPUC General Manager to enter into any amendments or modifications to this First Amendment to the Deed, including its attached exhibits, that the General Manager determines, in consultation with the City Attorney, are in the best interest of the City; do not materially increase the obligations or liabilities of the City; are necessary or advisable to effectuate the purposes and intent of the First Amendment or this resolution; and are in compliance with all applicable laws, including the City Charter; and, be it

FURTHER RESOLVED, That this Commission hereby ratifies, approves, and authorizes all actions heretofore taken by any City official in connection with this First Amendment.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of June 23, 2020.



Secretary, Public Utilities Commission