

1 [Real Property Acquisition - City of Daly City - License Agreements, Purchase and Sale
2 Agreement - Sale of Easements for Stormwater Facilities at Lake Merced - \$96,781]

3 **Resolution approving the terms and conditions and authorizing the General Manager of**
4 **the San Francisco Public Utilities Commission (SFPUC) and/or City's Director of**
5 **Property to execute certain agreements with the City of Daly City, consisting of (i) a**
6 **License Amendment to extend the term of SFPUC License No. P4703 for Habitat**
7 **Mitigation, Monitoring, and Facilities by an additional five years, for a total of 10 years**
8 **and four months, for an additional use fee of \$23,503 and a total use fee of \$51,015; (ii)**
9 **a 50-year License Agreement to construct, operate, and maintain SFPUC-owned**
10 **overflow facilities at Lake Merced for a total use fee of \$2,278 on a 9,286-square-foot**
11 **portion of San Francisco Assessor's Parcel Block No. 7283, Lot No. 004, designated as**
12 **SFPUC Parcel No. 55 (Lake Merced Tract); and (iii) a Purchase and Sale Agreement,**
13 **Quitclaim Deed, and Easement Deed for the quitclaim of two existing SFPUC tunnel**
14 **easements totaling 46,992 square feet on San Francisco Assessor's Parcel Block**
15 **No. 7284, Lot Nos. 001 and 003, and Block No. 7282, Lot Nos. 005 and 006, and the sale**
16 **of five easements for stormwater facilities totaling approximately 180,010-square-feet**
17 **on SFPUC Parcel No. 55 for a purchase price of \$71,000 pursuant to Charter,**
18 **Section 9.118, effective on the date the agreements are executed by both parties, for a**
19 **total combined amount of \$96,781; and adopting findings that the conveyance is**
20 **consistent with the General Plan, and the eight priority policies of Planning Code,**
21 **Section 101.1.**

22
23 WHEREAS, The San Francisco Public Utilities Commission (SFPUC) maintains Lake
24 Merced for the beneficial uses of recreation and wildlife habitat and continues to maintain the
25 capability of using surface water from the lake as a non-potable emergency water supply; and

1 WHEREAS, Historic declines in water levels have generated concern regarding the
2 long-term viability of Lake Merced; and

3 WHEREAS, The SFPUC and the City of Daly City (Daly City) are working
4 collaboratively towards Daly City's implementation of the Vista Grande Drainage Basin
5 Improvement Project (Project) to alleviate flooding in the Vista Grande Basin within Daly City
6 and the SFPUC's Lake Merced Tract, and also facilitate augmentation and management of
7 Lake Merced water levels using sustainable supplies of Daly City's treated stormwater ; and

8 WHEREAS, Daly City's Vista Grande Canal carries treated stormwater from Daly City
9 northward to the SFPUC's Vista Grande Tunnel, which then travels west across lands owned
10 by The Olympic Club and the United States Department of the Interior, acting by and through
11 its National Park Service (Park Service), discharging to the Pacific Ocean, and this diversion
12 of stormwater away from Lake Merced has contributed to its declining water levels; and

13 WHEREAS, The Project is a benefit to the SFPUC because it will stabilize Lake
14 Merced water levels while recharging groundwater in the Westside Groundwater Basin; and

15 WHEREAS, On October 21, 2025, by Resolution No. 482-25, this Board of Supervisors
16 approved and authorized the General Manager of the SFPUC to execute on behalf of the City
17 and County of San Francisco, a memorandum of agreement with Daly City for the funding,
18 construction, and operation of the Project, with a duration of five years starting August 4,
19 2025, through August 31, 2030; and

20 WHEREAS, The Project would route storm water from the Vista Grande Canal through
21 a culvert that would be constructed on SFPUC Parcel No. 55; replace the upstream portion of
22 the Vista Grande Canal with a collection box, a box culvert, a debris screening device, and a
23 diversion structure to handle flows year-round; construct a treatment wetland; and expand the
24 Vista Grande Tunnel's capacity to better manage the transportation of stormwater to the
25 Pacific Ocean; and

1 WHEREAS, The Project improvements would allow for treated stormwater to be
2 diverted from the Vista Grande Canal into Lake Merced to achieve a sustained increase in
3 Lake Merced water levels, improve stormwater quality, and further the restoration of the
4 drainage basin's natural hydrology; and

5 WHEREAS, To implement the Project, Daly City seeks to acquire the following real
6 estate interests, easements, and licenses from the SFPUC: (i) the SFPUC's interests in the
7 existing Vista Grande Tunnel easements on, across, and through San Francisco Assessor's
8 Parcel Block No. 7284, Lot Nos. 001 and 003, and Block No. 7282, Lot Nos. 005 and 006,
9 totaling 46,992 square feet, on the lands owned by The Olympic Club and the Park Service
10 (Tunnel Easements); (ii) an approximately 157,448-square-foot easement for a treatment
11 wetland and stormwater facility, an approximately 12,404-square-foot easement for a box
12 culvert and stormwater outlet, and approximately 2,057-square-foot easement for a wetland
13 force main, an easement to maintain three existing armored spillway areas totaling
14 approximately 6,644-square-feet, and an approximately 1,457-square-foot easement for a
15 floating and fan-shaped pipeline over Lake Merced on portions of San Francisco Assessor's
16 Parcel Block No. 7283, Lot No. 004, designated as SFPUC Parcel No. 55 (collectively, the
17 New Easements); (iii) a 50-year License Agreement to construct, operate, and maintain
18 SFPUC-owned overflow facilities at Lake Merced on an approximately 9,286-square-foot
19 portion of SFPUC Parcel. No. 55 (Overflow License); and (iv) a License Amendment to extend
20 the term of SFPUC License No. P4703 for twelve Habitat Mitigation, Monitoring, and Facilities
21 by an additional five years, for a total of 10 years and four months (Mitigation License
22 Amendment); and

23 WHEREAS, SFPUC staff, through consultation with the Office of the City Attorney,
24 have negotiated with Daly City the proposed terms and conditions of City's sale of the Tunnel
25 Easements and New Easements for a purchase price of \$71,000 as set forth in the form of an

1 Agreement for Purchase and Sale of Real Estate (Purchase and Sale Agreement), Quitclaim
2 Deed, and Easement Deed; and

3 WHEREAS, Under the Overflow License, Daly City will pay \$2,278 for its use of
4 SFPUC property and under the Mitigation License Amendment, Daly City will pay an
5 additional \$23,503, for a total use fee of \$51,015, for its use of SFPUC property; and

6 WHEREAS, The amounts to be paid by Daly City total \$96,781 and are equal to the
7 appraised value of the rights being acquired under each agreement, as determined by an
8 independent third-party appraisal; and

9 WHEREAS, On October 7, 2025, through a General Plan Referral Note to File, the San
10 Francisco Planning Department found that the proposed Project (as defined below) is
11 consistent with the eight priority policies of Planning Code, Section 101.1, and is in conformity
12 with the San Francisco General Plan (General Plan Findings), as original determined on
13 September 22, 2022, through Case No. 2022-008134GPR; and

14 WHEREAS, On December 11, 2017, Daly City, acting as the California Environmental
15 Quality Act (CEQA) lead agency, certified a Final Environmental Impact Report/
16 Environmental Impact Study (Final EIR/EIS) for the Vista Grande Drainage Basin
17 Improvement Project (Project) prepared pursuant to CEQA; and

18 WHEREAS, On June 9, 2025, Daly City, acting as the CEQA lead agency, adopted an
19 Addendum to the Final EIR/EIS for the Project; and

20 WHEREAS, Daly City has adopted CEQA findings and mitigation measures included in
21 the Final EIR/EIS and Addendum to avoid or substantially lessen the significant environmental
22 effects identified in the Final EIR/EIS and Addendum and set forth in the Mitigation Monitoring
23 and Reporting Program, and has assumed responsibility for their implementation; and
24
25

1 WHEREAS, Authorization of the Purchase and Sale Agreement, the Overflow License,
2 and the Mitigation License Amendment is within the scope of the Project authorized under the
3 Final EIR/EIS and Addendum; and

4 WHEREAS, The SFPUC has no direct authority or responsibility with respect to the
5 proposed Project or any Project mitigation measures other than to enable Daly City, through
6 approval and execution of the Purchase and Sale Agreement, the Overflow License, and the
7 Mitigation License Amendment, which collectively constitute the SFPUC's discretionary
8 actions necessary to facilitate implementation of the Project by Daly City; and

9 WHEREAS, On December 9, 2025, by Resolution No 25-0172, the SFPUC
10 Commission approved the terms and conditions and authorized the General Manager and/or
11 City's Director of Property to execute certain agreements with the City of Daly City, consisting
12 of the Purchase and Sale Agreement, Quitclaim Deed, Easement Deed, Overflow License,
13 and Mitigation License Amendment, pursuant to Charter, Section 9.118; and

14 WHEREAS, The proposed Purchase and Sale Agreement, Overflow License, and
15 Mitigation License Amendment contained in File No. 260010, are substantially in their final
16 form, with all material terms and conditions included, and only remain to be executed by the
17 parties upon approval of this Resolution; now, therefore, be it

18 RESOLVED, The Board of Supervisors hereby adopts the General Plan Findings made
19 on September 22, 2022, in Case No. 2022-008134GPR concerning the Project and the real
20 estate agreements necessary to implement the Project, and be it

21 FURTHER RESOLVED, That this Board of Supervisors hereby approves the terms and
22 conditions of the Purchase and Sale Agreement, Overflow License, and Mitigation License
23 Amendment, and authorizes and directs the General Manager and/or City's Director of
24 Property to execute the Purchase and Sale Agreement, Quitclaim Deed, Easement Deeds,
25

1 Overflow License, and Mitigation License Amendment (together, the Agreements), pursuant to
2 Charter, Section 9.118; and, be it

3 FURTHER RESOLVED, That within thirty (30) days of the Agreements being fully
4 executed by all parties, the General Manager of the SFPUC shall provide the final
5 Agreements to the Clerk of the Board for inclusion in the official file; and, be it

6 FURTHER RESOLVED, That this Board of Supervisors hereby authorizes the General
7 Manager and/or the City’s Director of Property, to enter into any amendments or modifications
8 to the Agreements, including, without limitation, the exhibits, that the General Manager
9 determines, in consultation with the City Attorney, are in the best interest of the City; do not
10 materially increase the obligations or liabilities of the City; are necessary or advisable to
11 effectuate the purposes and intent of the Agreements or this Resolution; and are in
12 compliance with all applicable laws, including the City Charter.