

## **PUBLIC UTILITIES COMMISSION**

City and County of San Francisco

RESOLUTION NO. \_\_\_\_\_

WHEREAS, The City and County of San Francisco (City) purchased real property from the Spring Valley Water Company in 1930 for the San Francisco Water Department, the predecessor-in-interest to the San Francisco Public Utilities Commission (SFPUC); and

WHEREAS, The City, by and through the SFPUC, owns that certain real property totaling approximately 143,352 square feet, or 3.29 acres, comprised of San Francisco Assessor's Block 0046, Lot 001 and a portion of Assessor's Block 0047, Lot 001, on Bay Street, between Hyde and Larkin Streets in San Francisco (Francisco Reservoir Tract); and

WHEREAS, Pursuant to the City Charter, the SFPUC has exclusive charge over the use and control of all real property assets under the SFPUC's jurisdiction (Charter Section 8B.121), including the Francisco Reservoir Tract; and

WHEREAS, The Commission may approve the transfer of control over real property, subject to applicable law, if it determines that the real property is surplus to the needs of any SFPUC utility; and

WHEREAS, The San Francisco Recreation and Parks Department (SFRPD) seeks to acquire jurisdiction over the Francisco Reservoir Tract to design and propose development of a neighborhood park; and

WHEREAS, SFRPD has not undertaken any planning or design for such a potential park; and

WHEREAS, SFPUC staff, together with SFRPD staff, have negotiated the terms of a Memorandum of Understanding (MOU), on file with the SFPUC Secretary, which provides the terms of the proposed jurisdictional transfer; and

WHEREAS, The SFPUC General Manager and staff recommend that the Commission declare the Francisco Reservoir Tract surplus to the SFPUC's utility needs and transfer jurisdiction over the Francisco Reservoir Tract to SFRPD, subject to the terms and conditions of the MOU, as the Francisco Reservoir Tract has remained unused since the reservoir was closed in 1940; and

WHEREAS, The recommendation of SFPUC is subject to the requirement under applicable law that the SFPUC obtain fair market value for the transfer of this real property asset of the SFPUC Water Enterprise; and

WHEREAS, The SFPUC procured an appraisal for Francisco Reservoir Tract prepared by Clifford Associates dated September 1, 2013 and approved by the City's Director of Real Property, in the amount of \$9.9 Million (Appraisal); and

WHEREAS, The fair market value of Francisco Reservoir Tract was established based on the appraised value set forth in the Appraisal; and

WHEREAS, The MOU provides that SFRPD shall pay the appraised fair market value of \$9.9 Million to the SFPUC in installments over 12 years, together with interest on the unpaid principal balance and further provides that SFRPD shall take possession of the Francisco Reservoir Tract upon full approval of the MOU by the Board of Supervisors and the Mayor and after payment of the initial installment to the SFPUC; and

WHEREAS, On June 19, 2014, the San Francisco Recreation and Parks Commission adopted a Resolution authorizing SFRPD General Manager to execute the MOU, to pay fair market value for Francisco Reservoir Tract, and to seek the jurisdictional transfer of that property; and

WHEREAS, The MOU provides that the SFPUC and SFRPD will seek approval by the Board of Supervisors and the Mayor of a conditional jurisdictional transfer of Francisco Reservoir Tract, in exchange for fair market value as compensation to SFPUC for its real property asset, as required by applicable law, and subject to the terms of the MOU; and

WHEREAS, The San Francisco Planning Department determined by a letter dated May 20, 2014 that acquisition of the subject property by the San Francisco Recreation and Park Department is not subject to the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15060(c)(2) because "the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment". The Planning Department also determined "At such time that improvements for the site are proposed, these improvements would be subject to separate environmental review pursuant to CEQA"; now, therefore, be it

RESOLVED, Pursuant to Charter Section 8.B121(e), and based upon the recommendation of the SFPUC General Manager and staff, the Commission declares that Francisco Reservoir Tract as shown on the Project Map, is surplus to the needs of any utility under SFPUC jurisdiction, subject to the terms of the MOU and applicable law; and, be it

FURTHER RESOLVED, That this Commission hereby ratifies, approves and authorizes all actions taken by any City official in connection with the MOU; and be it

FURTHER RESOLVED, That this Commission hereby approves the terms and conditions of the MOU; and be it

FURTHER RESOLVED, That this Commission hereby authorizes the SFPUC General Manager to execute the MOU by and between SFPUC and SFRPD, in substantially the form on file with the SFPUC Secretary, and to undertake the actions contemplated therein, including seeking the approval of the Mayor and Board of Supervisors for the conditional jurisdictional transfer of Francisco Reservoir Tract to SFRPD in exchange for fair market value, and as provided in the MOU; and, be it

FURTHER RESOLVED, That this Commission authorizes the SFPUC General Manager to enter into any amendments or modifications to the MOU, including without limitation, the 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 SFPUC or materially diminish the benefits to the SFPUC; are necessary or advisable to effectuate the purposes and intent of the MOU or this resolution; and are in compliance with all applicable laws, including the City Charter.

*I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of July 8, 2014.*

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*Secretary, Public Utilities Commission*