

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 170919-117

WHEREAS, Approximately 2.44 acres of the Islais Creek Operations and Maintenance Facility (Facility) is on property (Caltrans Property) owned by the State of California (Caltrans); and

WHEREAS, Beginning in 1999, the SFMTA and Caltrans negotiated for the SFMTA's acquisition of the Caltrans Property for the Facility, but no agreement was reached by the time Facility construction was scheduled to commence; and

WHEREAS, To avoid construction delays, Caltrans granted the SFMTA a Right of Entry (ROE) to use the Caltrans Property as of January 31, 2007, subject to the SFMTA's obligation to negotiate in good faith for the purchase and lease of the Caltrans Property, with interest on the purchase price and rental rate to be calculated from January 31, 2007, at the rate used for the California Surplus Money Investment Fund (SMIF); and

WHEREAS, SFMTA and Caltrans staff negotiated the purchase and sale of approximately 48,177 square feet of the Caltrans Property ("Fee Parcels") under an Agreement for the Purchase and Sale of Real Estate (PSA) for \$1,150,000, plus interest at the SMIF rate from January 31, 2007, through the closing date (estimated to be \$165,961 through November 1, 2017), which price was approved by the California Transportation Commission on October 8, 2014, with the Fee Parcels to be used for a public purpose for at least fifteen years following the closing date; and

WHEREAS, SFMTA and Caltrans staff negotiated the lease of approximately 63,747 square feet of the Caltrans Property (Lease Parcels) under a 50-year Airspace Lease (Lease), plus two 15-year extensions, at an initial rent of \$0.25 per square foot per month for the Lease Parcels (\$214,671 per year), with annual escalations of 3% and Caltrans' right to adjust the rent to appraised fair market value no more than once every ten years after the first ten lease years; and

WHEREAS, The Lease includes a one-time payment for the SFMTA's use of the Lease Parcels from January 31, 2007, to the lease commencement date at a rate of \$0.21 square feet per month, with interest at the SMIF rate from January 31, 2007, through the commencement date (estimated to be \$2,188,066.23 if the commencement date is November 1, 2017); and

WHEREAS, The Lease requires the SFMTA to maintain and repair bike path improvements installed by the SFMTA on Caltrans property west of the Lease Parcels and comprised of approximately 23,517 square feet (Maintenance Area), which improvements were required under certain regulatory approvals for the construction of the Facility, and to also remove debris and trim vegetation in the Maintenance Area; and

WHEREAS, As a condition of the PSA, Caltrans requires general access from a public street over the Facility to the Lease Parcels; and

WHEREAS, Caltrans agrees to terminate an existing access easement for highway maintenance purposes over the length of the northern boundary of the Facility and a general floating access easement on the Fee Parcels in exchange for an access license over a SFMTA-designated path over the Facility from Indiana Street to the Lease Parcels during the term of the Lease on the terms of the Indiana Street Access License Agreement (License Agreement) and an access easement over a 2,098 square foot portion of the Facility from Cesar Chavez Street to the Lease Parcels after the License Agreement terminates on the terms of the Cesar Chavez Street Access Easement Agreement (Easement Agreement); and

WHEREAS, The San Francisco Planning Department issued a Final Mitigated Negative Declaration (FMND) under CEQA on June 20, 1989 (Case No. 88.700ER) for the construction and operation of a coach operations and maintenance facility and acquisition of property on the site, which acquisitions would be effected by the PSA and the Lease, and on April 6, 1990, the Board of Supervisors adopted the FMND when it approved the project, and adopted findings under CEQA (Resolution No. 243-90), and the PSA and Lease are covered under the FMND, and the SFMTA's Environmental Review Team has confirmed there are no new facts or circumstances that require additional environmental review; and

WHEREAS, By letter dated May 31, 2005, the City's Planning Department determined the SFMTA's acquisition of the Caltrans property conforms to the City's General Plan; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to enter into an Agreement for the Purchase and Sale of Real Estate for DD030660-01-02, DD 030660-01-03 and DD 030667-01-01 near the intersection of Indiana and Cesar Chavez Streets (portion of APN 4382-003) with Caltrans, with the Fee Parcels to be used for a public purpose for at least fifteen years after the closing date, approves an Airspace Lease with Caltrans for Lease Area No. 04-SF-280-08 for a 50-year term, plus two 15-year extension options; an Indiana Street Access License Agreement for Caltrans access from Indiana Street to the Lease Parcels during the Lease term; and a Cesar Chavez Access Easement Agreement for Caltrans access from Cesar Chavez Street to the Lease Parcels after the Lease terminates and urges the Board of Supervisors and the Mayor to approve the Lease, the Access License, and the Easement Agreement; and, be it further

FURTHER RESOLVED, That the SFMTA Board of Directors has reviewed and considered the Final Mitigated Negative Declaration for the Muni Diesel Coach Operating Division and Central Maintenance Facility project and adopts the CEQA findings of the Board of Supervisors as its own, and to the extent the above actions are associated with any mitigation measures within the jurisdiction of the SFMTA, the SFMTA Board of Directors adopts those measures as conditions of this approval; a copy of the Planning Commission Resolution, the CEQA findings, and the CEQA determination are on file with the Secretary to the SFMTA Board of Directors, may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and are incorporated herein by reference; and

FURTHER RESOLVED, That the SFMTA Board of Directors finds that the acquisition of the Caltrans property is consistent with the City's General Plan for the same reasons as set forth in the City Planning Department letter of May 31, 2005, and hereby incorporates such findings by reference as though fully set forth in this Resolution.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of September 19, 2017.

R. Boomer

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency