[Street Vacation Order - Parkmerced Development Project]

Ordinance ordering the conditional vacation of portions of streets (along with public service easements within those streets) that exist within the Subphases 1A and 1B of the Parkmerced Development Project area, an approximately 152 acre site located in the Lake Merced District in the southwest corner of San Francisco and generally bounded by Vidal Drive, Font Boulevard, Pinto Avenue, and Serrano Drive to the north, 19th Avenue and Junipero Serra Boulevard to the east, Brotherhood Way to the south, and Lake Merced Boulevard to the west; reserving various easement rights in favor of the City and third party utilities, subject to conditions specified in this ordinance; delegating authority to the Director of Real Estate to execute certain quit claim deeds; adopting findings under the California Environmental Quality Act; adopting findings that the vacations are consistent with the Parkmerced Development Agreement, the General Plan, and the eight priority policies of Planning Code, Section 101.1; directing the Clerk of the Board of Supervisors to make certain transmittals; and authorizing actions by City officials in furtherance of this Ordinance, as defined herein.

NOTE: Unchanged Code text and uncodified text are in plain Arial font.

Additions to Codes are in single-underline italics Times New Roman font.

Deletions to Codes are in strikethrough italics Times New Roman font.

Board amendment additions are in double-underlined Arial font.

Board amendment deletions are in strikethrough Arial font.

Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings.

- (a) On February 10, 2011, at a duly noticed public hearing, the Planning Commission certified the Final Environmental Impact Report ("Final EIR") for the Parkmerced Mixed-Use Development Project (the "Project"), by Motion No. 18269, finding that the Final EIR reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, contains no significant revisions to the Draft EIR, and the content of the FEIR and the procedures through which the Final EIR was prepared, publicized and reviewed comply with the provisions of the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq., "CEQA"), the State CEQA Guidelines (California Code of Regulations Title 14 Sections 15000 et seq.), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31").
- (b) At the same hearing at which the Planning Commission certified the Final EIR, the Planning Commission by Motion No. 18270 adopted findings, as required by CEQA, regarding the alternatives, mitigation measures, and significant environmental effects analyzed in the Final EIR, a statement of overriding considerations for approval of the Project, and a proposed mitigation monitoring and reporting program (collectively, "CEQA Findings").
- (c) On May 24, 2011, at a duly noticed public hearing, the Board of Supervisors reviewed and considered the Final EIR on appeal. By Motion No. M11-83, the Board of Supervisors upheld the Planning Commission's certification of the Final EIR and found the Final EIR to be complete, adequate and objective and reflecting the independent judgment of the City and in compliance with CEQA and the State CEQA Guidelines.
- (d) On June 7, 2011, at a duly noticed public hearing, the Board of Supervisors considered the Project's approvals, which included amendments to the City's General Plan (approved by Ordinance No. 92-11), Zoning Map (approved by Ordinance No. 91-11), and Planning Code (approved by Ordinance No. 90-11), as well as approval of a Development Agreement, approved on June 7, 2011 by Ordinance No. 89-11 (the "Development")

Agreement") (collectively, the "Project Approvals"). Ordinance No. 89-11 is on file with the Clerk of the Board in File No. 110300 and is incorporated herein by reference.

- (e) In approving the Project, including in its approval of the Development Agreement by Ordinance No. 89-11, the Board of Supervisors adopted the Planning Commission's CEQA Findings as its own and incorporated them by reference. In so doing, the Board of Supervisors approved and endorsed the Mitigation Monitoring and Reporting Program ("MMRP") for implementation by other City departments and recommended for adoption those mitigation measures that are enforceable by agencies other than City departments. A copy of the CEQA Findings and the Mitigation Monitoring and Reporting Program is on file with the Clerk of the Board in File No. 110300 and is incorporated herein by reference.
- (f) Section 6.1.1 of the Development Agreement requires that the City vacate portions of streets along with public service easements at the locations generally shown in Exhibit J of the Development Agreement, as and when needed in connection with the development of an approved Development Phase for the Project. The Planning Director approved Development Phase 1 of the Project on June 3, 2015. Development Phase 1 is comprised of four Subphases (1A, 1B, 1C, and 1D).
- (g) On February 20, 2015, Parkmerced Owner, LLC (together, with its successors and assigns, the "Project Sponsor") submitted three applications for tentative subdivision maps pursuant to the requirements of the California Subdivision Map Act for Subphases 1A and 1B of the Project. On August 21, 2015, Public Works ("PW") pursuant to PW Order No. 183946 conditionally approved such tentative maps: (1) Tentative Map No. 8530 requested approval to subdivide Assessor's Blocks 7326, 7330, 7331, 7364, 7365, 7366 and 7370 (Parkmerced Planning Blocks 20, 21S, and 22); (2) Tentative Map No. 8531 requested approval to subdivide Assessor's Block 7335 (Parkmerced Planning Block 6); and (3) Tentative Map No. 8532 requested approval to subdivide Assessor's Block 7308 (Parkmerced Planning Block 1)

(collectively, the "Subphase 1A and 1B Tentative Maps"). The Project Sponsor is currently processing with PW the approval of a final subdivision map for each of the Subphase 1A and 1B Tentative Maps (each, a "Final Map").

- (h) Subphases 1A and 1B of the Project involve the conditional vacation of portions of the following streets within Parkmerced along with public service easements in the streets to be vacated: Vidal Drive, Galindo Avenue, Chumasero Drive, Acevedo Avenue, Serrano Drive, Gonzalez Drive, Cambon Drive, and Font Boulevard. Together, the streets and public service easements described in this Section 1(h) are the "Street Vacation Area." The Street Vacation Area is shown in PW's SUR Map No. 2015-006, sheets 1 through 10. Copies of such maps are on file with the Clerk of the Board in File No. 160851 and are incorporated herein by reference.
- (i) On August 2, 2016, the Board of Supervisors adopted Resolution No. 360-16 (the "Resolution of Intention"), a copy of which is on file with the Clerk of the Board of Supervisors in File No. 160870, declaring the intention of the Board to conditionally vacate the Street Vacation Area.
- (j) The Clerk of the Board of Supervisors published the Resolution of Intent in the manner required by law, and the Director of PW posted the Resolution of Intent in the manner required by law.
- (k) When the Board of Supervisors held a duly noticed public hearing on this street vacation order on September 6, 2016, the Board received public comment regarding the vacation of the Street Vacation Area.
- (I) The vacation of the Street Vacation Area is necessary to implement the Project, to fulfill the objectives and requirements of the Development Agreement, and to fulfill the objectives of the Parkmerced Special Use District (Planning Code Section 249.64). The proposed vacations and other actions contemplated herein implement the Project vested by

the Project Approvals, including the construction of buildings and streets consistent with the Parkmerced Design Standards and Guidelines, the Parkmerced Transportation Plan, and the Parkmerced Infrastructure Report, all of which are incorporated by reference into the Development Agreement.

- (m) The City proposes to quitclaim its interest in the Street Vacation Area to the Project Sponsor, consistent with Development Agreement Section 6.1.1.
- (n) Because many of these streets and easements will remain in use until specified times, no portion of the Street Vacation Area shall be vacated until certain conditions are satisfied, as follows:
- City in form substantially similar to that provided in Exhibit L of the Development Agreement for all lands needed for construction of proposed improvements shown on the Street Improvement Permit for Subphases 1A and 1B of the Project. Subdivider shall make such irrevocable offers of dedication prior to City approval of the Final Subdivision Maps or issuance of a Street Improvement Permit for Subphases 1A or 1B of the Project, whichever is earlier. The offer of dedication shall be subject to the reservation of an easement in favor of Project Sponsor for all domestic water utilities within the dedicated area, which easement shall be extinguished upon completion of all Development Phases of the Project and formal acceptance of the domestic water utilities by the City pursuant to the Development Agreement. The sum total of the square footage of the land proposed for dedication to the City shall be equal to or exceed the square footage of the Street Vacation Area.
- (2) The Project Sponsor shall provide PW with an acceptable Public Improvement Agreement ("PIA") pursuant to Section 1351 of the San Francisco Subdivision Code and the Subdivision Map Act for all improvements within the Final Map or required for development of the area shown in the Final Map prior to approval of a Final Map or issuance

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of a Street Improvement Permit for Subphases 1A or 1B of the Project, whichever is earlier. Such PIA shall address security provisions and provide interim easements or licenses via separate offer, such that the City can complete the improvements if the Subdivider fails to do so.

- (o) In a letter dated July 5, 2016 (the "DRE Letter"), the Director of the Department of Real Estate determined that: the Development Agreement contemplates the vacation of the Street Vacation Area; Exhibit J of the Development Agreement shows the general locations of the property vacations and dedications required by the Project; Section 6.1.2 of the Development Agreement requires that (1) all real property exchanged under the Development Agreement be valued on a square foot basis and shall be deemed equal in value per square foot, (2) if any real property exchange under the Development Agreement results in a net loss of acreage for the City, then the Project Sponsor must pay to the City the fair market value of the real property loss at the time of transfer based on the then-current use of the property so transferred, and (3) the City shall not be required to pay for any net gain in real property; provided, however, such gain can be applied against future real property transfers for purposes of determining whether there has been a net loss as described above. The Director of Real Estate also determined in the DRE Letter that: the proposed vacations and dedications associated with Subdivision Maps 8350, 8351, and 8352 result in a net gain in real property owned by the City; therefore, no payment is owed by the Project for the vacation of the Street Vacation Area; and this net gain should be credited against future public right of way vacations for the Project. A copy of said letter is on file with the Clerk of the Board in File No. 160851.
- (p) The Board of Supervisors finds that the actions proposed herein are consistent with and within the scope of the Project analyzed in the Final EIR and subject to the CEQA Findings. The Board of Supervisors further finds that no substantial changes are proposed in

the Project and no substantial changes have occurred with respect to the circumstances under which this Project will be undertaken that would cause new significant environmental effects or a substantial increase in the severity of previously identified effects, and there is no new information of substantial importance showing that the Project would have any significant effects not discussed in the Project environmental impact report, that significant effects would be substantially more severe, or that new or different mitigation measures or alternatives would substantially reduce one or more significant effects of the Project. The Board affirms the Planning Department's determination that an addendum to the Final EIR is not required due to any changes in the Project or the Project's circumstances.

- (q) In a letter dated August 3, 2015 (the "Planning Letter"), the Planning Department determined that the proposed vacations and other actions contemplated herein are on balance consistent with the General Plan and with the Eight Priority Policies of City Planning Code Section 101.1, comply with applicable provisions of the Planning Code, and are consistent with the Project as defined in the Development Agreement and the Project Approvals. A copy of said letter is on file with the Clerk of the Board in File No. 160851 and is incorporated herein by reference. The Board of Supervisors adopts as its own the consistency findings of the Planning Letter.
- (r) These street and pubic easement vacation actions are conducted under the general vacation procedures of the California Public Streets, Highways and Service Easements Vacation Law (California Streets and Highways Code Sections 8300 et seq.) and San Francisco Public Works Code Section 787(a).
- (s) The Director of PW has prepared PW Order No. 18513, dated July 22, 2016, in regard to the vacations and other actions contemplated herein and makes the following determinations: (1) upon satisfaction of the applicable condition or conditions provided in Section 1(n), the respective Street Vacation Area will no longer be necessary for the City's

present or prospective future public street, sidewalk, and public service easement purposes as all existing physical public or private utilities located in the Street Vacation Area will be relocated to the satisfaction of the City as part of the construction of the Project; (2) with the exception of those public easements noted in Sections 3(a) and (b) below, the public interest, convenience, and necessity do not require any easements or other rights be reserved for any public or private utility facilities that are in place in the Street Vacation Area and that any rights based upon any such public or private utility facilities shall be extinguished automatically upon the effectiveness of the vacation; (3) in accordance with California Streets and Highways Code Section 892, for those portions of the Street Vacation Area to be conditionally vacated identified in Section 1(n) above, upon satisfaction of the applicable condition or conditions, the rights-of-way and parts thereof proposed within the respective Street Vacation Areas will no longer by useful as a nonmotorized transportation facility, as defined in Section 887, because the Development Agreement requires the dedication and construction of an extensive street, bicycle path, pedestrian path, park, and trail system that is more extensive than the areas being vacated hereby and that is designed to integrate with existing built streets in the adjacent neighborhoods; and (4) it is a policy matter for the Board of Supervisors to guitclaim the City's interest in the Street Vacation Area to the Buyer, subject to the requirements of the Development Agreement. A copy of the PW Order is on file with the Clerk of the Board of Supervisors in File No. 160851 and is incorporated herein by reference.

(t) In addition, in the PW Order the PW Director recommended: (1) that the Board of Supervisors adopt the legislation to vacate the Street Vacation Area; (2) that the Board of Supervisors approve all actions set forth herein and previously taken by the Officers of the City with respect to this vacation; (3) although the consent of all property owners adjacent to the Street Vacation Area was not obtained, the applicant made reasonable attempts to notify and obtain consent from all property owners adjacent to the Street Vacation Area and the

proposed street vacations do not deprive any private landowner of access to the built public street grid; and (4) that the Board of Supervisors authorize the Mayor, Clerk of the Board, Director of Property, County Surveyor, and Director of PW to take any and all actions which they or the City Attorney may deem necessary or advisable to effectuate the purpose and intent of this ordinance.

- (u) In addition, in the PW Order the PW Director determined that the public interest, convenience, and necessity require that the City reserve from the vacation of the Street Vacation Area non-exclusive easements for the benefit of the City (and subject to possible grants by the City of temporary, immediately revocable licenses by the City in favor of AT&T, PG&E, and any other utilities) for any utilities, telecommunications facilities, or power and gas transmission facilities, respectively, located in, upon, and over any portion of the Street Vacation Area in which their respective in-place and functioning utilities are located as of the effective date of this ordinance, to the extent necessary to maintain, operate, repair, and remove existing lines of pipe, conduits, cables, wires, poles, and other convenient structures, equipment and fixtures for the operation by City of City utilities, by AT&T of telecommunications facilities, by PG&E of power and gas transmission facilities, or for other public utilities. This reservation, and any subsequent grant of easements or licenses is subject to the City's authority to require AT&T, PG&E, and any other utilities to remove or relocate their facilities at no expense to the City when necessary to accommodate a project done under the governmental authority of the City. This reservation and the automatic extinguishment of the reservation to occur upon satisfaction of certain conditions are described in Section 3 below.
- (v) Furthermore, in the PW Order the PW Director determined that the public interest, convenience, and necessity require that the City reserve from the vacation of the Street Vacation Area temporary access for the benefit of the public over any portion of the Street

Vacation Area where required to preserve access between a private property and the existing street grid as of the effective date of this ordinance. This reservation and the automatic extinguishment of the reservation shall occur upon satisfaction of certain conditions that are described Section 3 in below. The Board adopts the findings of the PW Director as its own.

Section 2. Street Vacation and Conditions.

- (a) Except as set forth in Sections 3 and 4 below, the Board of Supervisors hereby vacates the Street Vacation Area, as shown on PW SUR Map No. 2015-006, sheets 1 through 10 (to the extent referring to streets and public service easements to be conditionally vacated), in the manner described in Section (1)(m), upon satisfaction of the conditions described in this ordinance and pursuant to California Streets and Highways Code Sections 8300 et seq. and San Francisco Public Works Code Section 787(a).
- (b) The Board of Supervisors hereby finds that the Street Vacation Area is unnecessary for present or prospective public use, subject to the conditions described in this ordinance.
- (c) The Board finds that the public interest, convenience, and necessity require that the Street Vacation be done as declared in this ordinance.
- (d) The Street Vacation shall be effective as to all of the Street Vacation Area upon satisfaction of the conditions in Sections 3 and 4 and recording of the City's quitclaim deed in substantially the same form as the draft quitclaim deed on file with the Clerk of the Board of Supervisors in File No. 160851.

Section 3. Conditions to the Street Vacation; Reservation and Easements.

(a) The vacation of the Street Vacation Area is subject to the reservation of nonexclusive easements on the terms and conditions described in Section 1(n) above for the

benefit of the City (and subject to possible grants by the City of temporary, immediately revocable licenses easements by the City in favor of AT&T, PG&E, and any other utilities) for any City utilities, telecommunications facilities, power and gas transmission utilities, or other public facilities that are located in, upon, or over any portion of the Street Vacation Area in which their respective in-place and functioning utilities are located, to the extent necessary to maintain, operate, repair, and remove existing lines of pipe, conduits, cables, wires, poles, and other convenient structures, equipment and fixtures for the operation of such utilities and also the rights to trim and cut down trees and brush that may be a hazard to the utilities. To the extent the non-exclusive easements described in this Section 3(a) have not previously merged into a fee interest held by the City, such non-exclusive easements reserved in this Section 3(a) shall be automatically extinguished when such alternative replacement facilities are completed to the satisfaction of the City Engineer and the Board of Supervisors accepts the facilities. The City shall execute a quitclaim of any interest in any easement reserved under this Section 3(a) and shall cause such quitclaim to be recorded against the subject property upon the fee title owner demonstrating to the City that replacement utilities serving the affected area have been substantially completed and operable. In the event a nonexclusive easement described in this Section 3(a) has merged into the fee interest held by the City, such interest shall be deemed to be automatically extinguished and conveyed at the time the fee interest is conveyed by the City to the Project Sponsor or any other transferee pursuant to the Development Agreement.

(b) The vacation of the Street Vacation Area is subject to the reservation of temporary access for the benefit of the public over any portion of the Street Vacation Area where required to preserve access between a private property and the existing street grid as of the effective date of this ordinance. To the extent the access rights described in this Section 3(b) have not previously merged into a fee interest held by the City, such access reserved in this

Section 3(b) shall be automatically extinguished when replacement access serving the affected area has been substantially completed and is open to the public as certified by PW. In the event a non-exclusive easement described in this Section 3(b) has merged into the fee interest held by the City, such interest shall be deemed to be automatically extinguished and conveyed at the time the fee interest is conveyed by the City to the Project Sponsor or any other transferee pursuant to the Development Agreement.

- (c) The PIA shall provide that, prior the issuance of the First Certificate of Occupancy for the first building constructed as part of Development Phase 1 of the Project, the Project Sponsor shall perform those actions as reasonably required by the City (which, for purposes of clarity, may include execution of a quitclaim deed or performance of a quiet title action) to clarify that the City owns fee title to the public streets in the Parkmerced Development Project area in existence as of the effective date of this ordinance.
- (d) Where a future Development Phase of the Project (Development Phase 2 and onward) anticipates a future dedication of right of way adjacent to a street shown on a tentative map as being partially improved, PW shall require Project Sponsor, prior to submittal of a Final Map mylar, but after acceptance and recordation of the quitclaim deeds for the Street Vacation Area contemplated by this ordinance, to record a Notice of Restrictions on those strips of land anticipated to be needed for the ultimate street construction as agreed upon in the Development Agreement, subject to the review and approval of the City Attorney.
- (e) Except as specifically provided in this ordinance above and subject to the conditions set forth in Section 3 and Section 4 of this ordinance, no easements or other rights are reserved for any public utility facilities that are in place in the Street Vacation Area and any rights based upon any such public utility facilities shall be extinguished upon the effectiveness of the vacation hereunder.

Section 4. Execution of Quitclaim Deeds and Delegation to Director of Real Estate.

- (a) The Board of Supervisors hereby authorizes the Director of Real Estate to execute City quitclaim deeds to the Project Sponsor for those portions of the Street Vacation Area to be conditionally vacated (as described in Section (1)(n)) upon satisfaction of the applicable conditions set forth in that section.
- (b) The quitclaim deeds executed pursuant to this Section 4 shall include the reservations of: (1) the non-exclusive easements to AT&T for telecommunications purposes, to PG&E for power and gas transmission purposes, and to the City for City utilities described in Section 3; and (2) the temporary access to the extent necessary as described in Section 3. The Board hereby delegates to the Director of Real Estate, in cooperation with the County Surveyor, the authority to determine precise locations of the boundaries of quitclaims to be prepared and recorded pursuant to this ordinance so as to fully implement the intent of this ordinance and to fully implement the Project.

Section 5. The Board of Supervisors hereby directs the Clerk of the Board of Supervisors to transmit to the Director of PW certified copies of this ordinance, and the Board of Supervisors hereby urges the Director of PW to proceed in the manner required by law. The Clerk of the Board also is hereby directed to transmit to the Director of PW certified copies of this ordinance so that this ordinance may be recorded together with any other documents necessary to effectuate this ordinance.

Section 6. The Mayor, Clerk of the Board, Director of Property, and Director of PW are hereby authorized and directed to take any and all actions which they or the City Attorney may deem necessary or advisable in order to effectuate the purpose and intent of this ordinance

(including, without limitation, the filing of the ordinance in the Official Records of the City and County of San Francisco, determination of the precise locations of the boundaries of quitclaims to be prepared and recorded pursuant to this ordinance, confirmation of satisfaction of any of the conditions to the effectiveness of the vacation of any portion of the Street Vacation Area hereunder, and confirmation of the reservation of easements and of temporary access pursuant to Sections 3(a) and (b) of this ordinance and execution and delivery of any evidence of same, which shall be conclusive as to the satisfaction of such conditions upon signature by any such City official or his or her designee).

Section 7. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney

By:

MARLENA BYRNE Deputy City Attorney

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City and County of San Francisco Tails Ordinance

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

File Number: 160851 Date Passed: September 20, 2016

Ordinance ordering the conditional vacation of portions of streets (along with public service easements within those streets) that exist within the Subphases 1A and 1B of the Parkmerced Development Project area, an approximately 152 acre site located in the Lake Merced District in the southwest corner of San Francisco and generally bounded by Vidal Drive, Font Boulevard, Pinto Avenue, and Serrano Drive to the north, 19th Avenue and Junipero Serra Boulevard to the east, Brotherhood Way to the south, and Lake Merced Boulevard to the west; reserving various easement rights in favor of the City and third party utilities, subject to conditions specified in this ordinance; delegating authority to the Director of Real Estate to execute certain quit claim deeds; adopting findings under the California Environmental Quality Act; adopting findings that the vacations are consistent with the Parkmerced Development Agreement, the General Plan, and the eight priority policies of Planning Code, Section 101.1; directing the Clerk of the Board of Supervisors to make certain transmittals; and authorizing actions by City officials in furtherance of this Ordinance, as defined herein.

August 01, 2016 Land Use and Transportation Committee - REFERRED WITHOUT RECOMMENDATION

September 06, 2016 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

September 13, 2016 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

September 13, 2016 Board of Supervisors - PASSED ON FIRST READING AS AMENDED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

September 20, 2016 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Peskin, Tang, Wiener and Yee

Absent: 1 - Mar

File No. 160851

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 9/20/2016 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

Na and a

Date Approved