

**STAFF REPORT FOR CALENDAR ITEM NO.: 18
FOR THE MEETING OF: December 14, 2023**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Authorizing the Executive Director to execute a Declaration of Site Restrictions for the Relinquishment of Power of Termination for Transbay Parcel I” to facilitate the San Francisco Office of Community Investment and Infrastructure’s development of the planned Under Ramp Park.

EXPLANATION:

Background

In 2003, Caltrans, the TJPA, and the City and County of San Francisco (“City”) entered the Cooperative Agreement, which provides for the transfer of certain state-owned parcels from Caltrans to the City and the TJPA to advance the Transbay Program. In 2010, Caltrans transferred, among other parcels, an about 7,317 square-foot portion of property in San Francisco, known as Parcel I”, for the Transbay Program. TJPA used Parcel I” for construction staging and other interim uses related to construction of the new Transit Center and related facilities. In 2018, the TJPA completed the Transit Center and actual passenger bus service commenced at the facility.

In 2005 and 2006, the Redevelopment Agency of the City and County of San Francisco (“Redevelopment Agency”) approved a Transbay Project Area Redevelopment Plan (“Redevelopment Plan”) for the Transbay neighborhood. The Redevelopment Plan and subsequent planning documents authorize the development of new public parks and streetscape and public space improvements. The documents identified the under ramp areas beneath TJPA and Caltrans off-ramps from the San Francisco-Oakland Bay Bridge within the project area as potential opportunities for public park use.

Consistent with the Redevelopment Plan and related planning documents, the San Francisco Office of Community Investment and Infrastructure (OCII) (as successor to the Redevelopment Agency) intends to use Parcel I”, along with other portions of parcels owned by the TJPA, to build a public park and related and ancillary facilities and improvements (collectively, “Public Park”). The park is currently referred to as Under Ramp Park. The enclosed map shows the location of Parcel I”.

OCII was not ready to begin construction of the park on Parcel I” immediately after the TJPA completed the Transit Center. So Caltrans determined that, consistent with the Cooperative Agreement, Caltrans could exercise a Power of Termination to retake ownership of Parcel I” but delay the effective date to allow OCII additional time to advance Under Ramp Park. In 2018, Caltrans recorded a Notice of Exercise of Power of Termination and Objection to the Recording of a Relinquishment of Power of Termination on Parcel I”. Caltrans’s right to retake the property is effective January 1, 2024 unless, prior to that date, the TJPA as property owner (in cooperation

with OCII as developer of the park) records an irrevocable declaration of site restrictions against Parcel I”, requiring, among other things, (1) the completion of construction of a Public Park on Parcel I” by January 1, 2028, (2) restricting use of Parcel I” as a Public Park for a period of no less than 15 years after completion of the park, and (3) providing Caltrans with certain enforceable rights to ensure compliance with the covenants.

Status of Under Ramp Park

The Redevelopment Agency and, later, OCII as its successor, have been working on the design and development of Under Ramp Park for more than a decade.

After the dissolution of redevelopment agencies in California, OCII has authority to fund and complete the construction of Under Ramp Park but OCII has no authority to acquire or operate the park.

For the last several years, OCII and TJPA staff have discussed opportunities for the agencies to cooperate to achieve delivery of the proposed Under Ramp Park, recognizing, among other things: the limits on OCII under the redevelopment dissolution law; TJPA’s lack of funding sources to support design, construction or operation of the park; TJPA’s need to ensure the transit center infrastructure (particularly its bus ramp) is protected; and TJPA’s interest in ensuring that the proposed park complements (rather than detracts from) the transit center programming and operations.

In 2022, the TJPA Board authorized the Executive Director to execute a nonbinding Term Sheet between TJPA and the East Cut Community Benefits District (CBD), with OCII as an acknowledging entity. The Term Sheet presents a framework for the three parties to cooperate to accomplish Under Ramp Park; that cooperation is summarized as:

- OCII funds the design and construction of Under Ramp Park. OCII enters an agreement with San Francisco Public Works to oversee the park’s construction.
- TJPA owns the land under much of the park and the park improvements, once completed. TJPA seeks to enter a lease with Caltrans for the right to use a portion of Caltrans land for the park.
- CBD manages the operations and maintenance of the proposed Under Ramp Park, and funds all associated operating costs, minimizing the financial risk to TJPA, until the end of the term of the CBD (June 2030) (potentially subject to extension).

In June 2023, the TJPA Board approved OCII’s Schematic Design for Under Ramp Park.

In September 2023, OCII issued a \$37 million bond to fund the design and engineering of OCII’s infrastructure projects in the Transbay Redevelopment Area. Those proceeds will fund Under Ramp Park’s predevelopment costs, and a portion of its construction. Prior to construction start on the park, OCII intends to issue another bond to cover the balance of the park’s construction costs.

Today, based on OCII's request, staff recommend that the TJPA Board authorize the Executive Director to execute a Declaration of Site Restrictions for the Relinquishment of Power of Termination for Parcel I" ("Declaration of Site Restrictions"), in substantially the form attached. The Declaration of Site Restrictions satisfies Caltrans's requirement that Parcel I" be committed to construction and operation of a park within certain timeframes.

While today's action represents another step on the path to realization of Under Ramp Park, delivery of the park will require several future discretionary actions and approvals, including approvals by TJPA, OCII, City and County of San Francisco, CBD, Caltrans, and others.

RECOMMENDATION:

Staff recommends that the TJPA Board authorize the Executive Director to execute a Declaration of Site Restrictions for Parcel I" to facilitate OCII's development of Under Ramp Park.

ENCLOSURES:

1. Resolution
2. Map
3. Declaration of Site Restrictions

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, The Transbay Joint Powers Authority (TJPA) is a joint powers agency organized and existing under the laws of the State of California to design, build, and operate the Transbay Transit Center Program (Transbay Program); and

WHEREAS, In 2003, Caltrans, the TJPA, and the City and County of San Francisco (“City”) entered the Cooperative Agreement, which provides for the transfer of certain state-owned parcels from Caltrans to the City and the TJPA to advance the Transbay Program; and

WHEREAS, In 2010, Caltrans transferred, among other parcels, an about 7,317 square-foot portion of property in San Francisco, known as Parcel I”, for the Transbay Program. TJPA used Parcel I” for construction staging and other interim uses related to construction of the new Transit Center and related facilities. In 2018, the TJPA completed the Transit Center and actual passenger bus service commenced at the facility; and

WHEREAS, In 2005 and 2006, the Redevelopment Agency of the City and County of San Francisco (“Redevelopment Agency”) approved a Transbay Project Area Redevelopment Plan (“Redevelopment Plan”) for the Transbay neighborhood. The Redevelopment Plan and subsequent planning documents authorize the development of new public parks and streetscape and public space improvements; and

WHEREAS, Consistent with the Redevelopment Plan and related planning documents, the San Francisco Office of Community Investment and Infrastructure (OCII) (as successor to the Redevelopment Agency) intends to use Parcel I”, along with other portions of parcels owned by the TJPA, to build a public park and related and ancillary facilities and improvements; and

WHEREAS, In 2018, Caltrans recorded a Notice of Exercise of Power of Termination and Objection to the Recording of a Relinquishment of Power of Termination on Parcel I”, exercising Caltrans’s right to retake Parcel I” effective January 1, 2024, unless, prior to that date, the TJPA as property owner (in cooperation with OCII as developer of the park) records an irrevocable declaration of site restrictions against Parcel I”; and

WHEREAS, Based on OCII’s request and its representations to TJPA that it plans to fund and complete the construction of the public park on Parcel I” on or before the deadline specified in the Caltrans Notice of Exercise, staff have prepared a Declaration of Site Restrictions for the Relinquishment of Power of Termination for Parcel I” (“Declaration of Site Restrictions”), the form of which was presented herewith; now, therefore, be it

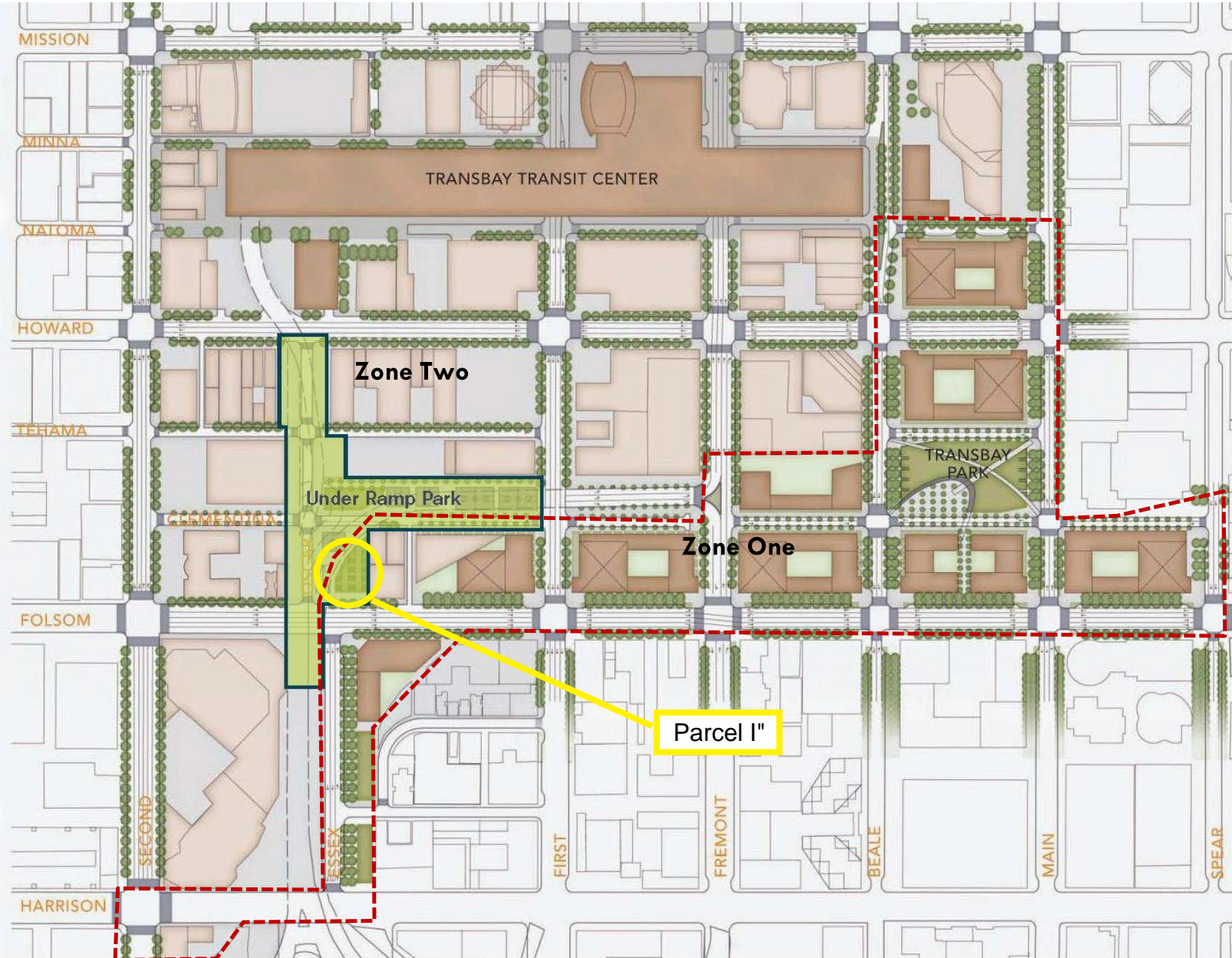
RESOLVED, That the TJPA Board authorizes the Executive Director to execute the Declaration of Site Restrictions to facilitate OCII’s development of the planned Under Ramp Park, in substantially the form presented to the Board; and, be it

FURTHER RESOLVED, That the TJPA Board authorizes the Executive Director to take all actions and execute all documents as they deem reasonably necessary to implement and effectuate the above approval.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of December 14, 2023.

Secretary, Transbay Joint Powers Authority

Transbay Redevelopment Project Area



Free Recording Requested Pursuant to Government Code Section 27383 and 27388.1 at the Request of the Transbay Joint Powers Authority

WHEN RECORDED, MAIL TO:

Julie McDaniel
Deputy District Director for the
Division Right of Way
California Department of Transportation
111 Grand Avenue, 15th Floor
Oakland, CA 94612

Portion of Assessor's Block 3736, Lot 018

Space Above This Line Reserved for
Recorder's Use Only

**DECLARATION OF SITE RESTRICTIONS
FOR THE RELINQUISHMENT OF POWER OF TERMINATION
(Transbay Parcel I')**

THIS DECLARATION OF SITE RESTRICTIONS ("**Declaration**") is made as of the _____ day of _____, 20__, by the Transbay Joint Powers Authority (the "**TJPA**"), hereinafter called the "**Owner**," in favor of the State of California, acting by and through its Department of Transportation (the "**State**"). The conditions, covenants, and restrictions stated herein shall bind the Owner and its successors and assigns and shall be enforceable by the State.

The following conditions, covenants, and restrictions affect a 7,317 square-foot (more or less) portion of property known as Parcel I' in the City and County of San Francisco, State of California (said portion, as more particularly described in Exhibit A attached hereto, referred to herein as the "**Property**") that is owned by the TJPA and is subject to a Notice of Exercise of Power of Termination by the State. The Property is located within the Transbay Redevelopment Project Area ("**Project Area**") in the City and County of San Francisco ("**City**"), State of California and will in the future be utilized for final development of public park and related and ancillary facilities and improvements (collectively, "**Public Park**").

WITNESSETH:

WHEREAS, the Owner owns the Property, which is located in the Project Area and covered by the Redevelopment Plan for the Transbay Redevelopment Project Area, filed in the Office of the Recorder of the City and County of San Francisco, State of California, as Document No. 2006I224836, filed on August 4, 2006 ("**Redevelopment Plan**").

WHEREAS, the Property consists of portions of a parcel transferred by the State. In 2010, the State transferred to the City the Property under Director's Deed (Quitclaim) DK-000046-01-01, recorded August 9, 2010 in the Official Records of the City as Document No. 2010J017195 ("**Caltrans Deed**"). The Property is subject to a reservation of a Power of Termination in favor of the State established therein.

WHEREAS, pursuant to the Cooperative Agreement by and between the State, the City, and the TJPA (July 11, 2003) (the "**Cooperative Agreement**"), the City quitclaimed its interest in the Property to the TJPA under Quitclaim Deed, recorded August 9, 2010 in the Official Records of the City as Document No. 2010J017210 ("**City Deed**"). The transfer of the Property from the City to the TJPA is expressly subject to the Power of Termination.

WHEREAS, the Successor Agency to the Redevelopment Agency of the City and County ("**Successor Agency**") has an enforceable obligation, as determined by the California Department of Finance under the terms of the Transbay Redevelopment Project Implementation Agreement (January 20, 2005) and California Health and Safety Code Sections 34170 et seq. ("**Redevelopment Dissolution Law**"), to implement the Redevelopment Plan. Section 3.4.3 of the Redevelopment Plan authorizes the development of new public parks and streetscape and public space improvements consistent with the Streetscape and Public Open Space Plan, which was adopted by Resolution No. 153-2006 (Nov. 21, 2006) of the Redevelopment Agency of the City and County of San Francisco. Section 2.11 of the Streetscape and Open Space Concept Plan contemplates that the Property may be developed as a public park.

WHEREAS, the State exercised its Power of Termination for the Property, effective January 1, 2024, under the Notice of Exercise of Power of Termination and Objection to the Recording of a Relinquishment of Power of Termination, recorded September 11, 2018 in the Official Records of the City as Document No. 2018K671708 ("**Notice of Exercise**"). The Notice of Exercise provided that the State would relinquish its Power of Termination if the TJPA, Successor Agency, or their successors in interest caused the recordation of an irrevocable declaration of site restrictions requiring, among other things, the completion of construction of a Public Park on the Property by January 1, 2028, restricting the Property's use as a Public Park for a period of no less than fifteen (15) years after completion of the Public Park, and providing the State with certain enforceable rights to ensure compliance with these covenants.

WHEREAS, Successor Agency has represented to the Owner that it plans to fund and complete the construction of the Public Park on the Property on or before the deadline specified in the Notice of Exercise, and, on that basis, has requested that the Owner record this Declaration.

NOW, THEREFORE, the Owner hereby declares that the real property described and referred to as the Property is and shall be held, transferred, sold, and conveyed, subject to the covenants, conditions and restrictions, hereinafter set forth:

1. Property Subject to This Declaration.

This Declaration is made with respect to the Property, located in the City and County of San Francisco, State of California, and more particularly described in Exhibit A, which shall be held,

conveyed, transferred and sold subject to the applicable covenants, conditions and restrictions established in this Declaration.

2. Completion of Construction.

The Owner or its successors in interest shall construct and complete, or cause to be constructed and completed, the Public Park on the Property by January 1, 2028 (the “**Construction Term**”).

3. Public Use Restrictions.

The Owner or its successors in interest shall devote the Property to a Public Park for a period of time that meets or exceeds fifteen (15) years after completion of improvements for the Public Park (the “**Public Park Term**”).

4. Relinquishment of Power of Termination.

Upon the recordation of this Declaration, the Notice of Exercise shall be deemed withdrawn and of no further force and effect, and the State shall release the Power of Termination over the Property and execute a quitclaim deed effecting such release.

5. Term

The covenants in Section 2 shall remain in effect for the Construction Term. The covenants in Section 3 shall remain in effect for the Public Park Term. All covenants in this Declaration shall be binding on all parties and all persons claiming under them as of the date this Declaration is executed.

6. Severability of Provisions

If any provision of this Declaration or the application of such provision to any owner or owners or parcel of land is held invalid, the validity of the remainder of this Declaration and the applicability of such provision to any other owner or owners or parcel of land shall not be affected thereby.

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IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed as of the day and year below.

Dated: _____

OWNER
Transbay Joint Powers Authority

By: _____

Name: _____

Its: _____

Dated: _____

State of California,
Acting by and through
its Department of Transportation,

By: _____

Name: _____

Its: _____

EXHIBIT A
Legal Description

EXHIBIT "A"

A portion of each of the parcels of land conveyed to the State of California by instruments recorded as follows:

<u>State Parcel No.</u>	<u>Recording Date</u>	<u>Volume</u>	<u>Page</u>
46	June 6, 1935	2797	293
50	December 6, 1934	2726	84
51	March 26, 1935	2767	214
72 {48A}	April 2, 1935	2772	206

all of Official Records of the City and County of San Francisco and described as follows:

BEGINNING at the intersection of the southwesterly line of First Street (82.50 feet wide), and a line parallel with and distant 105.51 feet northwesterly, measured at right angles, from the southeasterly line of Clementina Street (40.00 feet wide); thence along said parallel line South 45°07'55" West, 221.99 feet; thence from a tangent that bears South 45°08'51" West, along a curve to the left with a radius of 296.75 feet, through an angle of 83°00'03", an arc distance of 429.88 feet to the northwesterly line of Folsom Street; thence along said northwesterly line, North 45°07'55" East, 70.19 feet to the point of intersection of last said line and a curve concentric with and distant 69.50 feet radially from the curve described above, last said point being the TRUE POINT OF BEGINNING; thence northwesterly along said concentric curve, from a tangent that bears North 35°41'30" West, with a radius of 227.25 feet, through an angle of 41°46'30", an arc distance of 165.69 feet to the northeasterly line of said parcel of land (State Parcel No. 51); thence along last said line and continuing along the northeasterly line of said parcel of land (State Parcel No. 72), South 44°52'05" East, 140.24 feet to northwesterly line of Folsom Street; thence along last said line, South 45°07'55" West, 81.18 feet to the true point of beginning.

CONTAINING 7,317 square feet, more or less.

There shall be no abutter's rights of access appurtenant to the above-described real property in and to the adjacent State freeway.

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

Signature William D. Newton
Licensed Land Surveyor

Date 24 JUN 10



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of _____)
County of _____)

On _____ before me, _____, Notary Public
(here insert name and title of the officer), personally appeared _____

_____/
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of _____)
County of _____)

On _____ before me, _____, Notary Public
(here insert name and title of the officer), personally appeared _____

_____/
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)