Meeting Date: 02/28/23 G11-01; AD 683 Staff: R. Boggiano; A. Kershen

Staff Report 82

PARTIES:

The City and County of San Francisco, acting by and through the San Francisco Port Commission (Port)

The City and County of San Francisco, a charter city and municipal corporation (City)

The California State Lands Commission (Commission)

PROPOSED ACTION:

Consider approving determinations pursuant to Chapter 211, Statutes of 2022 (<u>AB</u> <u>2607, Ting</u>), regarding the conveyance of two paper streets and a railroad right-ofway from the Port to the City, free of the Public Trust and the Burton Act Trust, for a regional fire training facility.

BACKGROUND:

The Port of San Francisco is a trustee of Public Trust lands the Legislature granted to it in 1969 pursuant to the Burton Act (Chapter 1333, Statutes of 1968, as amended). The Burton Act granted over 1,000 acres of filled tidelands and a large area of unfilled Bay to the City for direct management through its Port. The Commission has oversight authority over the granted lands. Revenue derived from the use of the granted land is required to be used solely for the furtherance of the purposes set forth in the Burton Act.

The City proposes to acquire approximately 2.6 acres of Port property (Port Parcels) located at and adjacent to 1236 Carroll Avenue in Southeast San Francisco and to combine the Port Parcels with adjacent privately owned lands the City is acquiring separately for the location of a new San Francisco Fire Department (SFFD) training facility.

SFFD currently has two training facilities. The primary facility is located on Treasure Island and is under the jurisdiction of the Treasure Island Development Authority. This facility will be demolished in 2025 owing to development of the Island. An ancillary training tower facility is located at 19th and Folsom Streets in the Mission District. SFFD needs to replace the primary training facility that will be displaced by development of Treasure Island.

The proposed SFFD training facility site will include 7.5 acres, consisting of 2.6 acres of Port Parcels and 4.9 acres of adjacent private property. The City has entered into an option agreement to purchase the adjacent 4.9 acres from a private party on the condition that the City acquires the Port Parcels.

The Port Parcels are vacant, unleased land comprising two paper streets and a trapezoidal railroad remainder parcel. A paper street is an area that was designated to be a public street on historic maps and therefore reserved to the state. Most paper streets were either never built or have long been abandoned as a public right-of-way, but they remain state Public Trust property. The railroad remainder parcel is part of an 1868 legislative grant intended to incentivize railroads to service the new San Francisco waterfront. The railroads, however, never used or occupied the granted right-of-way, and the land reverted to the state as Public Trust property. The Legislature granted all three parcels to the Port to manage pursuant to the Burton Act. The Port was not granted the power to sell the land. In order for the Port to transfer the Port Parcels to the City, the Legislature must lift the Public Trust and Burton Act Trust restrictions on them.

Chapter 211 authorizes the Commission to accept any and all title and interest of the Port of San Francisco in the Port Parcels and convey the Parcels by patent to the City free of both the Public Trust and the Burton Act Trust and any Public Trust requirement or condition that the Port Parcels be used for street or railway purposes, but reserving to the State all minerals and all mineral rights in the Port Parcels. The authorizations in Chapter 211 are contingent on the Commission making the following findings at a public meeting:

- 1. The property has been filled and reclaimed as part of a highly beneficial plan of harbor development.
- 2. The property is cut off from access to the waters of San Francisco Bay.
- 3. The property is a relatively small portion of the tidelands granted pursuant to the Burton Act.
- 4. The property is not used, suitable, or required for navigation or any other Public Trust or Burton Act purpose.
- 5. The City deposits an amount equal to or greater than the fair market value of the property in the Port's Harbor fund.
- 6. The transfer of the property and its removal from the Public Trust is in the best interests of the State.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Chapter 211, Statutes of 2022 (AB 2607, Ting)

STAFF ANALYSIS:

The Port Parcels were transferred to the Port in 1969 under the Burton Act. The Parcels have a limited history of revenue generation or Public Trust uses for the Port. The Port Parcels are fragments that have been cut off from direct access to the waters of San Francisco Bay by past filling of intervening property to create usable port and industrial land for the growing city. The Parcels are now several hundred feet from the shoreline of the Bay. They do not provide—and are not needed for public access to the waterfront. The parcels are vacant and are not required for existing Port plans. Most of the lands adjoining the parcels were sold to private parties pursuant to the 1868 Board of Tideland Commissioners Act and remain privately owned.

SFFD educates and trains new fire fighters, emergency medical technicians, and paramedics, and provides refresher training and recertification to veteran fire fighters, emergency medical technicians, and paramedics. Approximately 1,700 fire fighters use the fire training facilities each year. The new fire training facility will serve as a regional center for all NorCal's Fire, EMS, Incident Command, rescue training needs, and will be one of only four sites in Northern California approved to host several emergency rescue classes. It will provide regional and statewide benefits by improving the readiness and capabilities of the SFFD, as well as other local and regional fire organizations. Recent fire seasons have seen an increase in frequency and severity and require the mutual aid of regional fire organizations.

The City prepared an independent appraisal that values the Port parcels at \$5.8 million. Staff has reviewed this appraisal and has determined that \$5.8 million is equal to or greater than the fair market value of the Port Parcels. The revenue from the sale of the parcels will be placed in the Port's harbor fund and must be expended solely for purposes consistent with the Burton Act and the Public Trust.

CONCLUSION:

As described in the preceding paragraphs and in the proposed transfer, the facts support each of the necessary findings the Commission must make. The sale of the Port Parcels will facilitate a new SFFD training facility and is in the best interests of the State. Staff recommends the Commission make the findings necessary for the Port to sell the Port Parcels to the City for use as a SFFD fire training facility.

OTHER PERTINENT INFORMATION:

- 1. On April 19, 2022, the Board of Supervisors of the City and County of San Francisco approved a <u>Resolution</u> authorizing the transfer of the Port Parcels to the City.
- 2. This action is consistent with the "Meeting Evolving Public Trust Needs" and "Committing to Collaborative Leadership" Strategy Strategic Focus Areas of the Commission's 2021–2025 Strategic Plan Strategic Plan.
- 3. A Mitigated Negative Declaration (MND), State Clearinghouse No. 2021110196, and a Mitigation Monitoring and Reporting Program were prepared by the San Francisco Planning Department and adopted on February 8, 2022. Staff has reviewed these documents and the MND identified the transfer of the Port property. The transfer of the Port Parcels would result in a new regional fire fighter training facility and the MND analyzed the potential impacts of the project and identified several mitigation measures. The City would be responsible for carrying out the project and implementing mitigation measures in accordance with its Mitigation Monitoring and Reporting Program.

EXHIBIT:

A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that a Mitigated Negative Declaration, State Clearinghouse No. 2021110196, and a Mitigation Monitoring and Reporting Program were prepared by San Francisco Planning Department and adopted on February 8, 2022 for this project and that the Commission has reviewed and considered the information contained therein; that in the Commission's independent judgment, the scope of activities to be carried out under this authorization have been adequately analyzed; that none of the events specified in Public Resources Code section 21166 or the State CEQA Guidelines section 15162 resulting in any new or substantially more severe significant impact has occurred; and, therefore no additional CEQA analysis is required.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed transfer, consistent with the authorizations below, will result in a new regional fire fighter training facility that will support NorCal's Fire, EMS, Incident Command, rescue training needs, will provide fair market value into the Port's Harbor Fund for lands of minimal Public Trust utility, and is in the best interests of the State.

AUTHORIZATION:

- 1. Find that, with respect to the proposed transfer of the Port Parcels:
 - a. The property has been filled and reclaimed as part of a highly beneficial plan of harbor development.
 - b. The property is cut off from access to the waters of San Francisco Bay.
 - c. The property is a relatively small portion of the tidelands granted pursuant to the Burton Act.
 - d. The property is not used, suitable, or required for navigation or any other Public Trust or Burton Act purpose.
 - e. The City will deposit an amount equal to or greater than the fair market value of the property in the Port's Harbor fund.
 - f. The transfer of the property and its removal from the Public Trust is in the best interests of the State.
- 2. Approve and authorize the execution, acknowledgement, acceptance, and recordation of all deeds, patents, and ancillary documents required to fulfill the proposed transfer, in substantially the form of the documents on file with the Commission.
- 3. Authorize and direct Commission staff and staff of the California Attorney General to take all necessary or appropriate actions on behalf of the Commission, including the execution, acknowledgement, acceptance, and recordation of all documents necessary or convenient to fulfill the proposed transfer; and to appear on behalf of the Commission in any legal proceedings relating to the proposed transfer.

