



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: May 23, 2023

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, Interim City Manager

PREPARED BY: Matthew Lee, P.E., Public Works Director

SUBJECT: Consider Adoption of a Resolution Authorizing the City Manager to Execute a Memorandum of Understanding and License Agreement With the City and County of San Francisco for the Huntington Avenue Bicycle and Pedestrian Improvement Project and Finding the Action is Exempt From CEQA

BACKGROUND:

Huntington Avenue is a major north-south collector road that connects the City of San Bruno with the Cities of South San Francisco and Millbrae. The roadway provides City residents with direct connections to the Shops at Tanforan, Centennial Way Trail, downtown San Bruno, the regional transit systems of Bay Area Rapid Transit (BART) and Caltrain, and the Belle Air and Fifth Addition neighborhoods. With these various connections the northern stretch of Huntington Avenue is one of the City's most important connectors for pedestrian and cyclists. It is envisioned to be a Class IV bikeway, a protected bike lane that is physically separated from the vehicular travel lane, in the Walk N Bike Plan.

The roadway is currently configured as a 4-lane divided roadway with 2 lanes in both directions and a landscaped median. An approved capital improvement project, the Huntington Avenue Bicycle and Pedestrian Improvement Project, would construct a two-way Class IV bikeway by reconstructing the sidewalk and asphalt roadway along northbound Huntington Avenue. Staff regularly pursues grant opportunities as a means of maximizing the funding available to the City and have been able to successfully secure \$914,000 from One Bay Area Grant (OBAG) and \$1,401,000 from San Mateo County Transportation Authority (SMCTA) to be used towards implementing this project.

OBAG is a federal-aid transportation grant that requires compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (Uniform Act). Compliance with the Uniform Act requires that the City receive right of way certification from the California Department of Transportation (Caltrans). The purpose of right of way certification is to document that the property rights necessary for the project have been acquired. During this certification process for the OBAG grant for this project, it was determined that the City did not have the property rights necessary to construct the project despite Huntington Avenue being a public street within the City's roadway network.

Prior to construction the Bay Area Rapid Transit (BART) transit station in San Bruno, Huntington Avenue between San Bruno Avenue and Sneath Lane was a two-lane roadway with a single lane in either direction. The roadway was reconfigured and widened to the 4-lane divided

roadway configuration as part of the BART to San Francisco International Airport (SFO) Extension Project that was completed June 2003. As part of that project, BART entered into an agreement with the City in which their project was to acquire all the necessary property rights to construct the project and the property rights associated with the reconstructed Huntington Avenue were to be conveyed back to San Bruno upon project completion.

While that BART project condemned and acquired all the parcels necessary to reconstruct Huntington Avenue north of Herman Street, BART never acquired the property rights for Huntington Avenue between San Bruno Avenue to Herman Street. The City and County of San Francisco (CCSF) currently owns the real property identified as San Mateo County Assessor's Parcel Numbers 093-340-060 and 093-340-020, which is also designated as Parcel No. 9 per the deed dated September 29, 1944. This Parcel No.9 runs the length of Huntington Avenue between San Bruno Avenue and Herman Street and is comprised of approximately the landscaped median, northbound travel lanes and sidewalk adjacent to the northbound travel lanes (See Attachment 2). Caltrans has indicated that to receive right of way certification on the Huntington Avenue Bicycle and Pedestrian Improvement Project, the City would need to acquire rights from CCSF for conveyance of San Mateo County Assessor's parcel numbers 093-340-060 and 093-340-020.

DISCUSSION:

CCSF has offered to convey Parcel No. 9 to the City through a sales transaction. As it would be infeasible to complete the sales transaction within the required grant delivery timeframe, Caltrans indicated that they would authorize the right of way certification if the City can obtain a license agreement with CCSF to construct the project improvements with the understanding that the property rights would be conveyed to the City at a later date. The license agreement provides for the City to continue to use and make improvements to Parcel No. 9 while the memorandum of understanding obligates the City to complete the sales transaction no later than two years after the effective date of that agreement. The license agreement has an application fee of \$2,000 and recurring use fee of \$200 per month. The recurring use fee would no longer be needed once the City acquires Parcel No. 9. Should the sales transaction not be completed within two years and provided CCSF is not solely responsible for the delay, the City would be liable for a holdover penalty payable to CCSF in the amount of \$1,500 per month, increasing \$100 per month, up to a maximum of \$5,000 per month until the sales transaction is completed. The memorandum of understanding also identifies a General Plan Referral Fee of \$4,629 required by CCSF.

As part of this process, the City performed an appraisal of Parcel No. 9 to determine the fair market value for that sales transaction. That appraisal was completed on March 27, 2023 and it was concluded to have a nominal value of \$5,000 as the subject parcel could not feasibly be independently used for any economic purpose. Completion of the sales transaction would require that the City pay CCSF the fair market value for Parcel No. 9 along with any other fees such as transfer taxes or recording charges applicable to the conveyance of Parcel No. 9.

FISCAL IMPACT:

There will be a one-time fiscal impact to the General Fund of \$2,000 for the application of a revocable license and a monthly fiscal impact of \$200 per month until the City acquires Parcel No. 9. There is no fiscal impact at this time to enter into a memorandum of understanding with CCSF. If approved, the City would be bound by the payment terms of the agreement and

memorandum of understanding. This would include property sales transaction for \$5,000 plus a General Plan Referral Fee of \$4,629, along with any other fees such as transfer taxes or recording charges applicable to the conveyance of Parcel No. 9, and possible holdover penalties of \$1,500 to a maximum of \$5,000 per month should the sales transaction not be completed within two years of the execution of the memorandum of understanding.

ENVIRONMENTAL IMPACT:

Staff believes the City Council's action qualifies for exemptions from further California Environmental Quality Act analysis for the following reasons. First, it can be seen with certainty that there is no possibility that the license agreement and eventual property transfer would have a significant effect on the environment. (Pub. Res. Code Sec. 15061(b)(3).) Further, the bike lane project is exempt from CEQA pursuant to a Class 1 exemption for existing facilities, which includes existing highways, streets, and sidewalks, and alterations thereto such as the addition of bicycle facilities including bicycle lanes. (14 Cal. Code Regs. 15301 (c).) Based on the foregoing, staff recommends that the City Council find the action exempt from CEQA.

RECOMMENDATION:

Consider adoption of a resolution authorizing the City Manager to execute a revocable license agreement and enter a memorandum of understanding with the City and County of San Francisco for conveyance of San Mateo County Assessor's parcel numbers 093-340-060 and 093-340-020, and finding the action exempt from CEQA.

ALTERNATIVES:

Do not authorize revocable license agreement and memorandum of understanding with CCSF. The City would forfeit the federal grant in the amount of \$914,000 and would need to identify another funding source to complete the project.

ATTACHMENTS:

1. Resolution
2. Acquisition Exhibit