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Date: June 30, 2016
To: PROSAC
From: Stacy Radine Bradley, Deputy Director of Planning, Capital & Planning Division
Subject: Purchase of 11th Street Properties

In the fall of 2012, the Recreation and Park Department (RPD) and Supervisor Jane Kim's office convened a community task force to address the need for new public open space in District 6, which encompasses the Tenderloin, South of Market, Rincon Hill, South Beach, and Mission Bay. Due to residential density, District 6 has significantly less park land per resident than most areas of San Francisco and the goal of the District 6 Open Space Task Force was to identify potential new park sites. The Task Force's work culminated in a report in July 2013 that identified priority areas for open space acquisition within District 6.

Following the Task Force's recommendations the City's Real Estate Department, on behalf of RPD, engaged the services of Colliers International to conduct a search for potential new park sites in District 6. Colliers provided an initial list of over 100 properties, which was later narrowed down to a "short list" of 15 potential sites for further consideration and research.

From these potential sites, the Real Estate Division negotiated a purchase for the 11th Street Properties, a collection of five contiguous parcels that total 19,570 square feet, for \$10,000,000. The 11th Street properties are located within an area of highest need area as identified by the Task Force and an area of High Need within the SF General Plan Recreation and Open Space Element (ROSE) High Needs Map. This site, which is relatively large compared to other potential sites within SoMa, has a southern orientation and approximately 120-foot frontage on 11th Street. Given the orientation and the broad right-of-way fronting the park, the future park should experience ample sunlight. The half-acre site is large enough for some active uses, such as a children's play area or sport court, as well as passive greenspaces such as landscaped or grassy areas.

Purchase and Sale Agreement

The City and seller have preliminarily agreed to a Purchase and Sale Agreement (PSA). The PSA includes a 60-day due diligence period for the City to undertake an Environmental Site Assessment or Phase I, and Phase II, if deemed necessary. During the due diligence period, leases with existing lease holders will also be reviewed and a boundary survey will be performed.

After execution of the PSA, the seller will have up to one year to issue a Notice of Intent to Close, allowing time for their purchase of another property. No funding is required until the City receives the Notice of Intent to Close, at which time the Department has 30 days, which may be extended up to 90 days, to provide the payment and close escrow.



Park Site Neighborhood Context

The park site is located in western SoMa, a light industrial area that includes residential and commercial uses as envisioned by the Western SoMa Area Plan, one of the Eastern Neighborhoods Area Plans. Significant population growth is anticipated east of the site within the proposed Central SoMa Plan area, west of the site within the Market Octavia Plan area, and to the north-west of the site as part of the Hub initiative.

Acquisition Policy Analysis

RPD has an official Acquisition Policy, which provides direction on how to identify, evaluate, and acquire real property for the Recreation and Park Department using Open Space Acquisition funds. The Acquisition Policy defines three distinct policy goals:

1. Acquire properties that are found within or serve a High Needs Area¹ and/or an open space deficient area
2. Acquire properties that have identified funding for the purchase, development, and maintenance of the property
3. Acquire properties that encourage a variety of recreational and open space uses.

The 11th Street properties fulfill all three goals. The properties are within an area of High Need in the ROSE High Needs Areas map and as identified by the District 6 Open Space Task Force. The location is in a relatively park-poor area where the nearest public open spaces are ½ mile to 1 mile away, including Howard and Langton Community garden to the east, the Civic Center Plaza to the north across Market Street, McCoppin Hub and SoMa West Skate Park and Dog Park to the southeast. Further, the site is located within the Western SoMa Plan Area, one of the Eastern Neighborhoods area plans and impact fees collected on Eastern Neighborhoods projects will be used to fund park development. As mentioned above the size of the property and its orientation will encourage a variety of recreation and open space uses.

Strategic Plan

The proposed acquisition is consistent with Strategic Plan Objective 1.1, “Develop more open space to address population growth in high needs areas and emerging neighborhoods” because it will add park land in a high-needs area identified through the D6 Open Space Task Force process and within an emerging neighborhood.

Acquisition Funding Source

RPD proposes to fund the acquisition costs from the Open Space Acquisition Fund, which currently has a balance of about \$9.68 million and will receive approximately \$2.4 million from the tax set-aside this fiscal year (July 1, 2016-June 30, 2017). The Acquisition Fund is projected to receive approximately \$2.4

¹ The Recreation and Open Space Element of the San Francisco General Plan defines “High Needs Areas” as those areas of the city that have (a) high population density, (b) a high percentage of children and/or seniors, (c) a high percentage of low-income households, (d) low access to open space, and (e) areas with high growth projections between 2014 and 2040.

million or more annually, which will be adequate to address the Department's other acquisition commitments: Francisco Street Reservoir and Schlage Lock parks.²

Existing Uses and Future Park Design

The property consists of five separate parcels each developed with an existing structure. The leases for the current tenants will be transferred to the City. The City expects to receive interim revenue to defray the costs of managing the site while the leases are in effect. These funds will be used to address acquisition-related costs, such as demolition.

The design of the future park and the specific types of amenities it will include are not yet determined. Given that there are existing leases with options and the last option extends to 2024, the Department will have ample time to plan the park. The design will take into consideration park needs within the rapidly growing neighborhood as well as other new open spaces being developed by public and private developers within the area. Funding for development of the future park is also not identified at this time, however, impact fees for open space collected on Eastern Neighborhoods projects can be used to fund park development.

Attachments

- A. Aerial Photos
- B. ROSE High Needs Area Map
- C. Site Photos
- D. Property Information Sheet
- E. Property Evaluation Sheet

² The Department recently transferred funds for the remediation of Noe Valley Town Square and purchase of 900 Innes.