

**THIS PRINT COVERS CALENDAR ITEM NO.: 10.6**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance and Information Technology

**BRIEF DESCRIPTION:**

Authorize the Director of Transportation to execute a Memorandum of Understanding between San Francisco Municipal Transportation Agency (SFMTA) and San Francisco Public Works (SFPW) for the jurisdictional transfer of a portion of Michigan Street in exchange for access to and use of 11 SFMTA Operator Restrooms (Operator Restrooms) for a period of eight years, effective July 1, 2021.



**SUMMARY:**

- SFMTA built, owns, and maintains 11 Operator Restrooms in San Francisco for use by transit operators and staff.
- SFPW has jurisdiction of Michigan Street, a portion of which is a dead end located immediately north of Cesar Chavez Street, adjacent to the SFMTA Muni Metro East Rail Yard. PW wishes to vacate that portion of Michigan Street, comprised of 5,645 square feet (Michigan Street ROW) and transfer jurisdiction to the SFMTA in exchange for joint use of the Operator Restrooms for a term of eight years, effective July 1, 2021. The cost of such use over the term is valued at \$1.25 million.
- The jurisdictional transfer requires SFMTA to pay SFPW the fair market value for the property per City Administrative Code Chapter 23. The appraised fair market value of the Michigan Street ROW as of October 2021 is \$1.25 million.
- SFMTA and SFPW previously executed a Memorandum of Understanding (MOU) in March 2021, granting SFPW field staff access to the Operator Restrooms for a pilot program.
- The new Memorandum of Understanding will supersede the existing March 2021 MOU and retroactively commence on July 1, 2021, to recoup SFPW costs associated with the previous MOU.
- The interdepartmental jurisdictional transfer of the Michigan Street ROW and related street vacation requires Board of Supervisors approval.

**ENCLOSURES:**

1. San Francisco Municipal Transportation Agency Resolution
2. Memorandum of Understanding

**APPROVALS:**

	<b>DATE</b>
DIRECTOR  _____	<u>March 30, 2022</u>
SECRETARY  _____	<u>March 29, 2022</u>

**ASSIGNED SFMTAB CALENDAR DATE:** April 5, 2022

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### **PURPOSE**

Approve the terms and conditions of a Memorandum of Understanding between the San Francisco Municipal Transportation Agency (SFMTA) and San Francisco Public Works (SFPW) for the jurisdictional transfer of a portion of the Michigan Street right of way (the Michigan Street ROW) from SFPW to SFMTA, and, in exchange, SFMTA will grant SFPW field staff access to 11 Operator Restrooms (Operator Restrooms) for a period of eight years, effective July 1, 2021.

### **STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES**

This action supports the following SFMTA Strategic Plan Goals:

- Goal 2: Create a work environment that is responsive, equitable and inclusive.
- Goal 5: Deliver reliable and equitable transportation services.

This action supports the following Transit First Policy principle:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.

### **DESCRIPTION**

In March 2021, SFMTA and SFPW executed a Memorandum of Understanding allowing SFPW field staff access to the Operator Restrooms for a 60-day pilot program.

SFMTA is amenable to allowing SFPW field staff access to the Operator Restrooms for a period of eight years, effective July 1, 2021, in exchange for the jurisdictional transfer of the 5,645 square-foot portion of Michigan Street ROW immediately north of Cesar Chavez Street, a paper street (Michigan Street ROW), to SFMTA. The City and County of San Francisco owns the property, which is presently public right of way under SFPW's jurisdiction. The attached new Memorandum of Understanding memorializes the terms of SFPW's use of the Operator Restrooms in exchange for the transfer of the Michigan Street ROW. Following approval and execution, it will supersede the previous March 2021 Memorandum of Understanding.

The jurisdictional transfer of the Michigan Street ROW will be effective once the Board of Supervisors approves the Michigan Street ROW jurisdictional transfer and street vacation ordinance and the ordinance takes effect.

### **STAKEHOLDER ENGAGEMENT**

The Memorandum of Understanding terms and conditions for the jurisdictional transfer require no direct outreach.

**ALTERNATIVES CONSIDERED**

The only potential alternative is proceeding without the executed Memorandum of Understanding (including the jurisdictional transfer). This alternative, however, is infeasible since SFPW field staff need access to restrooms under SFMTA jurisdiction; and SFMTA needs the Transfer Property, which is under SFPW jurisdiction, for real estate objectives adjacent to San Francisco Municipal Transportation Agency's property.

**FUNDING IMPACT**

There is no funding impact pursuant to the approval of the terms and conditions of the Memorandum of Understanding. The transfer of jurisdiction requires the San Francisco Municipal Transportation Agency to pay the fair market value for such transfer, under City Administrative Code Chapter 23. Pursuant to third party independent appraisal via the City Real Estate Division (RED), the appraised fair market value of the Transfer Property is \$1.25 million. SFMTA's maintenance cost of the Operator Restrooms for eight years is estimated to be equal to \$1.25 million, equivalent to a 0.8 FTE, 2708 Custodian, during the 8-year term. SFMTA and SFPW agree to amortize the \$1.25 million fair market value of the Transfer Property with SFMTA granting SFPW field staff co-use of the Operator Restrooms for the term, beginning July 1, 2021.

**ENVIRONMENTAL REVIEW**

On March 4, 2022, the San Francisco Municipal Transportation Agency, under authority delegated by the Planning Department, determined that the Memorandum of Understanding is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the San Francisco Municipal Transportation Agency Board of Directors and is incorporated herein by reference.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

These actions – to transfer jurisdiction to SFMTA and vacate the Transfer Property via ordinance – require the Board of Supervisors approval since the City and County of San Francisco owns the property, and it is presently public right-of-way under SFPW's jurisdiction. The Memorandum of Understanding will become effective unless the San Francisco Municipal Transportation Agency Board of Directors, the Mayor, or the City's Board of Supervisors rejects legislation approving the proposed transfer.

The City Attorney has reviewed this report.

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**RECOMMENDATION**

Staff recommends approving terms and conditions of a Memorandum of Understanding between SFMTA and SFPW for the: 1) SFPW jurisdictional transfer of the Transfer Property to the SFMTA, and, in exchange, 2) SFMTA will grant SFPW field staff access to eleven (11) Operator Restrooms for a period of eight (8) years, effective July 1, 2021.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, SFMTA has jurisdiction over 11 operator restrooms (Operator Restrooms), used by transit operators and staff, in the City and County of San Francisco that SFMTA built and maintains; and

WHEREAS, SFMTA and San Francisco Public Works (SFPW) executed a Memorandum of Understanding in March 2021, granting SFPW field staff access to the Operator Restrooms for a 60-day pilot program; and

WHEREAS, SFPW has jurisdiction over public right of way (ROW) comprising 5,645 square feet on a portion of Michigan Street located immediately north of Cesar Chavez Street, adjacent to the Muni Metro East rail yard (Michigan Street ROW); and

WHEREAS, SFPW intends to vacate the Michigan Street ROW, a paper street, and transfer jurisdiction to the SFMTA; and

WHEREAS, The jurisdictional transfer requires the SFMTA to pay the fair market value for such transfer, under City Administrative Code Chapter 23. Pursuant to third party independent appraisal via the City Real Estate Division (RED), the appraised fair market value of the Michigan Street ROW is \$1.25 million. SFMTA's maintenance cost of the Operator Restrooms for eight (8) years is estimated to be equal to \$1.25 million, equivalent to a 0.8 FTE, 2708 Custodian, during the 8-year term; and

WHEREAS, SFMTA and SFPW agree to amortize the \$1.25 million fair market value of the Michigan Street ROW with SFMTA granting SFPW field staff co-use of the Operator Restrooms for the term, beginning July 1, 2021; and

WHEREAS, The Michigan Street ROW street vacation via ordinance and the jurisdictional transfer require Board of Supervisors approval since the City and County of San Francisco owns the property, and it is public right of way under San Francisco Public Works' jurisdiction; and

WHEREAS, SFMTA and SFPW negotiated a Memorandum of Understanding for the: 1) jurisdictional transfer of the Michigan Street ROW to the SFMTA, and, in exchange, 2) SFMTA will grant SFPW field staff access to the Operator Restrooms for a period of eight years, effective July 1, 2021.

WHEREAS, On March 4, 2022, the SFMTA, under authority delegated by the Planning Department, determined that the is Memorandum of Understanding not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and

WHEREAS, a copy of the CEQA determination is on file with the Secretary to the San Francisco Municipal Transportation Agency Board of Directors, and is incorporated herein by reference; and,

RESOLVED, The SFMTA Board of Directors approves the terms and conditions of the Memorandum of Understanding between SFMTA and SFPW for the: 1) jurisdictional transfer of the Michigan Street ROW property to the SFMTA, and, in exchange, 2) SFMTA granting SFPW field staff access to the Operator Restrooms for a period of eight years, effective July 1, 2021.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting April 2022.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

**Memorandum of Understanding  
Between  
San Francisco Public Works (SFPW) and  
San Francisco Municipal Transportation Agency (SFMTA)**

THIS MEMORANDUM OF UNDERSTANDING (this "**MOU**") is entered into as of \_\_\_\_\_, 2022, by and between SAN FRANCISCO PUBLIC WORKS, an agency of the CITY AND COUNTY OF SAN FRANCISCO (the "**City**"), hereinafter called "**SFPW**" and the SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY, an agency of the CITY AND COUNTY OF SAN FRANCISCO, hereinafter called "**SFMTA**," collectively, the "**Parties**."

**RECITALS**

- A. SFMTA has jurisdiction over eleven (11) Operator restrooms (the "**Restrooms**") listed in the attached Exhibit A in the City and County of San Francisco that SFMTA built, maintains, and are used by SFMTA transit operators and staff.
- B. SFPW has City jurisdiction for real property right of way comprising ~5,640 s.f. on a portion of Michigan Street ("**Michigan St. ROW**") located north of Cesar Chavez Street adjacent to the Muni Metro East rail yard depicted in the attached Exhibits B-1 and B-2.
- C. SFPW wishes to vacate Michigan St. Row and transfer jurisdiction to the SFMTA. The transfer of jurisdiction requires the SFMTA to pay the fair market value for such transfer, per City Administrative Code Chapter 23. The appraised fair market value as of October 2021 is \$1.25 million.
- D. SFMTA and SFPW executed a memorandum of understanding, dated March 2021, which granted SFPW field staff access to the Restrooms for a 60-day pilot program, including an annual cost. This MOU shall supersede the March 2021 MOU.
- E. SFMTA is agreeable to grant SFPW field staff access to the Restrooms for a period of eight (8) years, effective July 1, 2021, in exchange for the transfer of jurisdiction of the Michigan St. Row to SFMTA.

NOW, THEREFORE, the Parties hereto agree to the following:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.
2. Effective Date; Term. This MOU shall be effective upon transfer of jurisdiction of the Michigan St. ROW and upon that approval, the term will retroactively commence on July 1, 2021 for eight (8) years.

3. Restrooms Hours and Access. SFPW field staff shall have non-exclusive access to the Restrooms seven (7) days a week, twenty-four (24) hours per day. SFPW will be prohibited from sharing the Restrooms with any other party other than SFPW field staff. SFMTA transit operators have priority use of the Restrooms at all times to mitigate transit schedule conflict.
4. Fee Payment. SFPW shall pay no Restrooms co-use fee for the eight (8) year term, retroactively beginning July 1, 2021 in exchange for the jurisdictional transfer of the value of Michigan St ROW. At the end of the 8-year period, a new MOU may be negotiated, if SFMTA agrees and if SFPW wants to continue to use the Restrooms at a price to be negotiated, including for cleaning, maintenance, upgrades, etc.
5. Maintenance; Repairs; Alterations. SFPW acknowledges that the Restrooms are in good order and repair. SFMTA will provide daily custodial services for the Restrooms SFPW field staff utilize. If SFPW desires to provide additional daily cleaning with its custodians, SFPW shall coordinate with SFMTA's cleaning schedule so the Restrooms are cleaned 4-8 hours apart. SFPW shall reimburse SFMTA for cost of repairs to the Restrooms when the cause arises, other than the course of ordinary use, directly from SFPW's Restrooms use. SFPW shall not otherwise, at any time remodel, reconstruct, rebuild, replace, remove, or otherwise alter the Restrooms without a further written agreement between SFMTA and SFPW. SFMTA maintains records of Restroom custodial service and will provide the records to SFPW on request.
6. Keys and Entry Locks. SFMTA has provided and will provide additional key copies to SFPW field staff provided that SFPW annually, on or before July 1, provides a list of SFPW field staff with keys, including their contact information (work desk or mobile phone, as applicable, and email address). SFPW will designate a representative to pick up key copies from SFMTA and shall reimburse SFMTA's labor and material costs for keys, replacement keys, and applicable entry lock modifications. Upon termination of this MOU, SFPW shall return all available keys to SFMTA.
7. Proposed Transfer Approval Process and Vacation and Transfer. Upon execution of this MOU, SFPW and SFMTA shall submit legislation to the Board of Supervisors seeking approval of the Michigan St. ROW jurisdictional transfer.
8. No Transfer Fee. Pursuant to third party independent appraisal via the City Real Estate Division, the appraised fair market value of the Michigan St. ROW is \$1.25 million. SFMTA's maintenance cost of the Restrooms for eight (8) years is estimated to be equal to \$1.25 million, equivalent to a 0.8 FTE, 2708 Custodian, during the 8-year term. Parties agree to amortize the \$1.25 million fair market value of the Michigan St. ROW with SFMTA granting SFPW field staff co-use of the Restrooms for the term, beginning July 1, 2021.
9. Cooperation. Subject to the terms and condition of the MOU, SFPW and SFMTA staff shall use reasonable efforts to do, or cause to be done, all things reasonably necessary or advisable to carry out the intents and purposes of this MOU.



10. Notices. Any demand or notice which either party shall require or may desire to make upon or give to the other shall be in writing and shall be delivered personally upon the other or sent by prepaid, registered, or certified mail addressed to the respective parties as follows:

To: San Francisco Municipal Transportation Agency  
Attn.: Senior Manager – FIT Facilities and Real Property Mgmt.  
1 South Van Ness Avenue, 8th Floor  
San Francisco, CA 94103

To: San Francisco Public Works  
Attn.: \_\_\_\_\_  
2323 Cesar Chavez  
San Francisco, CA 94124

11. Miscellaneous. This MOU may be amended or modified only in writing, signed by Directors of both Parties or their designees. No waiver by any party of any of the provisions of this MOU shall be effective unless in writing and signed by authorized representatives, and only to the extent expressly provided in such written waiver.

IN WITNESS WHEREOF, SFPW and SFMTA have executed this MOU Agreement on the first date written above.

Approved: \_\_\_\_\_  
Carla Short Date  
Interim Director  
San Francisco Public Works

Approved: \_\_\_\_\_  
Jeffrey Tumlin Date  
Director of Transportation  
San Francisco Municipal Transportation Agency

APPROVED BY: San Francisco Municipal Transportation Agency Board of Directors Resolution No:

\_\_\_\_\_  
Adopted: \_\_\_\_\_  
Attest: \_\_\_\_\_ Secretary,  
SFMTA Board of Directors

## **Exhibit A**

### **SFMTA Restrooms Locations:**

- Kearny St./The Embarcadero
- Jackson St. / Fillmore St.
- Market St. / Powell St. at the Hallidie Plaza lower level
- Geary Blvd. / 48th Ave.
- Fulton St. / 7th Ave.
- 30<sup>th</sup> St. / Church St.
- Geneva Ave. / Munich St.
- 3rd St. / Fitzgerald Ave.
- 14th St. / Quintara St.
- 20th Ave. / Buckingham Way
- Ocean Ave. / Frida Kahlo Way

**Exhibit B-1**

**Michigan St. ROW parcel (indicated "Subject Site"):**



## Exhibit B-2

**Michigan St. ROW parcel (highlighted area):**

