

4-SF-80-PM 5.1/5.4
Transbay Transit Terminal
4-400-0435V1
District Agreement No. 4-1981-C

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COOPERATIVE AGREEMENT

THIS COOPERATIVE AGREEMENT (“Agreement”) is entered into effective July 11, 2003, by and between the State of California, acting by and through its Department of Transportation (“State”), the City and County of San Francisco, a body politic and a municipal corporation of the State of California (“City”), and the Transbay Joint Powers Authority, a joint powers agency created under California Government Code Sections 6500 *et seq.* (“Authority”) in order to facilitate construction of the Transbay Terminal Project as set forth below.

RECITALS

WHEREAS, the State owns and operates the Transbay Transit Terminal (“Transbay Terminal”) in the City as a regional transit hub utilized by several transit providers, including the San Francisco Municipal Railway, the Golden Gate Bridge, Highway and Transportation District (“GGBHTD”), the Alameda-Contra Costa Transit District (“AC Transit”), the San Mateo County Transit District, and Greyhound Lines; and

WHEREAS, in January 2001, the *Transbay Terminal Improvement Plan* report of the Transbay Panel of the Metropolitan Transportation Commission (“MTC Report”) proposed the “Great Expectations” conceptual design plan for a new multimodal terminal because the existing Transbay Terminal does not meet projected transit operational needs and is in need of significant remodeling or replacement to improve transit services in the San Francisco Bay Area; and

015612

WHEREAS, on October 4, 2002, a draft Environmental Impact Statement, Environmental Impact Report, and Section 4(f) Evaluation (“EIS/EIR”) was issued by the City, the San Francisco Redevelopment Agency (“Agency”), the Peninsula Corridor Joint Powers Board, and the Federal Transit Administration for the *Transbay Terminal-Caltrain Downtown Extension-Redevelopment Project* which includes consideration of the Transbay Terminal Project within its alternatives; and

WHEREAS, the State also owns and operates a system of ramps (“Loop Ramps”) that connect the Transbay Terminal with the San Francisco-Oakland Bay Bridge (“SFOBB”); and

WHEREAS, the Transbay Terminal and Loop Ramps were constructed as part of the SFOBB in the 1930s; and

WHEREAS, the State owns land adjacent to the Transbay Terminal and Loop Ramps which was formerly occupied by the Terminal Separator Structure (“TSS”); and

WHEREAS, damage from the Loma Prieta Earthquake of 1989 resulted in the demolition of the majority of the TSS, leaving the State with vacant parcels of land; and

WHEREAS, the Agency is a body politic, duly authorized and activated by the City on August 10, 1948, pursuant to the provisions of the California Community Redevelopment Law, California Health & Safety Code Sections 33000 *et seq.*; and

WHEREAS, the Agency and City have established a Transbay Redevelopment Survey Area (“Survey Area”) to focus on blight and the feasibility of redevelopment in the area roughly bounded by Mission, Main, Folsom and Second Streets which includes the Transbay Terminal, Loop Ramps, and vacant parcels of State land; and

WHEREAS, the Agency has initiated preparation of a proposed Transbay Project Area Redevelopment Plan for the Survey Area (“Redevelopment Plan”) that has identified the

015612

potential for a new regional transit terminal and for transit-oriented development on the vacant land within the Survey Area; and

WHEREAS, on April 4, 2001, the City, AC Transit, and the Peninsula Corridor Joint Powers Board created the Authority pursuant to the provisions of California Government Code Sections 6500 *et seq.*; and

WHEREAS, the Authority is authorized to develop, design, and construct and operate a new Transbay Terminal and ramps on the site of the existing structure; and

WHEREAS, the Transbay Terminal Project has the potential to provide expanded bus and rail service and direct access to and from the SFOBB, all of which would be more efficient and convenient for buses, trains, and the passengers utilizing those transit systems; and

WHEREAS, the Transbay Terminal Project has significant potential to ease traffic congestion on City streets and improve traffic flow to, from and on the SFOBB and City streets in and around the Survey Area; and

WHEREAS, the Transbay Terminal Project construction costs will be partly financed by funds generated by the adoption of the proposed Redevelopment Plan; and

WHEREAS, the proposed Redevelopment Plan will be structured to dedicate net tax increment and gross proceeds from sales of the State's vacant TSS and Transbay Terminal parcels to a new Transbay Terminal after adoption of a final Redevelopment Plan; and

WHEREAS, a new multimodal transit terminal which replaces the existing Transbay Terminal could benefit the State and the San Francisco Bay region by providing an improved mass transit hub and potential accommodation of future high-speed rail connections; and

WHEREAS, the State is already in the final bidding process for the West Approach Seismic Safety Project ("WASSP") which will seismically retrofit the West Approach to the

015612

SFOBB, including the Loop Ramps (for purposes of this Agreement, retrofit of the east loop ramp shall be deemed to be an element of the WASSP notwithstanding the fact that some work is being processed as a separate project); and

WHEREAS, the WASSP is one of several separate seismic safety projects being performed by the State on separate elements of the SFOBB, all of which are designed to provide a lifeline connection between the East and West Bay areas in the event of a major earthquake and is critical to public safety and welfare; and

WHEREAS, the State requires use of some of the vacant TSS parcels, Loop Ramp parcels, and space within the existing Transbay Terminal buildings for purposes of construction, construction staging, storage and Resident Engineer offices, Public Information offices, and present and future parking for State operations in San Francisco during and after WASSP construction; and

WHEREAS, a portion of the TSS ("Folsom Leg") will be replaced on a portion of one of the vacant TSS parcels in a manner generally consistent with the plans set forth in the Final Environmental Impact Report and Statement prepared in 1996 to address demolition and/or replacement of the TSS; and

WHEREAS, the construction of the Folsom Leg has been combined with construction of the WASSP for purposes of construction efficiency and associated cost savings; and

WHEREAS, after construction of the WASSP and the Folsom Leg the State will no longer have a transportation need for any remaining vacant TSS parcels in the Survey Area and such parcels will no longer be a necessary part of the operating state highway system; and

WHEREAS, the State has determined that ownership and operation of a regional transit terminal is most appropriately a local or regional function; and

015612

WHEREAS, sale or development of vacant and/or underutilized parcels represents a significant source of potential funding for a new Transbay Terminal; and

WHEREAS, the State is authorized by California Streets and Highways Code Section 30410 to dispose of property, originally acquired for construction of the SFOBB that is no longer needed for State transportation purposes on any terms and conditions deemed appropriate by the Director of the State Department of Transportation, subject to approval by the California Transportation Commission ("CTC"), provided such terms and conditions are in the public interest; and

WHEREAS, the State is authorized by California Streets and Highways Code Section 73 to relinquish to any county or city any portion of any state highway which has been deleted from the state highway system, subject to approval by the CTC; and

WHEREAS, the use of revenues derived from the sale and development of property purchased by the State with gas tax revenues for the Transbay Terminal Project is consistent with Article XIX of the California Constitution; and

WHEREAS, California Streets and Highways Code Section 104.12 authorizes the State to lease its airspace within the right of way of the state highway system; and

WHEREAS, the State wishes to assist local and regional authorities in planning for an improved regional transit hub in downtown San Francisco; and

WHEREAS, the State can assist the City and the Authority in developing financial plans and in implementing planning measures by transferring specified parcels of State-owned property to the City and the Authority for the Transbay Terminal Project, provided that the WASSP costs and construction schedules are protected and that appropriate terms and conditions are applied to any transfers; and

015612

WHEREAS, the parties recognize that if the City, the Authority, or the Agency do not utilize transferred parcels or gross proceeds from their sale solely to fund Capital Costs of a new Transbay Terminal within a reasonable timeframe as set forth in this Agreement, all unsold transferred real property and/or the remaining unexpended gross sale proceeds from all sold transferred real property plus interest on such proceeds at the maximum return available consistent with prudent fiscal management of municipal investments will be returned to the State; and

WHEREAS, the parties wish to set forth their respective obligations with respect to the transfer of property and the development, construction, and maintenance of a new Transbay Terminal and the WASSP; and

WHEREAS, the parcels shown on Exhibit A for transfer to the City are proposed for purposes of development to raise funds for the Transbay Terminal Project, and the parcels shown on Exhibit A for transfer to the Authority are proposed for replacement of the existing terminal facility and replacement or redesign of ramps; and

WHEREAS, the City and Authority would not enter this Agreement unless, within the purview of each party, they retained absolute discretion to: (1) determine the nature, size and scope of any proposed development consistent with the Transbay Terminal Project; (2) determine the nature and configuration of any new Transbay Terminal; (3) exercise the authority to carry out any required environmental review pursuant to state and federal law; and (4) abandon all study and planning efforts and to forego any development effort whatsoever connected with the Transbay Terminal Project; and

WHEREAS, the City, Authority and State understand and agree that gross revenues from existing parking lot leases to be assigned to the City and the Authority under this Agreement are

015612

used by the State to fund the Public Transportation Account (“PTA”), a fund in the State Highway Account that is utilized to provide operating revenue to public transit providers; and

WHEREAS, the parties recognize that existing uses on transferred parcels must be maintained in order to protect revenues to the PTA pending imminent site development; and

WHEREAS, the State would not enter into this Agreement without assurance that: (1) construction and completion of the WASSP will be protected and prioritized above the Transbay Terminal Project; (2) a new Transbay Terminal consistent with the Transbay Terminal Project is likely to be constructed for the benefit of the region; (3) all State contributions to the Transbay Terminal Project will be adequately protected; and (4) the City and Authority will continue to fund the PTA by causing the deposit of gross lease revenues into the PTA as set forth herein.

IT IS NOW MUTUALLY AGREED AS FOLLOWS:

I. DEFINITIONS

A. “Transbay Terminal Project” or “New Transbay Terminal” means demolition of the existing Transbay Terminal and construction of a new multimodal transit terminal on the same site as set forth in the MTC Report and as augmented by the Caltrain Extension proposal adopted by the voters of the City as Proposition H in November, 1999, and as supported by the San Francisco Board of Supervisors in Resolution No. 104-01 in February, 2001, by the Alameda-Contra Costa Transit District in Resolution No. 984D in February, 2001, and by the Peninsula Corridor Joint Powers Board in Resolution No. 2001-70 in March, 2001; and

015612

B. "Capital Costs" means expenditures for labor and materials used in the construction of the Transbay Terminal Project, as opposed to items other than labor and materials, such as fixtures, furniture and equipment; administrative costs; professional fees; relocation costs; financing costs and interest paid on permanent and construction loans; taxes and insurance during construction; and marketing, sales, or leaseup costs incurred to achieve occupancy or sale.

C. "Construction Contract Acceptance" or "CCA" means fulfillment of all construction contract obligations (completion of construction) for the WASSP by State's contractor, followed by acceptance of the work by the State, consistent with the terms of the contract.

D. "Operating Right of Way" means real property rights originally acquired for state highway purposes and continuing to be needed for such purposes lying within and directly beneath the drip-line boundary of a state highway or appurtenant ramp facility, and, for purposes of this Agreement, shall exclude property to be occupied by the Transbay Terminal or its ramps except in areas where those structures overlap with the operational boundaries of a state highway or appurtenant ramp facilities. For purposes of any transfer under this Agreement, the term "Operating Right of Way" shall also include, at the State's reasonable discretion, a border extending up to fifteen (15) feet from the drip-line boundary of any highway or ramp facility.

E. "Relocation Easement" means those easements which are of limited duration and are subject to potential relocation as set forth in Section III., Subsections E. and F. of this Agreement.

F. "Project Commencement Date" means the date on which the State has relinquished each and every temporary construction easement and Relocation Easement retained under Section III., Subsections C., E. and F. of this Agreement by (1) filing a Notice of Termination of Temporary Construction Easement with the City's Office of the Recorder, with a copy of the recorded Notice to the City, and by (2) delivering to City or Authority executed, and recorded quitclaim deeds extinguishing all such easement rights.

G. "Project Completion Date" means that date which is eight (8) years from the Project Commencement Date, taking into account any Permitted Delays as defined in Section III., Subsection H. below.

H. "State-owned Parcels" means certain State-owned property identified on Exhibit A, attached hereto and made a part hereof, together with all improvements and fixtures located on that real property, and any and all rights, privileges, and easements incidental or appurtenant thereto, including, without limitation, any and all development rights, air rights, subsurface mineral rights, easements, rights of way, or other appurtenances used in connection with the beneficial use and enjoyment of the real property, and further including any and all right, title, and interest in and to all roads and alleys adjoining or servicing the real property.

I. "Gross Sales Proceeds" means proceeds from the conveyance of State-owned Parcels from City, Authority or Agency to a third party, which proceeds are the result of City, Authority or Agency's good faith effort to obtain the fair market value from such third party for such State-owned Parcels, in light of applicable laws.

015612

II. TRANSFER OF STATE-OWNED PARCELS

A. Transfer to City. Promptly and in no event later than one hundred twenty (120) days after City's written notice to State that the Federal Transit Administration has issued a Record of Decision on the EIS/EIR for the *Transbay Terminal - Caltrain Downtown Extension - Redevelopment Project*, together with a copy of said Record of Decision, State shall transfer to City all of State's right, title and interest in and to the State-owned Parcels designated as parcels A",B,C",I",M,N',O',O",P,P',Q,R, and S, as more particularly described in Exhibit A attached hereto and made a part hereof, together with any and all rights, privileges, and easements incidental or appurtenant thereto, excepting all reservations of easements for the benefit of the State as set forth in this Agreement. Transfers shall occur through execution and recordation of a Director's Quitclaim Deed by the Director of Transportation of the State of California or his designee in a form substantially similar to the document attached as Exhibit B. City agrees to accept all transferred parcels "as-is," subject to the terms and conditions of all existing written leases and written related agreements, whether recorded or unrecorded, copies of which shall be provided by State to City no later than the date of transfer of parcels, and the State shall in no event be responsible for any protected cultural items, human remains, or hazardous materials (the "Hazardous Materials" as defined in federal, state and local laws, ordinances, rules and regulations in any way regulating issues focused on human health or safety and industrial hygiene and pertaining to the protection of the environment or the pollution or contamination of the air, soil, surface water or groundwater) discovered on said State-owned Parcels except to the extent caused or contributed to by State, its agents, representatives, contractors, lessees, permittees, licensees or others acting under State authority after the effective date of this

015612

Agreement. City's title shall be subject to the State's Power of Termination as set forth in Exhibit B.

B. Transfer to Authority. Promptly and not to exceed one hundred twenty (120) days following Authority's written notice to State that it is ready to accept conveyance of the State-owned Parcels, and provided that the City has given the written notice of issuance of a Record of Decision under Section II., Subsection A., State shall transfer to the Authority, all of State's right, title and interest in and to the State-owned Parcels designated as parcels A',C,D,E,F,G,H',I,N,O,P", and T as more particularly described in Exhibit A attached hereto and made a part hereof, together with any and all rights, privileges, and easements incidental or appurtenant thereto, excepting all reservations of easements for the benefit of the State as set forth in this Agreement. Authority may issue multiple notices, each one for conveyances of fewer than the total number of State-owned Parcels. Transfers shall occur through execution and recordation of a Director's Quitclaim Deed by the Director of Transportation of the State of California or his designee in a form substantially similar to the document attached as Exhibit B. Authority agrees to accept all transferred parcels "as-is," subject to the terms and conditions of all existing written leases and written related agreements, whether recorded or unrecorded, copies of which shall be provided by State to Authority no later than the date of transfer of parcels, and the State shall in no event be responsible for any protected cultural items, human remains, or hazardous materials (the "Hazardous Materials" as defined in federal, state and local laws, ordinances, rules and regulations in any way regulating issues focused on human health or safety and industrial hygiene and pertaining to the protection of the environment or the pollution or contamination of the air, soil, surface water or groundwater) discovered on said State-owned Parcels except to the extent caused or contributed to by State, its agents, representatives,

contractors, lessees, permittees, licensees or others acting under State authority after the effective date of this Agreement. Authority's title shall be subject to the State's Power of Termination as set forth in Exhibit B.

C. **Assignment of Leases.** On the date of recordation of each Quitclaim Deed under Section II., Subsections A. and B., the State shall transfer all right, title and interest in and to existing leases on State-owned Parcels to the City or the Authority as applicable, except on those portions of the State-owned Parcels where the State will retain fee ownership as set forth in Section III., Subsection A. of this Agreement. The State will assign said leases by executing an "Assignment of Lease" in the form attached hereto as Exhibit C, which is made a part hereof, at the time of each transfer. With respect to all leases so assigned, the City and Authority agree to the following:

1. All gross lease revenues received by City and Authority shall be remitted to the State for deposit in the PTA for the terms of the leases;
2. City and Authority shall provide updated copies of all lease agreements to the State as part of the semi-annual audit set forth in Section IV., Subsection A.
3. City and Authority shall only terminate or fail to renew the subject leases (a) for cause or, (b) for imminent (construction within 90 days) construction and development of the property for purposes of the Transbay Terminal Project, or, (c) for imminent (sale within 90 days) development to create funding for the New Transbay Terminal. In the event the lease is not renewed or is terminated for cause, or the premises subject to the lease otherwise becomes unoccupied, City and Authority shall use good faith, diligent efforts to enter into a new lease

with another party for substantially the same leasehold area on substantially the same terms and conditions, subject to termination under clauses (b) and (c) of the preceding sentence, and the City or Authority shall remit all gross lease revenues received under such new lease to the State in the same manner as the original lease.

4. Upon lease termination as permitted under clauses (b) and (c) of Section II., Subsection C.3. above, the State shall have no further right to any revenue from the formerly leased property.

5. City or Authority shall use their good faith, diligent efforts to reinstate any leasehold uses which are temporarily suspended by the State pursuant to its temporary construction easements as set forth herein, upon termination of such easements, until such time as the lease may be terminated as provided in Section II., Subsection C.3. above. Leasing and reinstatement efforts shall be in accordance with procedures set forth in Chapter 11 of the Caltrans Right of Way Manual, except that City or Authority shall offer displaced tenants first right to reoccupy only if the new use is the same as the previous use. All gross lease revenues collected by City or Authority from such reinstated leases on the transferred parcels shall be remitted to the State for deposit in the PTA.

6. If City transfers any ownership interest in any State-owned Parcels to Agency or Authority, or if Authority transfers any such interest to the City or Agency, the transfer must bind City, Agency or Authority to accept all parcels as-is (as set forth in Section II., Subsections A. and B. above), to accept assignment of leases (as set forth in Section II., Subsection C. above), to accept all relocation obligations set forth in Section III., Subsections E. and F. below, to accept the prohibition of Transfer of Development Rights set forth in Section III., Subsection

015612

J. below, and must contain a Power of Termination as set forth in Section II., Subsections A. and B. above and Section III., Subsection G. below, all for the benefit of the State.

D. State Limitation on Leases. From and after execution of this Agreement until the date of transfer of title provided herein, State agrees that it shall not enter any new leases, extend any existing leases, or otherwise encumber any State-owned Parcels for a term of more than one year unless the State has a legally binding obligation, existing as of the date of execution of this Agreement to enter into such leases or lease extensions, and the State has disclosed such obligation(s) to City and Authority in writing on or before the date of execution of this Agreement. Such new leases and lease extensions shall be subject to Section II., Subsection C. above. All new leases(s) or lease extension(s) shall utilize State's standard form of lease agreement and include legally enforceable tenant waivers of relocation assistance in a form substantially similar to Exhibit E, attached hereto and made a part hereof.

III. LIMITATIONS ON TRANSFER. All transfers to City and Authority shall be subject to the following limitations:

A. State Fee Retained. State shall retain fee ownership for all portions of the State-owned Parcels which will remain part of the Operating Right of Way for Interstate Route 80, including all appurtenant ramps, after completion of CCA of the WASSP, as shown on Exhibit A.

B. Ramp Easements. With respect to State owned operating right of way adjacent to parcels A' and I, the State will convey any necessary easements to the City or Authority for purposes of construction, maintenance and operation of any ramps associated with the New

015612

Transbay Terminal. Said conveyance will occur within 180 days from the date of submission of a request by the City or Authority to the State for the issuance of such an easement, and said easement will be issued subject to all reasonable terms and conditions deemed necessary by the State and the California Transportation Commission for the protection, operation and maintenance of adjacent State highways or ramps. Any request for such an easement must be accompanied by all necessary design information, as determined by the State.

C. Temporary Construction Easements. State shall retain temporary construction easements over parcels A', A'', C, C'', D, H', I, I'', N, N', O, O'', P', P'', Q, and S, shown on Exhibit A, together with all necessary rights of access, for the purpose of constructing the WASSP and for operation of the Loop Ramps prior to retrofit or demolition. Said temporary construction easements shall terminate immediately upon CCA of the WASSP. The State shall record a Notice of Termination of Temporary Construction Easement in the office of the County Recorder within sixty (60) days of Construction Contract Acceptance and provide City with a conformed copy of the recorded Notice. City or Authority may request early termination of easements on parcels D, N, N', O, O'', P', and P'' related to retrofit of the east loop ramp provided that the request will not unduly delay completion of the WASSP. Early termination will be at the discretion of the State. All temporary construction easements, with the exception of any temporary construction easement on Parcel D, shall require the State to remove all construction equipment, materials and debris and return the site to a smoothly paved surface prior to recording any Notice of Termination.

D. Legal Office Parking Easement. State shall retain an easement over a portion of Parcel E shown on Exhibit A for twenty-eight (28) reserved, covered parking spaces in the New

Transbay Terminal garage for use at no cost by the State Department of Transportation Legal Office for so long as the Department's Legal Office remains in San Francisco. In the event said easement is temporarily unusable due to activity associated with the Transbay Terminal Project, comparable temporary alternate parking within one-half mile of the easement area will be provided by the City and/or Authority at no cost to the State.

E. Terminal Offices Relocation Easements – (Public Information and Resident Engineers). The State is currently using 1,400 square feet on a portion of Parcel T, shown on Exhibit A, for office space, and 12,000 square feet of Parcel D, shown on Exhibit A, for office space, including eighty (80) parking spaces. Transfer of these parcels will be subject to these existing uses until thirty (30) days after CCA of the WASSP for Parcel T, and 180 days after CCA of the WASSP for Parcel D and the State will reserve a Relocation Easement for such uses upon transfer. If City or Authority wish to relocate the State from Parcel T or Parcel D prior to 30 days and/or 180 days after CCA of the WASSP, respectively, then City or Authority shall provide State, at City's or Authority's sole expense, replacement office and contiguous parking facilities within one-half mile of existing facilities meeting State's reasonable approval as being functionally equivalent, with all tenant improvements, utilities, furniture, machinery and equipment in place, fully operational and ready for State's immediate occupancy and uninterrupted use until thirty (30) days after CCA of the WASSP for Parcel T and 180 days after CCA of the WASSP for Parcel D. Upon the sooner of relocation in accordance with this provision, or the above-referenced number of days after CCA of the WASSP, State shall execute, acknowledge and deliver to City or Authority quitclaim deeds extinguishing all easement rights to Parcel T and Parcel D.

015612

F. Trailer Offices – Relocation Easement (Resident Engineers). The State is currently using 12,036 square feet of office space in temporary trailers and eighty (80) parking spaces for WASSP Resident Engineers on a portion of Parcel P shown on Exhibit A. The State will reserve a Relocation Easement for these uses which will expire 180 days after CCA of the WASSP. If City or Authority wish to relocate the State from Parcel P prior to 180 days after CCA of the WASSP, then City or Authority shall provide State, at City's or Authority's sole expense, replacement office and contiguous parking facilities within one-half mile of existing facilities meeting State's reasonable approval as being functionally equivalent, with all tenant improvements, utilities, furniture, machinery and equipment in place, fully operational and ready for State's immediate occupancy and uninterrupted use until 180 days after CCA of the WASSP. Upon the sooner of relocation in accordance with this provision, or 180 days after CCA of the WASSP, State shall execute, acknowledge, record and deliver to City or Authority a quitclaim deed extinguishing all easement rights to Parcel P.

G. State Power of Termination. The State shall retain a Power of Termination, in substantially the form set forth in Exhibit B, attached hereto, over every transferred parcel to assure that the City and Authority develop and operate the New Transbay Terminal by the Project Completion Date defined herein. The Power of Termination shall survive the Agency's exercise of any option to take a parcel from the City or the Authority. When the City, Authority or Agency subsequently sells any parcel for development, the Power of Termination on a particular parcel shall expire upon deposit of all Gross Sales Proceeds defined herein associated with the sale of a particular parcel into a trust account (“Trust Account”) accessible only by the Authority for purposes of paying Capital Costs associated with the development of the New Transbay Terminal and access ramps. Concurrently with its deposit of a quitclaim deed to a

015612

State-owned Parcel into escrow, the State shall execute, acknowledge and deposit into escrow a Relinquishment of the Power of Termination in substantially the form of Exhibit D hereto. The Trust Account shall be administered by a commercial or professional escrow agent and shall be interest bearing. Trustee shall be instructed to obtain the maximum return available consistent with prudent fiscal management of municipal investments. In the event the New Transbay Terminal facility is not constructed or operational, as set forth below, by the Project Completion Date for any reason other than a Permitted Delay, as defined in Section III., Subsection H. below, the State may exercise any unexpired Power of Termination and may take all monies in the Trust Account. The Power of Termination for every parcel transferred from State to City or Authority shall expire and the escrow agent shall be instructed to record the Relinquishment of Power of Termination as follows:

1. With respect to each State-owned Parcel or portion thereof transferred from City, Agency or Authority to a third-party, thirty (30) days from the date that the City, Agency or Authority provides written notice to the State of (i) the terms of the transfer and (ii) that the required deposit into the Trust Account (as set forth in this section) has occurred, provided that the State has not filed an objection within the thirty-day period. In any case where the State has filed an objection to recordation, the escrow agent may record appropriate documents upon receipt of notice that objections have been removed.

2. With respect to all other State-owned Parcels transferred from State to City or Authority, upon the sooner of (i) thirty (30) days from the date the Authority provides written notice to the State of the passing of the Project Completion Date unless the State has filed a written notice objecting to recordation with the agent, City, Agency and Authority, or (ii) thirty

015612

(30) days from the date that the City or Authority provides written notice to the State that actual passenger bus service has commenced at the New Transbay Terminal constructed on the site of the existing terminal, provided that the State has not filed an objection within the thirty-day period set forth in 2(i) above and this paragraph. In any case where the State has filed an objection to recordation, the escrow agent may record appropriate documents upon receipt of notice that objections have been removed.

H. Permitted Delays. Except for acts or conditions caused by City or Authority, the Completion Date shall be extended:

1. For the length of the applicable construction contract extension, upon State's receipt of written notice prior to the Completion Date and within sixty (60) days of the date that an extension is granted to the contractor, that City or Authority have determined that a construction contractor on the Transbay Terminal Project or its access ramps is legally entitled to a delay of work for force majeure under the terms of the construction contract; or

2. For the length of time that State, in its sole discretion, determines should be granted to City or Authority to complete the Transbay Terminal Project for any other reason.

I. Tax Increment. The City covenants that all Net Tax Increment (defined below) generated from the development of State-owned Parcels, shall be provided to the Authority to use for any costs associated with the construction and design of the New Transbay Terminal and access ramps. As used in this Agreement, the term "Net Tax Increment" means all property tax increment revenues attributable to the State-owned Parcels allocated to and received by Agency, but specifically excluding therefrom the following: (i) charges for County administrative

015612

charges, fees, or costs; (ii) the portion of the tax increment revenues that Agency is required by law to set-aside in Agency's Affordable Housing Fund, pursuant to the Community Redevelopment Law; (iii) a portion of the tax increment revenues equal to the percentage of such revenue that Agency is required to pay to all governmental entities as required by the Community Redevelopment Law; and (iv) the portion of the tax increment revenues equal to the percentage of such revenues that the State may mandate Agency to pay from time to time in the future, including, for example, any payments which Agency may be required to pay to the Education Revenue Augmentation Fund pursuant to Section 33681 *et seq.* of the Community Redevelopment Law.

J. Transfer of Development Rights. Prior to relinquishment of the State's Power of Termination on a particular State-owned Parcel, City, Agency and/or Authority shall not transfer development rights separately from title to any State-owned Parcel, and all such development rights shall run with the land.

IV. MISCELLANEOUS PROVISIONS

A. Audit Provision. City and Authority shall provide the Department with semi-annual audit level reports prepared by a reputable independent accounting firm in accordance with Generally Accepted Accounting Principles (GAAP) covering all business transactions related to the Trust Account and all lease revenue associated with Section II., Subsection C. State reserves the right to inspect, upon reasonable notice, all records of City and Authority relating to the Transbay Terminal Project.

B. California Environmental Quality Act/California Register. City and Authority will not make any substantial physical modifications to any State-owned Parcels or transfer any ownership interests in any State-owned Parcels, prior to appropriate environmental review and approval pursuant to the provisions of the California Environmental Quality Act and the California Register.

C. Airspace Leases to GGBHTD and Authority. The State shall lease State-owned Parcels J and K shown on Exhibit A to the GGBHTD and the Authority respectively, for purposes of bus staging and parking, for a period not to exceed 99 years, at a rate to be determined by the State pursuant to Streets and Highways Code Section 104.12 with input from the Airspace Advisory Committee of the California Transportation Commission, subject to all terms and conditions deemed reasonably necessary by the State for the protection, operation, maintenance and potential reconstruction of all State Highway facilities located within the leasehold area. Said leases shall be executed in time to commence upon the Project Completion Date or, if sooner, by the date passenger bus service commences at the New Transbay Terminal.

D. Indemnity (City). City and Authority will indemnify, defend and hold State harmless from any and all claims, losses, damages, suits, penalties, costs, expenses or liabilities (hereafter "Loss" or "Losses"), including, but not limited to, reasonable investigation costs, remediation costs, witness fees, and attorney's fees, excluding consequential damages, which arise out of or are connected with the actions of City, or Authority or their agents during any entry to or possession of the State-owned Parcels, including those State-owned Parcels for which State retains its temporary construction easements and leasehold rights, pursuant to the terms of this Agreement, or which Losses arise from City's or Authority's possession of the transferred

State-owned Parcels, except to the extent such Losses are caused or contributed to by the State, its agents, representatives, contractors, lessees, licensees, permittees or others acting under State authority.

E. Indemnity (State). Except to the extent Losses are attributable to City's or Authority's actions or ownership, State will indemnify and hold City and Authority harmless from any and all Losses, including claims or injury or death or damage to property, but excluding consequential damages, which are claimed or filed against City or Authority by virtue of State's ownership of the State-owned Parcels and which result from any event (excluding Hazardous Materials spilled, generated or discharged except to the extent caused or contributed to by State, its agents, representatives, contractors, lessees, licensees, permittees or others acting under State authority after transfer of the State-owned Parcels to City or Authority) occurring before recordation of the Deed relating to the State-owned Parcel on which the Loss occurred, and any and all Losses arising out of or connected with any actions of the State its agents, representatives, contractors, lessees, licensees, permittees or others acting under State authority during the State's use or possession of any State-owned Parcel pursuant to any easement or leasehold, regardless of whether the State has recorded any quitclaim deed or notice of termination of easement.

F. Amendments. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

G. Maintenance of the Property. Between the date of execution of this Agreement and the date a deed for a particular State-owned Parcel is recorded, the State shall maintain that property in good order, condition and repair, reasonable wear and tear excepted and, except as

otherwise provided herein, shall perform all work reasonably required to be done by the landlord under the terms of any lease and shall make all repairs, maintenance and replacements and otherwise operate the property in the same manner as if State were retaining said property for operating purposes.

H. Notices. Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, against receipt, (ii) one day after being deposited with a reliable overnight courier service, or (iii) five (5) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

For State –

State of California
Department of Transportation
P. O. Box 23440
Oakland, CA 94623-0440
Attention: Deputy District Director
Right of Way

State of California
Department of Transportation
Legal Division
P.O. Box 7444
San Francisco, CA 94120
Attention: Deputy Chief Counsel

For City --

Director of Economic Development
City and County of San Francisco
Room 448, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

For Authority –

015612

Secretary
Transbay Joint Powers Authority
Room 448, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

I. Approval by City. Notwithstanding anything to the contrary contained in this Agreement, this Agreement and any obligation or liability of City hereunder is contingent upon approval of this Agreement and the transactions contemplated hereby by City's Board of Supervisors and Mayor, which they may give or withhold in their sole discretion.

J. Approval by Authority. Notwithstanding anything to the contrary contained in this Agreement, this Agreement and any obligation or liability of Authority hereunder is contingent upon approval of this Agreement and the transactions contemplated hereby by the Authority Board of Directors, which they may give or withhold in their sole discretion.

K. Approval by State. All of the State's obligations hereunder are contingent upon the approval of the California Transportation Commission, consultation with the State's Historic Preservation Officer, and all of State's obligations other than the obligation to transfer the State-owned Parcels to the City and Authority are also subject to the passage of annual State Budget Acts funding this process and budget capacity to expend funds allocated to State.

L. Severability. If any provision of this Agreement is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of the Agreement, and the remaining portions of this Agreement shall continue in full force and effect.

015612

M. Interpretation. In the event of any ambiguity in this Agreement concerning transfer of any State-owned Parcel, or the relinquishment, termination or expiration of any easement or Power of Termination, this Agreement shall be interpreted in the manner most protective of the construction and completion of the WASSP.

N. Merger of Prior Agreements. This Agreement, including the attached exhibits, constitutes the complete and exclusive statement of the subject matter of this Agreement, and supersedes all negotiations or previous agreements between or among the parties with respect to all or any part of the terms and conditions contained herein. No extrinsic evidence of any kind (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial or administrative proceeding to contradict or vary the terms of this Agreement.

015612

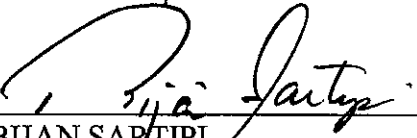
015612

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

CITY AND COUNTY OF SAN FRANCISCO

JEFF MORALES
Director of Transportation

WILLIE L. BROWN
Mayor

By: 
BIJAN SARTIPI
District Director



Approved as to form and procedure:

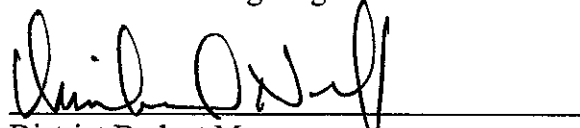
Recommended:

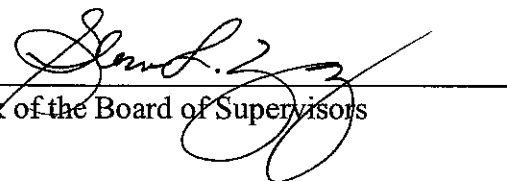

Attorney
Department of Transportation

By: 
Director of Property

Certified as to budgeting of funds:

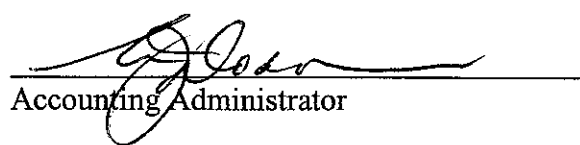
Approved:


District Budget Manager

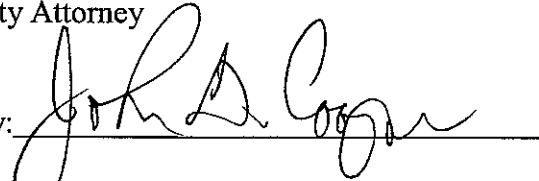

Clerk of the Board of Supervisors

Certified as to financial terms
and conditions:

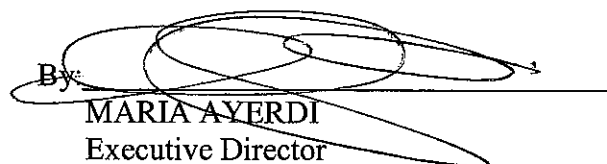
Approved as to form:


Accounting Administrator

DENNIS J. HERRERA
City Attorney

By: 
Deputy City Attorney

TRANSBAY JOINT POWERS AUTHORITY

By: 
MARIA AYERDI
Executive Director

FILE NO. 030997

RESOLUTION NO. 441-03

015612

1 [Cooperative Agreement for Transbay Terminal Project.]

2

3 **Resolution approving a Cooperative Agreement between the City and County of San**

4 **Francisco, the Transbay Joint Powers Authority and the State of California for the**

5 **acquisition of vacant State-owned property comprising portions of the former Route**

6 **480 and Embarcadero Freeway Right-of-Way, and including the Transbay Terminal and**

7 **its Loop Ramps, for purposes of the Transbay Terminal Project; and making findings of**

8 **consistency with the General Plan and eight priority polices of Planning Code section**

9 **101.1, and environmental findings.**

10

11 WHEREAS, On November 2, 1999, the voters of the City adopted Proposition H,

12 declaring that the Caltrain commuter rail line shall be extended downtown to a regional

13 intermodal transit station constructed on the present site of the Transbay Terminal to serve

14 Caltrain, regional and intercity bus lines, MUNI and high speed rail; and,

15 WHEREAS, In 2002, after years of studies and debate, the Metropolitan Transportation

16 Commission Transbay Terminal Panel reached consensus on a design concept for the new

17 Transbay Terminal that would significantly expand Bay Area commuter bus and rail service,

18 including AC Transit, Golden Gate Transit, SamTrans, MUNI, Greyhound, paratransit and

19 other transit providers, Caltrain, and high speed rail; and,

20 WHEREAS, Resolution 104-01, adopted by the Board of Supervisors on February 12,

21 2001, and on file with the Clerk of the Board of Supervisors in file no. 030997, authorized the

22 City to become a member of the Transbay Joint Powers Authority ("TJPA"), designated as the

23 single entity to design, build and operate the new Transbay Terminal, and declaring that the

24 City's official policy shall be to coordinate and commit its resources in support of planning

25 efforts required to implement the proposed intermodal terminal; and,

Supervisor Daly *Hall*
 BOARD OF SUPERVISORS

015612

1 WHEREAS, The TJPA, composed of the City, the Alameda Contra Cost Transit
2 District, and the Peninsula Corridor Joint Powers Board, was formally created on April 4,
3 2001; and,

4 WHEREAS, In December, 2001, the "Transbay Terminal Project" was adopted in Track
5 1 of the Metropolitan Transportation Commission's Regional Transportation Plan; and,

6 WHEREAS, On September 19, 2002, the Governor signed SB 1856, the Safe, Reliable
7 High-Speed Passenger Train Bond Act for the 21st Century authorizing the issuance of nine
8 billion dollars (\$9,000,000,000.00) in bonds for a high-speed rail link between the Transbay
9 Terminal and Union Station in Los Angeles; and,

10 WHEREAS, The City, the Peninsula Corridor Joint Powers Board and the Federal
11 Transit Administration released the Draft Environmental Impact Statement/Environmental
12 Impact Report ("Draft EIR/EIS") on the Transbay Terminal Project in October, 2002; and,

13 WHEREAS, In March, 2003, the TJPA adopted a Locally Referred Alternative ("LPA")
14 from the Draft EIR/EIS, required for preparation of the Final EIR/EIS; and,

15 WHEREAS, The LPA for the Transbay Terminal Project includes the development of a
16 regional intermodal rail and bus station and the creation of a new, vibrant and transit oriented
17 neighborhood in downtown San Francisco with thousands of new residential units; and,

18 WHEREAS, Board of Supervisors Resolution 104-01 urged the California legislature to
19 provide necessary state-owned real property, funding and other measures necessary to
20 develop the new intermodal terminal; and,

21 WHEREAS, On October 14, 2001, Governor Davis directed the State Department of
22 Transportation ("Caltrans") to provide the real property needed for the terminal through
23 administrative processes; and,
24
25

015612

1 WHEREAS, Caltrans has agreed to transfer the real property at no cost as set forth in
2 the Cooperative Agreement on file with the Clerk of the Board of Supervisors in File No.
3 , which is declared to be a part of this resolution as if set forth fully herein; and,

4 WHEREAS, The Cooperative Agreement recognizes the Transbay Terminal Project as
5 the construction of a new multimodal transit terminal as set forth in Proposition H and in
6 Resolution 104-01; and,

7 WHEREAS, Under the Cooperative Agreement the State will convey thirteen (13)
8 designated parcels of land to the City, and twelve designated parcels to the TJPA (including
9 the Transbay Terminal and ramps) at no cost to either transferee, after Federal Transit
10 Administration issuance of a Record of Decision on the Final EIS/EIR, and subject to the
11 condition that the property itself or any sale proceeds be used to construct the Transbay
12 Terminal Project intermodal bus and rail terminal; and,

13 WHEREAS, Under the Cooperative Agreement the new Transbay Terminal must
14 commence bus operations by a date eight (8) years from the completion of Caltrans' West
15 Approach Seismic Project, or by approximately 2017, or Caltrans may retake any transferred
16 properties or any remaining funds from their sale for development; and,

17 WHEREAS, By letter dated June 11, 2003, on file with the Clerk of the Board of
18 Supervisors in File No. ⁰³⁰⁹⁹⁷ , the Department of City Planning reported its findings that the
19 proposed acquisition of the Caltrans property as set forth in the Cooperative Agreement is
20 consistent with the City's General Plan and with the Eight Priority Policies of City Planning
21 Code Section 101.1. Said letter is declared to be a part of this resolution as if set forth fully
22 herein; and,

23 WHEREAS, By letter dated May 29, 2003, on file with the Clerk of the Board of
24 Supervisors in File No. ⁰³⁰⁹⁹⁷ , the Department of City Planning issued a Certificate of
25 Determination of Exemption/Exclusion From Environmental Review finding that Board of

015612

1 Supervisors approval of the Cooperative Agreement would not have a significant effect on the
2 environment. Said letter is declared to be a part of this resolution as if set forth fully herein;
3 and,

4 WHEREAS, The Cooperative Agreement requires future approvals and actions by the
5 City to approve the Transbay Terminal Redevelopment Plan, to commit tax increment from
6 transferred properties toward design and construction of the new terminal, and to work with
7 the TJPA and San Francisco Redevelopment Agency to consolidate properties into larger
8 parcels for development through interagency transfers; and,

9 WHEREAS, On May , 2003, the Cooperative Agreement was approved by the Mayor;
10 and,

11 WHEREAS, On May 30, 2003, in Resolution 03-004, on file with the Clerk of the Board
12 of Supervisors in File No. ⁰³⁰⁹⁹⁷, the TJPA approved the Cooperative Agreement; and,

13 WHEREAS, The Cooperative Agreement will help to assure that important future bus
14 and rail transit needs are funded and developed through implementation of the Transbay
15 Terminal Project; now, therefore, be it

16 RESOLVED, That the Board of Supervisors adopts as its own the findings in the
17 Department of City Planning letter dated June , 2003, that acquisition of the Caltrans property
18 on the terms and conditions set forth in the Cooperative Agreement are (i) in conformity with
19 the General Plan, and (ii) consistent with the eight priority policies of City Planning Code
20 section 101.1; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors hereby affirms the decision of
22 the Department of City Planning dated May 29, 2003 that approval of the Cooperative
23 Agreement will not have a significant effect on the environment; and, be it

011612

015612

1 FURTHER RESOLVED, That the Board of Supervisors hereby approves the
2 Cooperative Agreement with Caltrans and the TJPA regarding the transfer of real property
3 needed for the Transbay Terminal and Downtown Caltrain Extension Project; and, be it

4 FURTHER RESOLVED, That all actions heretofore taken by officials of the City with
5 respect to the acquisition of the Caltrans property are hereby approved, confirmed and ratified
6 by this Board of Supervisors; and, be it

7 FURTHER RESOLVED, That the Director of Real Estate is authorized to accept and
8 record any and all deeds transferring property to the City pursuant to the Cooperative
9 Agreement and to take any and all steps (including, but not limited to, the execution and
10 delivery of Assignments of Leases and any and all other certificates, notices, consents,
11 instructions, and documents), and to make such transfers of property received from the State
12 to the TJPA or the San Francisco Redevelopment Agency as the Director of Property deems
13 necessary or appropriate in order to consummate the conveyances included in the
14 Cooperative Agreement and to complete the Transbay Terminal Project; and, be it

15 FURTHER RESOLVED, That the Mayor and all officers of the City and their agents are
16 hereby authorized and urged, jointly and severally, to do any and all things and to execute
17 and deliver any and all certificates and other documents which they or the City Attorney may
18 deem necessary or advisable in order to effectuate the purposes of this Resolution and to
19 meet the Cooperative Agreement deadline for commencement of bus operations; and, be it

20 FURTHER RESOLVED, That the California Transportation Commission is urged to
21 approve the transfers included in the Cooperative Agreement at the earliest possible date so
22 that the City the TJPA and other local, regional and state entities may proceed with this vital
23 transportation and transit-rich project.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Resolution

File Number: 030997

Date Passed:

Resolution approving a Cooperative Agreement between the City and County of San Francisco, the Transbay Joint Powers Authority and the State of California for the acquisition of vacant State-owned property comprising portions of the former Route 480 and Embarcadero Freeway Right-of-Way, and including the Transbay Terminal and its Loop Ramps, for purposes of the Transbay Terminal Project; and making findings of consistency with the General Plan and eight priority policies of Planning Code section 101.1, and environmental findings.

July 8, 2003 Board of Supervisors — ADOPTED

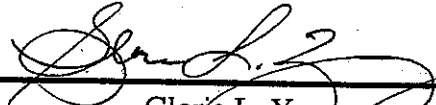
Ayes: 10 - Ammiano, Daly, Dufty, Gonzalez, Hall, Ma, Maxwell, McGoldrick,
Peskin, Sandoval

Excused: 1 - Newsom

015612

File No. 030997

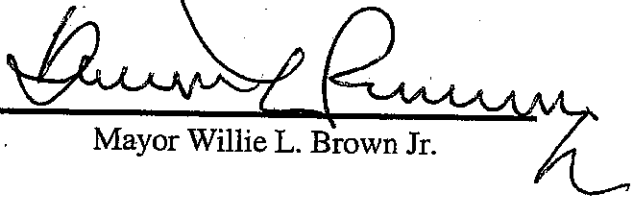
I hereby certify that the foregoing Resolution was ADOPTED on July 8, 2003 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

JUL 11 2003

Date Approved



Mayor Willie L. Brown Jr.

The foregoing document is certified to be a full, true, and correct copy of the original on file.

Gloria L. Young, Clerk
Board of Supervisors
City and County of San Francisco

By: 

Date: 7/21/03

(Seal)

015612

TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS

Resolution No. 03-004

WHEREAS, In order to design and construct the Transbay Terminal and Downtown Caltrain Extension Project (Project); the Transbay Joint Powers Authority (TJPA), the City and County of San Francisco (City) and the State of California Department of Transportation (Caltrans) must enter into a Cooperative Agreement (Agreement) for the transfer of real property needed for the Project; and,

WHEREAS, These properties are currently owned by Caltrans; and,

WHEREAS, The City and the TJPA staff have negotiated a Cooperative Agreement with Caltrans for the transfer of the real property at no cost; and,

WHEREAS, The Agreement includes a provision that all transferred property must be used solely for the Project; and,

WHEREAS, The City will provide all tax-increment funds from the Caltrans property transferred under the Agreement to support the design and construction of the Project; now therefore be it

RESOLVED, That the Transbay Joint Powers Authority Board of Directors does hereby approve the attached Cooperative Agreement regarding the transfer of real property needed for the Transbay Terminal and Downtown Caltrain Extension Project with the California State Department of Transportation and the City and County of San Francisco and, be it

FURTHER RESOLVED, That the TJPA Board of Directors authorizes the Executive Director to execute the Cooperative Agreement and to take such further actions as necessary to implement the terms and conditions.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of May 30, 2003.



Secretary, Transbay Joint Powers Authority

EXHIBIT A

TRANSFER PARCELS

015612

Note: This preliminary Exhibit was prepared without benefit of a title report or legal descriptions. Legal Descriptions of parcel boundaries to be added subsequently. Until such additions are made the Parties agree that the intent of Exhibit A is to show transfer of State's interests in Assessor's parcels minus Operating Rights of Way as defined in the Agreement, and minus all of State's reserved easements and Powers of Termination.

EXHIBIT MAP





DECEMBER 2002
(REVISION: 4/02/03)

SCALE: NONE

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION
AND HOUSING AGENCY
DEPARTMENT OF TRANSPORTATION
DISTRICT 4

SHEET 1 OF 6

PARCEL LEGEND

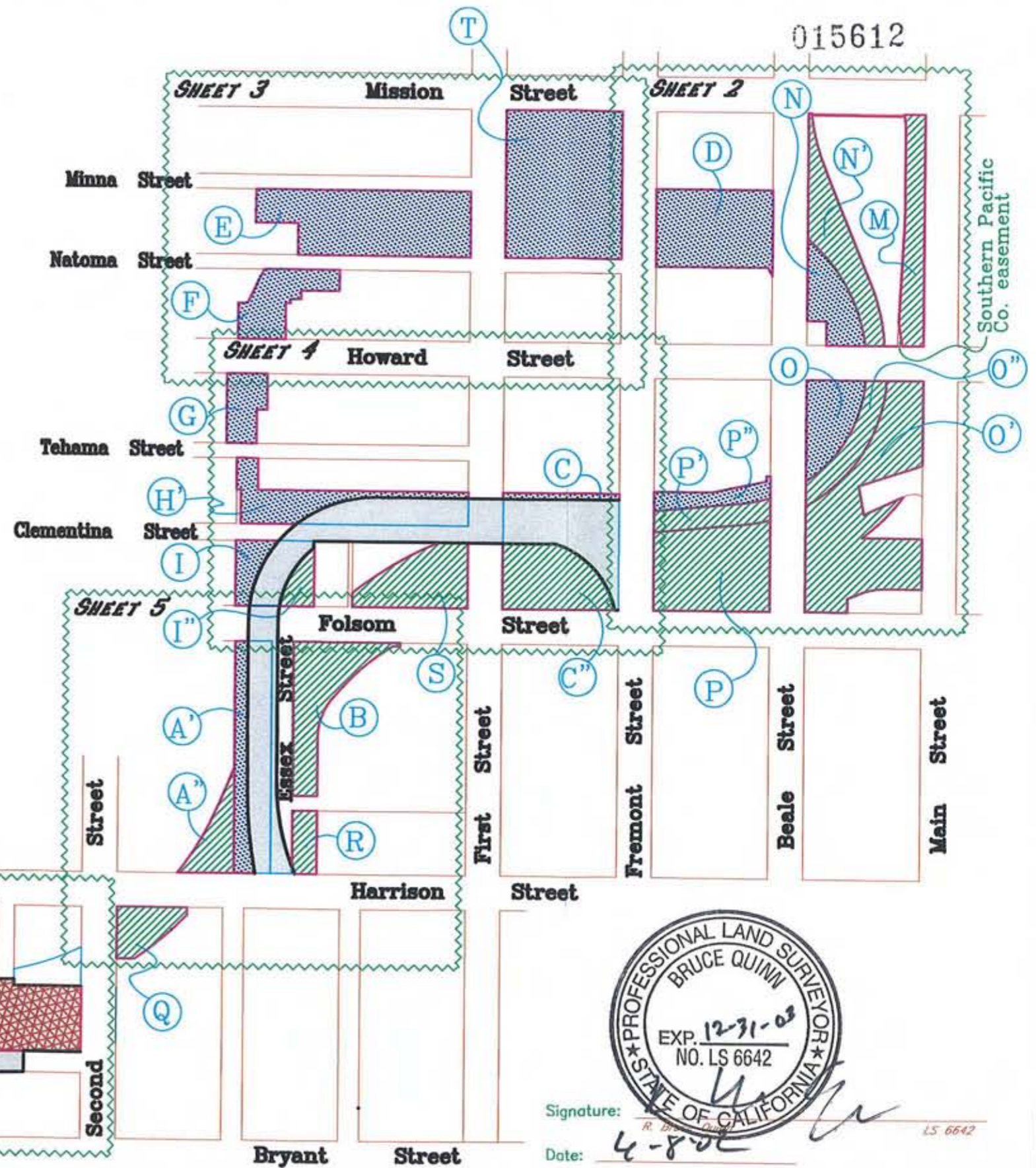
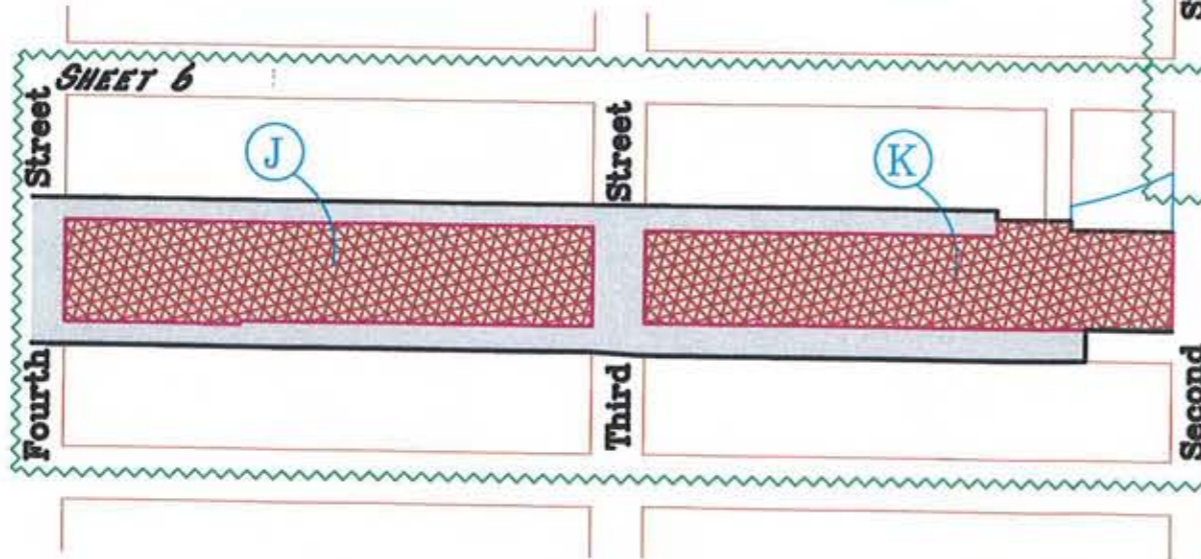
-  STATE OWNED PARCELS TO BE TRANSFERRED TO THE CITY AND COUNTY OF SAN FRANCISCO
-  STATE OWNED PARCELS TO BE TRANSFERRED TO THE TRANSBAY JOINT POWERS AUTHORITY
-  STATE OWNED PARCELS TO BE LEASED TO GOLDEN GATE BRIDGE, HIGHWAY, AND TRANSPORTATION DISTRICT ("GGBHTD") AND THE AUTHORITY FOR BUS STAGING AND PARKING
-  STATE OPERATING RIGHT OF WAY

PARCEL INFORMATION

PARCEL NO. APN

A'	3749-052
A"	3749-052
B	3749-064
C	3737-005,-012,-027
C'	3737-005,-012,-027
D	3719-003
E	3721-006
F	3721-015A
G	3736-089
H	3736-007
I	3736-018
I'	3736-018
J	3762-004
K	3763-112
L	3718-027
M	3718-025
N	3718-025
O	3739-008
O'	3739-008
P	3739-008
P'	3738-004
P''	3738-004
P'''	3738-004
Q	3764-068
R	3749-061
S	3736-120
T	3720-001

NOTE: This map is for exhibit purposes only and is not for the intent of interpreting legal boundary rights and parcel areas



015612

Southern Pacific Co. easement



Signature: *[Handwritten Signature]*
Date: 4-8-02

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION FROM EXISTING RECORDS IN THE OFFICE OF RIGHT-OF-WAY ENGINEERING.

EXHIBIT MAP

**DECEMBER 2002
(REVISION: 4/02/03)
SCALE: 1"=50'**

**STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION
AND HOUSING AGENCY
DEPARTMENT OF TRANSPORTATION
DISTRICT 4
SHEET 2 OF 6**

NOTE: This map is for exhibit purposes only and is not for the intent of interpreting legal boundary rights and parcel areas

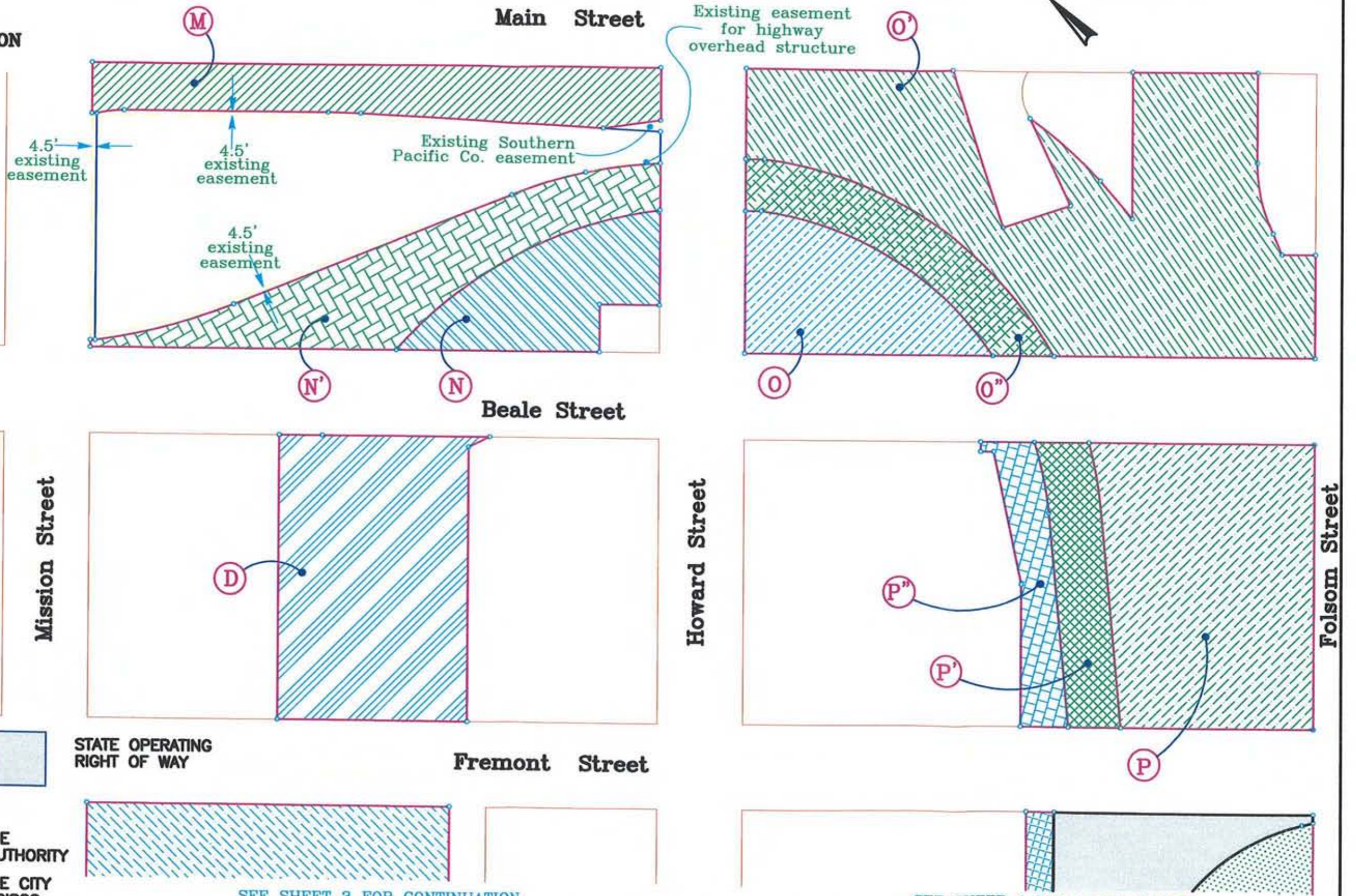


015612

LEGEND:

(D)		A.P.N. 3719-003 AREA (Sq. Ft.) 50,570±
JPA		
(M)		A.P.N. 3718-027 AREA (Sq. Ft.) 27,477±
CCSF		
(N)		A.P.N. 3718-025 AREA (Sq. Ft.) 19,994±
JPA		
(N')		A.P.N. 3718-025 AREA (Sq. Ft.) 30,844±
CCSF		
(O)		A.P.N. 3739-008 AREA (Sq. Ft.) 22,565±
JPA		
(O')		A.P.N. 3739-008 AREA (Sq. Ft.) 85,089±
CCSF		
(O'')		A.P.N. 3739-008 AREA (Sq. Ft.) 16,397±
CCSF		
(P)		A.P.N. 3738-004 AREA (Sq. Ft.) 54,370±
CCSF		
(P')		A.P.N. 3738-004 AREA (Sq. Ft.) 13,870±
CCSF		
(P'')		A.P.N. 3738-004 AREA (Sq. Ft.) 10,880±
JPA		

JPA TO BE TRANSFERRED TO THE TRANSBAY JOINT POWERS AUTHORITY
CCSF TO BE TRANSFERRED TO THE CITY AND COUNTY OF SAN FRANCISCO



STATE OPERATING RIGHT OF WAY

SEE SHEET 3 FOR CONTINUATION

SEE SHEET 4 FOR CONTINUATION

EXHIBIT MAP

DECEMBER 2002
(REVISION: 4/02/03)
SCALE: 1"=50'

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION
AND HOUSING AGENCY
DEPARTMENT OF TRANSPORTATION
DISTRICT 4

SHEET 3 OF 6

NOTE: This map is for exhibit purposes only and is not for the intent of interpreting legal boundary rights and parcel areas



015612

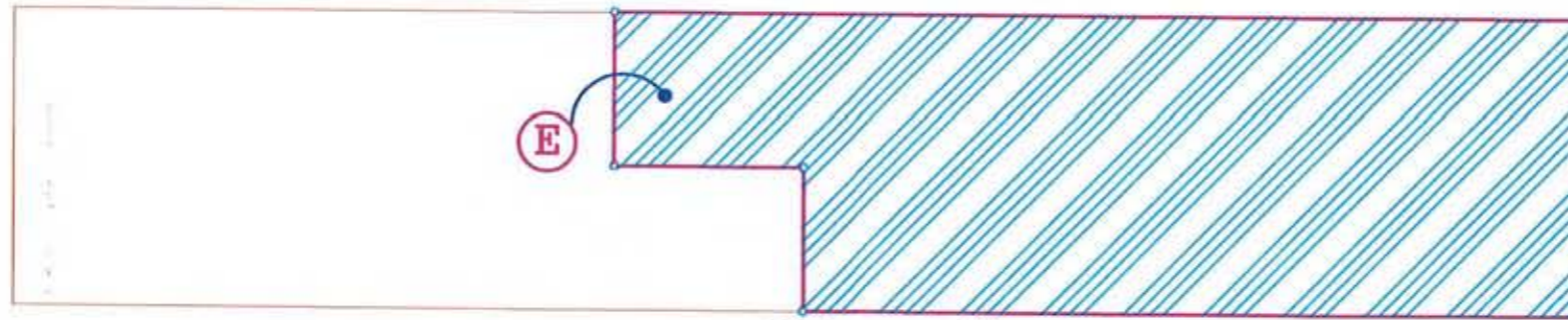
SCALE IN FEET



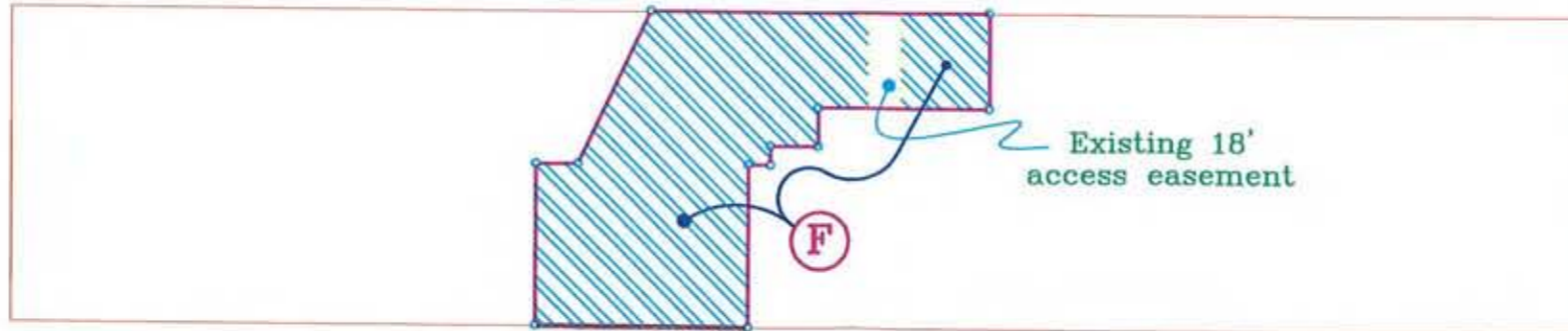
Mission Street



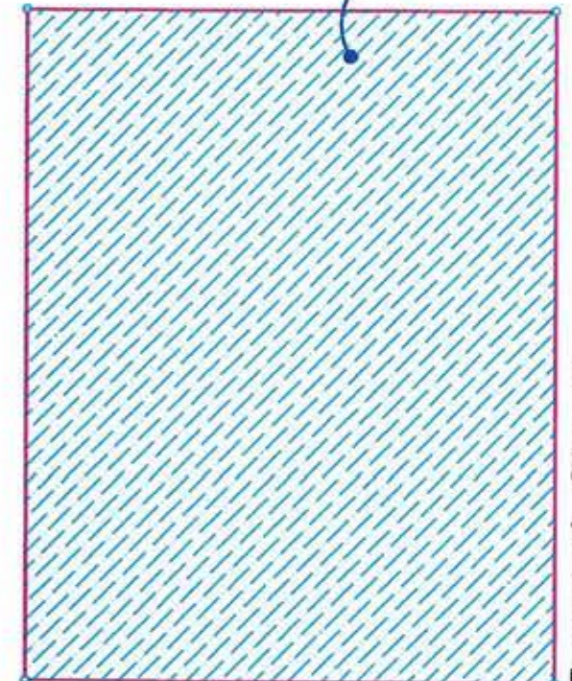
Minna Street



Natoma Street



Howard Street



1st Street

Fremont Street

SEE SHEET 2 FOR CONTINUATION

LEGEND:

(E)  A.P.N. 3721-006
AREA (Sq. Ft.) 71,749±
JPA

(F)  A.P.N. 3721-015A
AREA (Sq. Ft.) 22,304±
INCLUDES 900± SQ FT ACCESS EASEMENT
JPA

(T)  A.P.N. 3720-001
AREA (Sq. Ft.) 96,252±
JPA

JPA TO BE TRANSFERRED TO THE TRANSBAY JOINT POWERS AUTHORITY

SEE SHEET 4 FOR CONTINUATION

EXHIBIT MAP

DECEMBER 2002
 (REVISION: 4/02/03)
 SCALE: 1"=50'

STATE OF CALIFORNIA
 BUSINESS, TRANSPORTATION
 AND HOUSING AGENCY
 DEPARTMENT OF TRANSPORTATION
 DISTRICT 4

SHEET 4 OF 6

NOTE: This map is for exhibit purposes only and is not for the intent of interpreting legal boundary rights and parcel areas



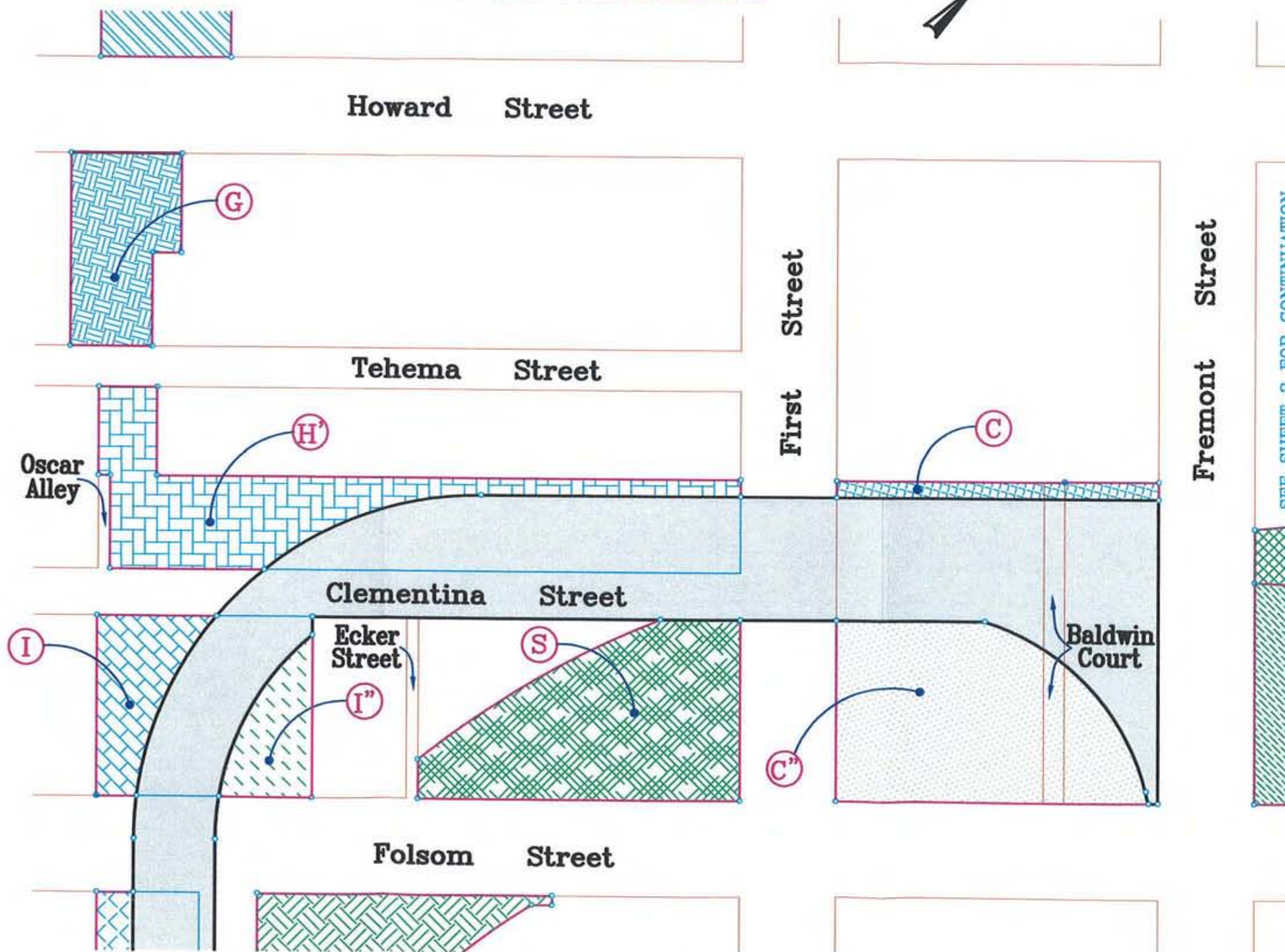
015612

SEE SHEET 3 FOR CONTINUATION

LEGEND:

- C
A.P.N.
3737-005, -012, -027
AREA (Sq. Ft.)
3,960±
- C''
A.P.N.
3737-005, -012, -027
AREA (Sq. Ft.)
34,746±
- G
A.P.N.
3736-089
AREA (Sq. Ft.)
13,720±
- H
A.P.N.
3736-007
AREA (Sq. Ft.)
24,116±
- I
A.P.N.
3736-018
AREA (Sq. Ft.)
9,217±
- I''
A.P.N.
3736-018
AREA (Sq. Ft.)
7,177±
- S
A.P.N.
3736-120
AREA (Sq. Ft.)
31,564±
- STATE OPERATING
RIGHT OF WAY

JPA TO BE TRANSFERRED TO THE TRANSBAY JOINT POWERS AUTHORITY
 CCSF TO BE TRANSFERRED TO THE CITY AND COUNTY OF SAN FRANCISCO



SEE SHEET 2 FOR CONTINUATION

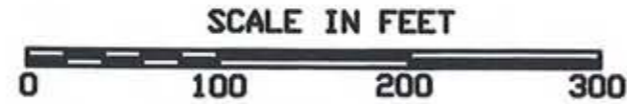
SEE SHEET 5 FOR CONTINUATION

EXHIBIT MAP

DECEMBER 2002
(REVISION: 4/02/03)
SCALE: 1"=100'

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION
AND HOUSING AGENCY
DEPARTMENT OF TRANSPORTATION
DISTRICT 4

SHEET 5 OF 6



SEE SHEET 4 FOR CONTINUATION

LEGEND:

(A')  A.P.N. 3749-052
AREA (Sq. Ft.) 20,659±
JPA

(A'')  A.P.N. 3749-052
AREA (Sq. Ft.) 14,712±
CCSF

(B)  A.P.N. 3749-064
AREA (Sq. Ft.) 35,837±
CCSF

(Q)  A.P.N. 3749-061
AREA (Sq. Ft.) 14,310±
CCSF

(R)  A.P.N. 3764-068
AREA (Sq. Ft.) 8,669±
CCSF

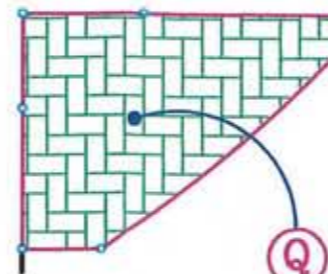
 STATE OPERATING
RIGHT OF WAY

JPA TO BE TRANSFERRED TO THE
TRANSBAY JOINT POWERS AUTHORITY

CCSF TO BE TRANSFERRED TO THE CITY
AND COUNTY OF SAN FRANCISCO

NOTE: This map is for exhibit purposes
only and is not for the intent
of interpreting legal boundary
rights and parcel areas

Second Street



(A')

(A'')

(Q)

Essex Street

Folsom Street 015612

Lansing (Laurel) Street

(R)

Harrison Street

Rincon Street

SEE SHEET 6 FOR CONTINUATION

EXHIBIT MAP

FEBRUARY 2003
(REVISION: 4/02/03)
SCALE: 1"=75'

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION
AND HOUSING AGENCY
DEPARTMENT OF TRANSPORTATION
DISTRICT 4
SHEET 6 OF 6



015612

LEGEND:

- J A.P.N. 3762-004
AREA (Sq. Ft.) 129,540±
- K A.P.N. 3763-112
AREA (Sq. Ft.) 124,376±
- STATE OPERATING RIGHT OF WAY

- GG STATE OWNED PARCEL TO BE LEASED TO THE GOLDEN GATE BRIDGE, HIGHWAY, AND TRANSPORTATION DISTRICT ("GGBHTD") FOR BUS STAGING AND PARKING
- JPA STATE OWNED PARCEL TO BE LEASED TO THE TRANSBAY JOINT POWERS AUTHORITY FOR BUS STAGING AND PARKING



NOTE: This map is for exhibit purposes only and is not for the intent of interpreting legal boundary rights and parcel areas

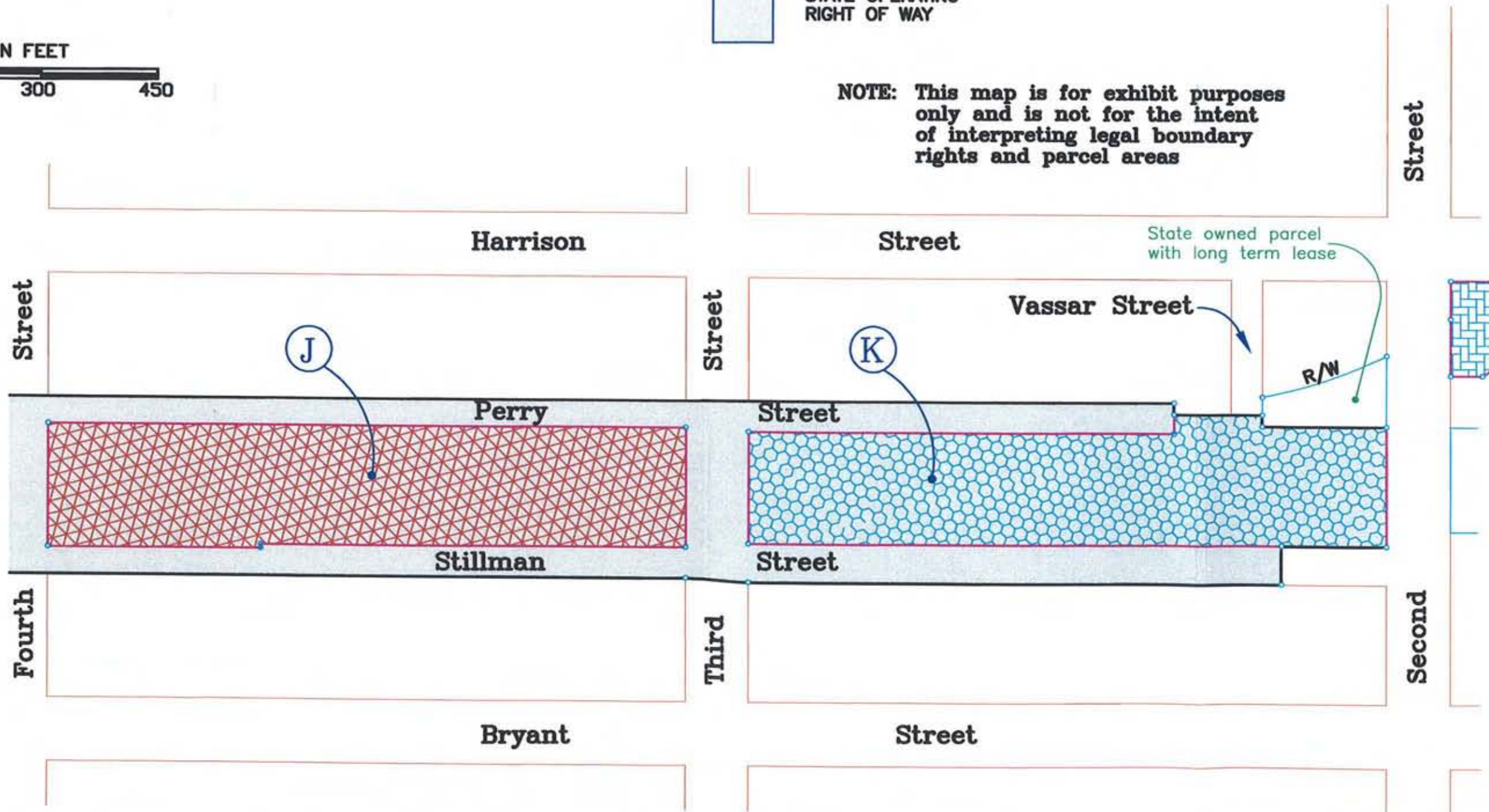


EXHIBIT B

015612

FORM OF DIRECTOR'S DEED & STATE POWER OF TERMINATION

[Form of Director's Deed – To Come]

[Insert for State Quitclaim Deeds re Power of Termination]

Power of Termination. The Property is being conveyed as part of a number of separate conveyances of property by Grantor to the City and County of San Francisco and the Transbay Joint Powers Authority pursuant to that certain Cooperative Agreement dated as of _____, by and between the State of California, acting by and through its Department of Transportation, the City and County of San Francisco and the Transbay Joint Powers Authority (herein, the "Cooperative Agreement"), to achieve the development of the New Transbay Terminal and related facilities, all as more particularly described in the Cooperative Agreement. All definitions set forth in the above referenced Cooperative Agreement are applicable to and incorporated into this deed. To assure the purposes of the Cooperative Agreement, the satisfaction of each of the provisions of subsections (a)(1) and (a)(2), below, is expressly declared to be a condition subsequent for the benefit of Grantor. Should said conditions not be satisfied, Grantor shall have the power to terminate the fee simple estate in the Property conveyed by this deed, and to reenter and take possession and title to the Property, including without limitation, all improvements thereon, in the manner provided in subsections (b) and (c) hereof and subject to expiration and relinquishment of the Power of Termination pursuant to subsection (d) hereof. The interest created in Grantor by this paragraph is a "Power of Termination" as defined in California Civil Code Section 885.010.

- (a) With respect to the Property conveyed by this deed, the following are conditions subsequent:
- (1) If the Property is sold to a third party by the City and County of San Francisco, the Transbay Joint Powers Authority or by the Redevelopment Agency of the City and County of San Francisco, as its successor in interest to the Property, the Gross Sales Proceeds shall be deposited into the Trust Account established pursuant to the Cooperative Agreement prior to or concurrently with the sale of the Property to the third party; and
 - (2) If the Property is retained by the City and County of San Francisco or the Transbay Joint Powers Authority, or transferred from the City and County of San Francisco to the Transbay Joint Powers Authority for the development of the New Transbay Terminal and related facilities, the New Transbay Terminal shall be completed by the Project Completion Date or by the date actual passenger bus service shall have commenced at the New Transbay Terminal, whichever is sooner.

015612

Exhibit B, p. 2

- (b) Grantor shall have the right, following not less than thirty days prior written notice to Grantee or its successor in interest to the Property, to exercise its Power of Termination in each of the following circumstances:
- (1) If the Property is sold to a third party by the City and County of San Francisco, the Transbay Joint Powers Authority or by the Redevelopment Agency of the City and County of San Francisco, as its successor in interest to the Property, and the Gross Sales Proceeds are not deposited into the Trust Account established pursuant to the Cooperative Agreement prior to or concurrently with the sale of the Property to the third party or within thirty days following the written notice from Grantor (or by such later date as shall be specified in such notice); or
 - (2) If the Property is retained by the City and County of San Francisco or the Transbay Joint Powers Authority, or transferred from the City and County of San Francisco to the Transbay Joint Powers Authority for development of the New Transbay Terminal and related facilities and the New Transbay Terminal is not completed by the Project Completion Date (as defined in the Cooperative Agreement) or actual passenger bus service does not commence in the New Transbay Terminal by the Project Completion Date or within thirty days following the written notice from Grantor (or by such later date as shall be specified in such notice).
- (c) Grantor's Power of Termination under this paragraph shall expire and be relinquished as to the Property, and Grantor agrees to the delivery and recordation of a Relinquishment of Power of Termination pursuant to the terms of the Cooperative Agreement, upon receipt of written notice from either the City and County of San Francisco, the Redevelopment Agency of the City and County of San Francisco or the Transbay Joint Powers Authority, as the case may be, that either:
- (1) the Property has been sold by the City and County of San Francisco, the Transbay Joint Powers Authority or by the Redevelopment Agency of the City and County of San Francisco, as its successor in interest to the Property, and the Gross Sales Proceeds have been deposited into the

015612

Exhibit B, p. 3

Trust Account established pursuant to the Cooperative Agreement prior to or concurrently with the sale of the Property to the third party; and Grantor does not object thereto within thirty days of such notice; or

- (2) the Property has been used for the development of the New Transbay Terminal and related facilities and either (a) the New Transbay Terminal has been completed by the Project Completion Date, or (b) actual passenger bus service has commenced at the New Transbay Terminal; and Grantor does not object thereto within thirty days of such notice.

- (d) Unless specifically agreed to in writing by Grantor, the Power of Termination contained in subsection (b)(2), above, of this paragraph shall be senior to and shall not be limited, defeated, rendered invalid by the terms of, or rights or interests of parties and others provided in: (i) any bond indenture, note, certificate of participation, mortgage, deed of trust, assignment or other security instrument entered into to finance the design and development of the New Transbay Terminal and related facilities; and/or in (ii) any agreement or contract entered into in furtherance of the financing, design and development of the New Transbay Terminal and related facilities.

015612

EXHIBIT C**FORM OF STATE'S ASSIGNMENT OF LEASES**

THIS ASSIGNMENT is made and entered into effective as of this ____ day of _____, 200__ (Effective Date), by and between the STATE OF CALIFORNIA acting by and through the Department of Transportation ("Assignor") and the (*City and County of San Francisco, or Transbay Joint Powers Authority*) ("Assignee").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined above) Assignor assigns and transfers to Assignee all of Assignor's right, title claim and interest in and under that certain lease executed with respect to that certain real property designated as Parcel _____ (the Property), as more particularly described in Transbay Transit Terminal Cooperative Agreement No. 4-1981-C.

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Assignor represents and warrants that as of the date of this Assignment and the Effective Date, the Assignor has provided Assignee with the current lease agreement affecting the parcel.
2. Assignee has reviewed the full text of the lease agreement referenced herein and understands all terms and conditions of said lease agreement.
3. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the Effective Date and arising out of the landlord's obligations under the lease.
4. Effective as of the Effective Date, Assignee hereby assumes all of the landlord's obligations under the Lease and agrees to indemnify, defend and keep Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating subsequent to the Effective Date and arising out of the landlord's obligations under the lease. All obligations, if any, under State and Federal law pertaining to relocation assistance originating subsequent to the Effective Date shall rest with Assignee.
5. Any rental and other payments due lessor under the Lease shall be prorated between the parties as of the Effective Date. On the Effective Date, Assignor shall transfer to Assignee the entire security deposit for Lease.
6. Rent under the Lease shall not be apportioned as of the Effective Date, regardless of whether or not such rent has been paid to Assignor. With respect to any rent arrearage under the Lease outstanding as of the Effective Date, Assignee shall pay to Assignor any rent that is actually collected after the Effective Date and is applicable to the period preceding the Effective date; provided, however, that all rent collected by Assignee shall be applied first to all unpaid rent accruing on and after the Effective Date, and only then to unpaid rent accruing prior to the Effective Date. Assignee shall not be obligated to take any steps to recover any rent arrearage.
7. This Assignment of Lease is subject to provisions of Section II., Subsection C. of the above-referenced Cooperative Agreement.

Exhibit C, p. 2

015612

- 8. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.

Assignor and Assignee have executed this Assignment effective as of the day and year first written above.

Approved as to form:

By _____
 ANTONIO R. ANZIANO
 Attorney, Caltrans

ASSIGNOR
 STATE OF CALIFORNIA
 DEPARTMENT OF TRANSPORTATION

By

 MARTA A. BAYOL
 Chief, Real Property Services

Approved as to form:

DENNIS J. HERRERA, City Attorney

By

 Deputy City Attorney

ASSIGNEE
 CITY AND COUNTY OF SAN
 FRANCISCO
 A Municipal Corporation

By

 Director of Property

TRANSBAY JOINT POWERS
 AUTHORITY

By _____

015612

EXHIBIT D
FORM OF ESCROW INSTRUCTIONS &
RELINQUISHMENT OF POWER OF TERMINATION

Dated: _____

[INSERT NAME,
ADDRESS OF
ESCROW AGENT]

RE: Escrow No. _____; Parcel No. _____

Ladies and Gentlemen:

Pursuant to that certain Cooperative Agreement (the "Cooperative Agreement") dated as of _____, by and between the State of California, acting by and through its Department of Transportation (the "State"), the City and County of San Francisco (the "City") and the Transbay Joint Powers Authority (the "Authority"), the State has delivered to you a Quitclaim Deed (hereafter referred to as the "Deed") to convey to _____ **[INSERT CITY OR AUTHORITY, as appropriate]** that certain real property situated in the City and County of San Francisco, State of California, which property is more particularly described in Attachment "A" attached hereto (hereafter referred to as the "Property"). The Deed reserves to the State a Power of Termination to be relinquished by the State upon satisfaction of the applicable conditions set forth below. All definitions set forth in the above-referenced Cooperative Agreement are applicable to and incorporated into this document.

To relinquish the Power of Termination reserved in the Deed to the Property upon satisfaction of the applicable conditions, the State hereby delivers to you for deposit into Escrow No. _____ that certain RELINQUISHMENT OF POWER OF TERMINATION (hereafter referred to as "Relinquishment"), executed and acknowledged in recordable form by the State.

You are hereby instructed to deliver and record the Relinquishment upon satisfaction of either of the following conditions:

1. You receive written notice from the City, Authority, or from the Redevelopment Agency of the City and County of San Francisco (the "Agency"), with a certification that a copy of such notice has been concurrently delivered to the State, that the City, Authority or Agency, as the case may be, has deposited into the Trust Account established pursuant to Section III., Subsection G. of the Cooperative Agreement, concurrently with the sale of the Property to a third party, all Gross Sales Proceeds from the sale of the Property; or
2. (a) You receive written notice from the City or Authority, with a certification that a copy of such notice has been concurrently delivered to the State, of the occurrence of one of the following events: (i) the New Transbay Terminal has been completed by the Project Completion Date; or (ii) that actual passenger bus service has commenced at the New Transbay Terminal; and

015612

Exhibit D, p. 2

(b) the State has not filed with you a written notice of objection to recordation within thirty days of the date of the notice to you from the City or Authority under clause (a), above. If the State has filed a written notice of objection to recordation, you shall deliver and record the Relinquishment only upon receipt of written notice from the State that objections have been removed.

In the event that (a) you have received written notice from the State, with a certification that such notice has also been concurrently delivered to the Authority, City and Agency, that the State has exercised its Power of Termination under the Deed as to the Property, and (b) the Authority, City and Agency have not filed with you a written notice of objection to the State's exercise of the Power of Termination within thirty days of the date of the State's notice to you, you shall forthwith return the Relinquishment as to the Property to the State. If the Authority, City or Agency has filed a written notice of objection to the State's exercise of the Power of Termination as to the Property, you shall return the Relinquishment to the State only upon receipt of written notice from the Authority, City or Agency, as the case may be, that the objection has been removed.

The undersigned, jointly and severally, and each of us, hereby agrees to defend, indemnify and hold harmless from any liability whatsoever, including attorneys fees, arising out of your carrying out of these instructions.

These instructions may not be withdrawn or in any way amended, modified or waived without the prior written consent of each of the parties hereto.

Please indicate your acceptance of and agreement to carry out these instructions as indicated below.

Very truly yours,

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

City and County of San Francisco

By _____

By _____

Its _____

Its _____

Transbay Joint Powers Authority

By _____

Its _____

Exhibit D, p. 3

ATTACHMENT A

015612

Property Description

[TO BE ATTACHED]

EXHIBIT D, ATTACHMENT NO. 1

015612

(Relinquishment of Power of Termination)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

**[TO BE COMPLETED AT TIME
OF DEPOSIT INTO ESCROW]**

Space above this line for Recorder's use

MAIL TAX STATEMENTS TO:

**[TO BE COMPLETED AT TIME
OF DEPOSIT INTO ESCROW]**

DOCUMENTARY TRANSFER TAX \$ 0
Computed on the consideration or value of
property conveyed;

Signature of Declaring or
Agent determining tax

RELINQUISHMENT OF POWER OF TERMINATION

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
THE STATE OF CALIFORNIA, acting by and through its DEPARTMENT OF
TRANSPORTATION (the "State"), does hereby REMISE, RELEASE AND QUITCLAIM TO _____
[INSERT AUTHORITY, CITY
**OR REDEVELOPMENT AGENCY, AS CASE MAY BE - TO BE COMPLETED AT
TIME OF DEPOSIT INTO ESCROW]** its remaining interest in the real property in the City of
San Francisco, County of San Francisco, described in Attachment A attached hereto, in
relinquishment of that Power of Termination reserved by the State in its quitclaim deed recorded
in the office of the Recorder of the City and County of San Francisco, in Book ___ of Official
Records, at page _____.

Dated: _____

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

By: _____

Its: _____

MAIL TAX STATEMENTS AS DIRECTED ABOVE

015612

Exhibit D, ATT. No. 1, p. 2

ATTACHMENT A

Property Description

[TO BE ATTACHED]

015612

015612

EXHIBIT E

FORM OF TENANT WAIVER OF RELOCATION ASSISTANCE

Tenant acknowledges that it will not be a displaced person at the time this Lease is terminated or expires by its own terms, and Tenant fully RELEASES, WAIVES AND DISCHARGES forever any and all Claims against, and covenants not to sue, Landlord, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Landlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260 et seq.; 42 U.S.C., Section 4601, et seq.), except as otherwise specifically provided in this Lease with respect to a Taking.

DEPARTMENT OF TRANSPORTATION

111 GRAND AVENUE
P. O. BOX 23440
OAKLAND, CA 94623-0440
PHONE (510) 286-5400
FAX (510) 286-5482



*Flex your power!
Be energy efficient!*

May 2, 2005

Ms. Maria Ayerdi
Executive Director
Transbay Joint Powers Authority
201 Mission Street, Suite 1960
San Francisco, CA 94105-1858

Dear Ms. Ayerdi:

As discussed and agreed both at our meeting on April 1, 2005 and during subsequent conversations, this letter will confirm that the Department has removed the excess land transfer item relating to several of the parcels identified in the July 11, 2003 cooperative agreement from the California Transportation Commission's May 2005 agenda. We will await further instructions from the Joint Powers Authority and the City and County before re-submitting the item for Commission action.

At our April 1, 2005 meeting, we agreed to provide a summary of the more significant valuation assumptions we used in developing the valuation estimate provided to the Commission. Those assumptions are:

- That the height limit of 80 feet, in affect in the 2000 zoning plan, would be increased to at least the 1979 zoning plan limit of 320 feet for most of the properties. New developments in the area suggest the height limit is not static. For example, Block 3745 height limits in the 2000 zoning plan are 200 feet and 105 feet. Development has been approved for 36 story and 41 story towers. Block 3765 height limits in the 2000 zoning plan are 200 feet and 84 feet. A proposed development in the environmental assessment stage is for two 550 foot towers.
- Block 3745 has a density of 368 units per acre. 301 First (Metropolitan), Block 3746 has a density of 380 units per acre. The density of the State owned parcels along Folsom Street should be near 350 units per acre.
- That a developer would acquire the parcel(s) needed in Block 3739 as assemblage to "square" the parcel.
- That all transferred parcels would be developable with residential units with development densities from 100 to 350 units per acre depending on shape and location. These densities are supported by current or proposed developments near each specific parcel.

Ms. Maria Ayerdi

May 2, 2005

Page 2

- That the temporary construction easements for the West Approach Seismic project will have little affect on property value as most developments take two to three years to receive all approvals from the City and the West Approach project is scheduled to be completed by 2008.

Please let me know if you need clarification or additional details.

Sincerely,



R. A. MACPHERSON
Deputy District Director
Right of Way

cc: John Cooper, Esq.