

CITY OF DALY CITY

Regular Meeting - CITY COUNCIL

AGENDA

Monday, November 24, 2025 - 7:00 PM

City Hall Council Chambers – 2nd Floor
City Hall 333 – 90th Street
Daly City, CA 94015

To watch the live telecast:

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PUBLIC PARTICIPATION

There are three ways to submit public comments: (1) submit written comments by meeting day, (2) submit written comments during the meeting, and (3) attend the meeting in person.

1. To submit written comments by meeting day, please email cityclerk@dalycity.org and include “Public Comment” in the subject line. All written comments received by 4:00 pm on meeting day will be provided to the City Council prior to the meeting.

Please note: Any emailed comments received after 4:00 p.m. on the meeting date are not guaranteed to be received by the City Council prior to the meeting. Comments are not read aloud into the record.

2. During the meeting, you may visit www.dalycity.org/agendas to submit comments using the Public Comment form to address the City Council on a specific item, or during the public comment period, and such comments are delivered to the City Council and City Staff during the meeting, and may be read into the record at the time they are received.

3. To speak at the meeting in person, please complete a Speaker Card located at the entrance to the Council Chamber and submit it to a Staff Member as early in the meeting as possible.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should call the office of the City Clerk at (650) 991-8078 as soon as possible.

CALL TO ORDER

The City of Daly City acknowledges that we are on the ancestral lands of the Ramaytush (rah-my-toosh) Ohlone (O-lon-ee) peoples. We recognize their enduring connection to this region and honor their history, culture, and contributions. As the Indigenous protectors of this land, we affirm their sovereign rights as the original inhabitants of this land and pay respects to the Ancestors, Elders, and Relatives of the Ramaytush Ohlone peoples.

PLEDGE TO THE FLAG:

AVAILABILITY OF PUBLIC RECORDS:

All public record to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the City Clerk's Office, City Hall located at 333 90th Street, Daly City, CA during normal business hours, at the same time that the public records are distributed or made available to the legislative body.

ROLL CALL:

APPROVAL OF MINUTES:

1. Regular Meeting of October 27, 2025
2. Regular Meeting of November 10, 2025

APPROVAL OF AGENDA:

3. Regular Meeting of November 24, 2025

ORAL COMMENT:

NOTE: Speakers are limited to two minutes, unless modified by the Mayor.
The Council cannot take action on any matter raised under this item.

CONSENT AGENDA

All items listed on the Consent Agenda are considered to be routine and may be approved by one roll call vote of the City Council. There shall be no separate discussion of the matters on the Consent Agenda unless requested by a member of the City Council. If discussion is required, that item will be removed from the Consent Agenda and will be considered separately at the end of the Agenda.

Resolutions:

4. Fiscal Year 2025 Annual Report on Collection and Use of Developer Public Facility Fees
5. Authorize City Manager to Execute Amendment No. 2 to the Funding Agreement with the City/County Association of Governments of San Mateo County for the Construction Phase of the Smart Corridor Extension Project
6. Accept and Appropriate \$2,500 from North East Medical Services for Sponsorship of the Walk-About Program
7. Adopt Resolution to Supersede and Amend Recurrent and Part-Time Hourly Rates Schedule in Accordance with City Council Adopted Minimum Wage
8. Set Time and Place of Public Hearing - Amending Chapter 2.16 of the Daly City Municipal Code Re: Arts and Culture Commission **(Set Time: 12/8/25)**
9. Set Time and Place of Public Hearing – Amend Chapter 2.20 of the Daly City Municipal Code Re: Recreation Commission **(Set Time: 12/8/25)**
10. Authorize Real Estate Purchase Agreement with City and County of San Francisco for Land Required of the Vista Grande Drainage Basin Improvement Project

11. Authorize License Agreement with the City and County of San Francisco for the Construction Staging Area of the Vista Grande Drainage Basin Improvement Project
12. Authorize License Agreement with the City and County of San Francisco to Construct a new Lake Merced Overflow Structure for the Vista Grande Drainage Basin Improvement Project

END OF CONSENT AGENDA

ORDINANCES:

13. Second Reading, Ordinance No. 1484, Repealing and Replacing Chapters 15.00, 15.08, 15.10, 15.12, 15.14, 15.16, 15.20, 15.22, 15.24, 15.32, 15.60, and 15.65 of Title 15 of the Daly City Municipal Code, Re: Building Code

STAFF: Rose Zimmerman

RECOMMENDATION: Adopt Ordinance by Roll Call Vote

APPOINTMENTS: Board/Commission Membership Committee Appointments

REPORTS:

14. Council Committee
15. City Council
16. Staff

ADJOURNMENT:

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CALL TO ORDER:

Mayor Daus-Magbual called the regular meeting to order at 7:06 P.M. and read the City's Land Acknowledgement:

The City of Daly City acknowledges that we are on the ancestral lands of the Ramaytush (rah-my-toosh) Ohlone (O-lon-ee) peoples. We recognize their enduring connection to this region and honor their history, culture, and contributions. As the Indigenous protectors of this land, we affirm their sovereign rights as the original inhabitants of this land and pay respects to the Ancestors, Elders, and Relatives of the Ramaytush Ohlone peoples.

ROLL CALL: Councilmembers Present
Dr. Roderick Daus-Magbual, Mayor
Glenn R. Sylvester, Vice Mayor
Juslyn C. Manalo
Teresa G. Proaño

Councilmembers Absent
Pamela DiGiovanni

Staff Present
Thomas J. Piccolotti, City Manager
Rose L. Zimmerman, City Attorney
K. Annette Hipona, City Clerk

PRESENTATIONS:

Proclamation: Hispanic Heritage Month

(Nancy Rodriguez, Vice Chair of the Daly City Arts & Culture Commission; Members of the Nuestro Estilo Car Club)

Proclamation: Filipino American History Month

(Skyline College's Kababayan Learning Community; Benny Menor, Seafood City; Joal Truong-Vargas; Bambu and Rocky Rivera of BeatRock Music)

Proclamation: Breast Cancer Awareness Month

APPROVAL OF MINUTES:

Regular Meeting of October 13, 2025

It was moved by Councilmember Manalo, seconded by Councilmember Proaño/Vice Mayor Sylvester and carried to approve the minutes of October 13, 2025, as amended.

Note on Public Comments:

To provide public comments, members of the public have the option to- 1) attend in person, 2) email the City Clerk, or 3) submit comments through the public comment portal on the City's website. Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting are instructed to call the office of the City Clerk at 991-8078 prior to the meeting.

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APPROVAL OF AGENDA:

It was moved by Councilmember Manalo, seconded by Councilmember Proaño, and carried to approve the agenda.

ORAL COMMENT:

Jim Wagstaffe acknowledged the First Amendment, especially the right to free speech, but also emphasized the importance of maintaining a good name and reputation. Jim cautioned that these freedoms shouldn't be compromised by false statements. Jim referred to City Manager Piccolotti and his staff as victims of attacks on their reputations.

CONSENT AGENDA:

It was moved by Councilmember Manalo seconded by Vice Mayor Sylvester and carried to approve the consent agenda with the exception of item #16, which was pulled for discussion.

Communications:

Accept 2025 QTR 3 Investment Report

Resolutions:

Revise Daly City Bicycle/Pedestrian Advisory Committee Bylaws

Resolution 25-140, Amending Resolution No. 02-332 To Update The Meeting Frequency And Time For The Bicycle/Pedestrian Advisory Committee

Approve Professional Services Agreement to Revise the Planned Retreat Management Plan, Revision 1 for Mussel Rock Landfill

Resolution 25-141, Approving Professional Services Agreement With Tetra Tech To Revise The Planned Retreat Management Plan, Revision 1 For Mussel Rock Landfill

Approve Partnership with Thornton High School at the Pacelli Event Center

Resolution 25-142, Approving A Partnership With Thornton High School For Use Of The Pacelli Event Center For Graduation Ceremonies

Approve Partnership with In The Lab and Hoop Bus at the Pacelli Gymnasium

Resolution 25-143, Approving A Partnership With In The Lab And Hoop Bus To Host The Infinity 3x3 Invitational Basketball Tournament

Accept and Appropriate Zip Books Grant

Resolution 25-144, Accepting And Appropriating A \$1,890 Zip Books Grant From The State Of California

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Approve Proposed Revisions of Building Permit Technician, Building Maintenance Worker I/II and Groundskeeper Gardener I/II Job Specifications (Civil Service)

Resolution 25-145, Adopting Revised Job Specifications of Building Permit Technician, Building Maintenance Worker I/II And Groundskeeper Gardener I/II

Adopt of Memorandum of Understanding and Salary Schedule between the City of Daly City and Police Officers Association

Resolution 25-146, Adopting Composite Summary Memorandum Of Understanding With The Daly City Police Officers Association (July 1, 2025 through June 30, 2028)

Adopt of Memorandum of Understanding and Salary Schedule between the City of Daly City and Police Management Association

Resolution 25-147, Adopting Composite Summary Memorandum Of Understanding With The Daly City Police Management Association (July 1, 2025 through June 30, 2028)

Approve Proposed Revisions to Resolution 20-179 Adopting Benefits for Specific Executive Management Positions – Police Chief

Resolution 25-148, Amending Resolution No. 20-179 Adopting Benefits For Specific Executive Management Positions – Police Chief

Check Registers

Check Registers for the Month of September 2025

Approve Employment Agreement with Cameron Christensen as Chief of Police

City Manager Piccolotti made a recommendation to approve an employment agreement for Cameron Christensen as Chief of Police for a five-year term, which includes severance protections. Piccolotti emphasized Christensen's extensive experience within the Police Department, highlighting his performance as Acting Chief for more than three years. During that time, Christensen showcased exemplary leadership and a strong commitment to public safety.

Chief Christensen expressed his gratitude to all those who have supported him throughout his career, including supervisors, peers, friends, community partners, family, and his parents. He also acknowledged the contributions of support staff, executive peers, the Council, and City Manager Piccolotti to his journey. Among those he recognized were two influential members of the community, Marie Villarosa and Tita Perla Ibarrientos, who have had a significant impact on him and the City. During the pinning ceremony, Christensen invited his family to stand alongside him, and he chose Mrs. Ibarrientos to pin on the Chief's badge. The Council voiced its support for the City Manager's appointment of Christensen as Chief of Police, praising his outstanding leadership and commitment to the community. Councilmember Manalo shared a message from former Councilmember Buenaventura, reaffirming support for Christensen in his new role as Chief.

It was moved by Councilmember Manalo, seconded by Vice Mayor Sylvester and carried by voice vote to adopt the resolution.

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Resolution 25-149, Approving An Employment Agreement With Cameron Christensen To Serve As Chief Of Police

Mayor Daus-Magbual called for a recess at 8:50 PM and reconvened the meeting at 9:14 PM.

PUBLIC HEARINGS:

Public Hearing on the Censure of Councilmember Pamela DiGiovanni Pursuant to the City Council's Internal Discipline and Censure Policy

Mayor Daus-Magbual outlined the purpose of the hearing, which is to determine whether the conduct of Councilmember DiGiovanni constitutes a violation of ethical standards, the Daly City Municipal Code (DCMC), or any other policies that govern the behavior of elected officials on the City Council. The Mayor introduced Richard Pio Roda as Special Legal Counsel for the hearing, whose role is to advise the Council on procedural matters and ensure that the censure hearing is carried out lawfully and equitably.

City Clerk Hipona read Councilmember DiGiovanni's written remarks regarding the censure. In her email, DiGiovanni cited health risks as the reason for her absence, mentioning that the hearing could possibly contribute to those risks. DiGiovanni requested that the censure hearing and all things related be halted permanently and noted her public service as a City Councilmember since 2018.

Mayor Daus-Magbual inquired if any Councilmembers had objections to moving forward with the public hearing. Hearing none, Mayor Daus-Magbual outlined the procedure for the hearing.

City Attorney Zimmerman presented the findings of the independent investigation stemming from substantiated claims by City employees regarding ethical misconduct and violations of the DCMC by DiGiovanni. Zimmerman provided a timeline of events leading up to the censure hearing. In April 2023, the first independent investigation confirmed findings of harassment and abuse of power by DiGiovanni, leading to a formal Admonishment via Resolution 24-21 issued in January 2024. Between March and August 2025, Human Resources received formal complaints from City employees regarding DiGiovanni's behavior, prompting another independent investigation in April 2025; this was subsequently reviewed by the Ethics Committee, consisting of the Mayor and the Vice Mayor. DiGiovanni received notices of the Censure Hearing in October, and the Ethics Committee granted DiGiovanni's request to reschedule the hearing to tonight's meeting. Zimmerman summarized the allegations against DiGiovanni, which were corroborated by the investigation. These allegations included abuse of authority, harassment and disruptive conduct, hostility toward a fellow Councilmember, noncompliance with prior Admonishment, refusal to participate in the investigation, and violations of the DCMC. Staff recommended that the Council affirm the findings of the investigation and consider the appropriate actions. Possible actions included either a Formal Public Censure, a second notice of Admonishment, or no immediate disciplinary action. Zimmerman provided the Conditions of Public Censure for the Council's consideration.

Mayor Daus-Magbual inquired if Councilmember DiGiovanni had any statements or rebuttals; there were none provided. Zimmerman responded to questions about the opportunities given to DiGiovanni to participate in or comment during the investigation, to which she refused. She clarified the details surrounding DCMC 2.02.090 and 2.02.080, including their adoption timeline, the timeframe of the incidents, and specifics of the allegations from the 2023 investigation. Zimmerman also addressed that DiGiovanni refused to participate in the 2023 investigation, any repercussions faced due to the findings, and that DiGiovanni did not comply with any of the recommended disciplinary actions from the 2024 Admonishment.

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Nikki Hall, the independent investigator, responded to questions and confirmed that there were multiple outreach attempts to DiGiovanni for the investigation and that no one in the City interfered with the investigation in any way.

Councilmember Proaño confirmed the incident involving her and Councilmember DiGiovanni as detailed in the investigation report. Proaño expressed that DiGiovanni's treatment of her has been part of a troubling pattern observed at various events since Proaño joined the Council. Councilmember Manalo thanked both the Mayor and the Vice Mayor for their efforts on the Ethics Committee, acknowledging their role in bringing this important matter to the attention of the City Council.

Mayor Daus-Magbual opened the public hearing.

Robert Quinn voiced support for Councilmember DiGiovanni, noting her consistent backing of the police, firefighters, nurses, and Seton Hospital. He referred to DiGiovanni as an upright and ethical person and expressed his shock at the allegations against her. Quinn asked the Council to show mercy towards DiGiovanni if they choose to move forward with the censure.

The Council engaged in deliberation regarding the item, addressing a variety of points and concerns. They examined the ongoing pattern of misconduct and abuse of power attributed to Councilmember DiGiovanni, deliberating on potential ethical violations and the varying impacts of her words and actions on individuals. They acknowledged the numerous allegations, including those reported in 2023 by several staff members and other individuals, including witnesses, and expressed concerns about liability involving personnel. The conversation also touched on the privilege of serving as an elected Councilmember, emphasizing the importance of upholding that position by maintaining high standards and accountability. The Council stressed the need for accountability, especially considering DiGiovanni's refusal to apologize, correct past behavior or comply with the Admonishment recommendations. They recognized the courage it takes for individuals to come forward about misconduct, particularly when it involves someone in a position of power. Additionally, they discussed the need to protect employees and ensure a healthy workplace environment, suggesting that training could be beneficial to help DiGiovanni better understand City procedures. Furthermore, the Councilmembers expressed a wish for reconciliation with DiGiovanni, hoping she would take meaningful steps to take responsibility for her actions. Considering all the information presented, Vice Mayor Sylvester was inclined to pursue a formal censure of Councilmember DiGiovanni, a sentiment that was echoed by the entire Council.

It was moved by Vice Mayor Sylvester, seconded by Councilmember Proaño and carried by unanimous roll call vote to take the action of issuing a formal censure of Councilmember DiGiovanni.

Legal Counsel Pio Roda addressed inquiries regarding the hearing procedures. City Attorney Zimmerman addressed questions on how the five proposed conditions of public censure were determined, potential consequences of failing to comply with the agreed-upon conditions, mandatory HR-coordinated trainings, whether additional Conditions could be added to the Censure, confirmed the allegation of City vehicle misuse in 2023, and the types of HR trainings to be given to DiGiovanni.

Councilmember Sylvester proposed adding three conditions to the censure, including prohibiting the use of a City vehicle for six months and requiring DiGiovanni to initial ordinances related to DCMC 2.02.080 and 2.02.090 upon receipt, or have a witness present during the transaction. Councilmember Proaño emphasized the importance of DiGiovanni issuing an apology, while Councilmember Manalo stressed that such an apology is crucial for achieving reconciliation. Pio Roda expressed his opinion that DiGiovanni has the First Amendment protection against compelled speech and recommended encouraging

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an apology rather than making it a condition. The Council concurred with these amendments.

It was moved by Vice Mayor Sylvester, seconded by Mayor Daus-Magbual and carried by unanimous roll call vote to adopt the resolution of censure, with the additional conditions, for a total of eight conditions.

Resolution 25-150, A Resolution Of The City Council Of The City Of Daly City Censuring Councilmember Pamela DiGiovanni For Violations Of The Daly City Municipal Code, City Policies, And Ethical Standards In Accordance With The City Of Daly City's Censure Policy

COMMUNICATIONS:

Use Permit UPR-01-23-016044 and Design Review DR-01-23-016046 – Service Station Reconstruction at 101 South Mayfair Avenue

Associate Planner Sam Fielding presented a proposed use permit for a new service station, convenience store, and carwash at the subject site. Fielding addressed questions on traffic signal visibility, noise standards for the carwash, the sound barrier wall, the smog check garage, and the construction process.

It was moved by Councilmember Manalo, seconded by Vice Mayor Sylvester and carried by unanimous roll call vote to adopt the resolution, with the amendment to increase the permit for two years.

Resolution 25-151, Adopting Findings Of Fact And Imposing Conditions Of Approval On Use Permit UPR-01-23-016044 And Design Review DR-01-23-016046 For Service Station Reconstruction At 101 South Mayfair Avenue

REPORTS:

Council Committee

Illegal Dumping Committee (Proaño)

Council

Councilmember Manalo reported attendance at the following events: the LifeMoves event celebrating Filipino American History Month and Hispanic Heritage Month, where she was a guest speaker; the South San Francisco Chamber of Commerce annual event, congratulating Dani on becoming the first Filipina board member; the 10th Anniversary of Futurelab, a Genentech initiative; the 10th Anniversary of the Middle College Program at Skyline College, acknowledging Councilmember Proaño and Middle College graduate Rheanna Mariano; the Top of the Hill Festival, congratulating City Manager Piccolotti and his staff Leilani Ramos, Maybelle Manio, and Rheanna Mariano, and the City staff on their work, and acknowledging the small businesses and residents for standing together in joy; the Seafood City late night destination event, along with daughter Juselle, also attended by the Mayor; the bocce ball tournament, thanking Director Brown and the Recreation team, and congratulating the seniors for their victory; the Woodrow Wilson PTA Harvest Festival, acknowledging the participating businesses; the Council of Cities Dinner, alongside Mayor Daus-Magbual and Councilmember Proaño; the 1st Anniversary of Kapwa Kultural Center, where Manalo and Mayor Daus-Magbual received an award; the Dia de los Muertos celebration at City Hall, thanking the vendors and the community for their involvement; the San Mateo Board of Supervisors meeting which recognized Domestic Violence Prevention Month and Filipino American History Month, and where Manalo and Tita Perla Ibarrientos were honored with a proclamation for the latter; and the Bayanihan Gala event, alongside her husband, where Manalo and Romeo Marquez were honored for their work in government and public service. Manalo also thanked Assemblymember

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Haney for giving her a recognition at the Gala. Councilmember Manalo looked forward to sponsoring a resolution for the José Rizal statue at Gellert Park, acknowledging Mayor Daus-Magbual for co-sponsoring the item. Manalo also thanked Mayor Daus-Magbual for his energy, positivity and leadership.

Mayor Daus-Magbual expressed his gratitude to City staff for their work in organizing various recent events, including ¡Pachanga, Kasayahan, the Top of the Hill Festival, and the Dia De Los Muertos celebration.

Councilmember Proaño acknowledged Mayor Daus-Magbual’s leadership and highlighted the success of the Top of the Hill Festival.

Vice Mayor Sylvester commended and thanked City staff for their execution of the Top of the Hill Festival and acknowledged City Manager Piccolotti for his leadership.

Staff

City Manager Piccolotti acknowledged the Council’s leadership and recognized City Manager staff Maybelle Manio, Leilani Ramos, and Rheanna Mariano, as well as the Department Heads, for their dedicated efforts throughout the year in organizing the Top of the Hill Festival.

ADJOURNMENT:

Mayor Daus-Magbual adjourned the meeting at 11:22 P.M. in memory of Carol Simmons.

Approved as submitted, this 10th
day of November 2025.

City Clerk

Dr. Roderick Daus-Magbual
Mayor

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CALL TO ORDER:

Mayor Daus-Magbual called the regular meeting to order at 7:00 P.M. and read the City's Land Acknowledgement:

The City of Daly City acknowledges that we are on the ancestral lands of the Ramaytush (rah-my-toosh) Ohlone (O-lon-ee) peoples. We recognize their enduring connection to this region and honor their history, culture, and contributions. As the Indigenous protectors of this land, we affirm their sovereign rights as the original inhabitants of this land and pay respects to the Ancestors, Elders, and Relatives of the Ramaytush Ohlone peoples.

ROLL CALL: Councilmembers Present
Dr. Roderick Daus-Magbual, Mayor
Glenn R. Sylvester, Vice Mayor
Pamela DiGiovanni
Juslyn C. Manalo
Teresa G. Proaño

Staff Present
Thomas J. Piccolotti, City Manager
Kelly Schott, Assistant City Attorney
K. Annette Hipona, City Clerk

Staff Absent
Rose L. Zimmerman

PRESENTATIONS:

Proclamation: National Native American Heritage Month

Mayor Daus-Magbual relayed a message from Sylvia Payne, San Andreas Lake Chapter NSDAR, Daughters of the American Revolution, inviting everyone to visit the Sanchez Adobe Interpretive Center in Pacifica to learn about the history of the Ramaytush Ohlone peoples.

Proclamation: DJ Bitesize Day

(DJ Bitesize and family)

APPROVAL OF AGENDA:

It was moved by Councilmember Proaño, seconded by Councilmember Manalo, and carried to approve the agenda.

Note on Public Comments:

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ORAL COMMENT:

The following members of Faith In Action Bay Area (FIABA) expressed concerns about the fears and uncertainties faced by the immigrant community due to ongoing ICE activity and enforcement. These fears, arising from current immigration policies, include the threat of ICE raids, detainment, and deportation. Speakers urged the Council to disseminate information about the Rapid Response Hotline (203-666-4472) and Network to reassure all community members that they are not alone during this difficult time, and to feel supported and emboldened by their local government. They emphasized the negative impacts these fears have on families, daily activities, public gatherings, and overall mental health. Some speakers shared personal experiences in dealing with ICE. Melissa Mejia recounted her father's detainment by ICE and her family being evicted from their home, while Fernanda Areas discussed how the fear of raids affects everyday activities such as going to school or grocery shopping. Sandra Pryor shared the emotional toll on children who fear losing their parents, while volunteer Ariana Faina relayed people's fear of leaving their homes. Bob Beggs stressed the importance of the hotline in protecting the dignity and safety of residents, while student Sandro Bautista voiced the need for support for the undocumented community. Lorena Melgarejo, Director of FIABA, pointed out the hotline's long-standing presence and the network's efforts to support families affected by ICE, including verifying information through the hotline and accompanying people to their immigration court appointments. To date, the network has accompanied 525 families to court proceedings and has distributed cards to the community that list their constitutional rights. Lorena Melgarejo and Abby Taylor pointed out that Daly City has the highest rate of detentions in the County and expressed a desire to have a conversation with the Mayor to raise awareness about available resources and to support families in avoiding homelessness. Speakers thanked the Council for their time and for considering their requests.

Irene Areas	Fernanda Areas	Lorena Melgarejo, Director of FIABA
Albania Fuentes	Wendy Cruz	Andrea Mazanegos
Brennan Duck	Ariana Faina	Xochitl Espinoza
Adel ManansalaSan	Sandro Bautista	Bob Beggs
Nicole Beggs	Sandra Pryor	Melissa Mejia
Abby Taylor		

Ray Satorre, Planning Commissioner, referred to former Mayor Buenaventura and spoke about the City being a sanctuary for migrants. Satorre noted Mayor Lurie's diplomatic efforts and cooperation with ICE and offered PBRC's assistance. Ray mentioned that if there is no criminal activity, the sanctuary city can protect its citizens, and recommended that the City open a dialogue with ICE.

CONSENT AGENDA:

It was moved by Councilmember DiGiovanni, seconded by Councilmember Manalo and carried to approve the consent agenda except item #5, which was pulled for discussion.

Resolutions:

Adopt of Memorandum of Understanding and Salary Schedule between the City of Daly City and San Mateo County International Association of Firefighters Local 2400

Resolution 25-152, Adopting Composite Summary Memorandum Of Understanding With The San Mateo County International Association Of Firefighters Local 2400 (July 1, 2025 through June 30, 2028)

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Approve Resolution Designating Serramonte Library Plaza for the Proposed "Dr. José Rizal Legacy" Sculpture Project

Councilmember Manalo expressed pride in sponsoring the project alongside Mayor Daus-Magbual, recommending that Serramonte Library Plaza be designated as the site for the proposed Dr. José Rizal sculpture. Manalo shared insights about Dr. Rizal, a national hero of the Philippines, who played a vital role in the country's quest for independence while making notable contributions to its culture and society. She acknowledged the partnership with the Dr. José Rizal Legacy International Foundation for the sculpture, which aims to be a beacon of inspiration and a catalyst for positive change. Manalo also recognized the efforts of Mayor Daus-Magbual, PBRC, Commissioner Satorre, and Tita Polly for their involvement in bringing this historic monument to Daly City. Additionally, she expressed her gratitude to City Manager Piccolotti and Assistant to the City Manager Ramos for their participation in meetings related to the sculpture. Mayor Daus-Magbual, co-sponsoring the initiative, thanked Councilmember Manalo for her sponsorship of the project. The Council showed its support for the project as well as for future endeavors that celebrate Daly City's rich diversity, reassuring the community that there would be no financial burden since the project is funded through donations to a nonprofit organization.

Polly Cortez, Project Lead with the Dr. José Rizal Legacy International Foundation, provided information on the materials and the cast used for the monument, and acknowledged the Filipino American organizations that rallied behind the project. Polly expressed gratitude for the Council's backing and collaboration, recognizing the donors whose generosity made the project possible.

Ray Satorre of PBRC called Dr. Rizal one of the greatest national heroes of the Philippines, noting his enduring spirit for freedom and justice for Filipinos. Satorre also noted that Daly City has one of the largest populations of Filipino Americans in the US.

It was moved by Councilmember Manalo, seconded by Mayor Daus-Magbual and carried by voice vote to adopt the resolution.

Resolution 25-153, Designating Serramonte Library Plaza For The Proposed Dr. José Rizal Legacy Sculpture Project

Set Time and Place for Public Hearing on Community Development and Housing Needs

Resolution 25-154, Setting Time And Place Of Public Hearing Re: Assessment Of Community Development And Housing Needs

Authorize to Approve the Revival of the Exclusive Negotiating Agreement with JM McLennan Development for the Pacific Plaza Site (1837 Junipero Serra Blvd., Daly City, CA.)

Resolution 25-155, Authorizing The Revival Of An Exclusive Negotiating Agreement With JM McLennan Development For The Redevelopment Of 1837 Junipero Serra Boulevard

Check Registers

Check Registers for the Month of October 2025

END OF CONSENT AGENDA

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PUBLIC HEARINGS:

Adoption of the 2025 California Building Standards Code (CBSC) with Local Amendments; Repeal and Replace of Title 15, Daly City Municipal Code

Chief Building Supervisor Mario Sigala provided the staff report to update the CBSC with the City's local amendments. In response to questions, staff noted that the CBSC amendments do not impact CEQA guidelines.

It was moved by Councilmember Manalo, seconded by Mayor Daus-Magbual and carried to open the hearing: There were no public comments.

It was moved by Vice Mayor Sylvester, seconded by Councilmember Manalo and carried to close the hearing:

It was moved by Councilmember Manalo, seconded by Councilmember DiGiovanni and carried for the City Attorney to read the ordinance by title only.

Mayor Daus-Magbual introduced the ordinance.

Ordinance 1484, Repealing And Replacing Chapters 15.00, 15.08, 15.10, 15.12, 15.14, 15.16, 15.20, 15.22, 15.24, 15.32, 15.60, And 15.65 Of Title 15 Of The Daly City Municipal Code

COMMUNICATIONS:

Finding of Public Convenience and Necessity PCN-08-25-016871 to Sell Alcoholic Beverages for Off-Site Consumption at Grocery Outlet at 6100 Mission Street

Planning Manager Michael Van Lonkhuysen introduced the request for a Type 21 liquor license from Grocery Outlet for their new store on Mission Street. Steve Rawlings, the applicant representative, presented the store's floor plan, which spans 13,000 square feet, highlighting the layout and location of the alcohol display and sales area. In response to questions, Rawlings compared the size of the Daly City location to that of the South City store. Rawlings also addressed various concerns, including store security, safety measures, theft prevention strategies, store layout, the design of the alcohol display, access to the lot, the number of parking spaces available, any renovations made to the building, and the variety of alcoholic products Grocery Outlet plans to sell.

Van Lonkhuysen addressed questions on the number of stores with alcohol licenses within the census tract, and whether the prior business at the site, Walgreens, had liquor license.

It was moved by Councilmember Manalo, seconded by Councilmember DiGiovanni and carried by unanimous roll call vote to approve the PCN and adopt the resolution.

Resolution 25-156, Adopting Findings In Response To An Application For A Type 21 Liquor License – Grocery Outlet At 6100 Mission Street

REPORTS:

Council Committee

Meeting with the Northern Carpenters (Daus-Magbual/Manalo)

CITY OF DALY CITY
MINUTES – REGULAR MEETING – CITY COUNCIL
NOVEMBER 10, 2025

Council

Councilmember Proaño reported attendance at the following events: the well-attended Veterans Day event, thanking City Manager Piccolotti and City staff for a beautiful presentation and lunch, and recognized Air Force Veteran Malcolm Conway who sang at the event; Holy Angels' Harvest Dinner celebration, along with Councilmember Manalo; and Town of Colma's Veterans Day Event with the Daly City Colma Chamber of Commerce, in which Proaño serves as Director, and recognizing the organization who provided a quilt presentation to the veterans.

Councilmember Manalo acknowledged Faith In Action's presence at tonight's meeting and thanked staff for ensuring the City's values are stated on the website, connecting the community to valuable resources such as the Rapid Response Hotline, and noting the City's collaborative work with County. Manalo reported attendance at the following events: the recent Recreation Commission meeting, where Manalo gave the oath to new Commissioner Adonis Marcelino who is a voice for Daly City businesses; the Vagina Monologues play, alongside Mayor Daus-Magbual, thanking him for his show of solidarity to end violence against women; the Teamsters Local 350 event, congratulating new leader Robert Sandoval, along with Assemblymember Stefani, Senator Wiener, Assemblymember Haney, and Supervisor Canepa; the Halloween celebration at Serramonte Center alongside Supervisor Canepa, Councilmember Proaño, and Manalo's children; the swearing-in ceremony for Dom Gamboa with Broadmoor Police, along with Vice Mayor Sylvester and his wife; the Harvest Festival along with Councilmember Proaño at Holy Angels Church; FALEO's first annual tournament at Classic Bowl; the Veterans Day event, thanking City Manager Piccolotti for an excellent job honoring and creating space for the veterans every year; the Seniors' Tea Party at Lincoln Park, giving kudos to the Recreation Staff; the Project Read event in South San Francisco, acknowledging the DCPLA for competing with the other teams; the Pangasinan Day community celebration with the Pangasinans, alongside Mayor Daus-Magbual; and the stop sign celebration with Zita Manor residents and the community, acknowledged City Manager Piccolotti for his leadership, along with Director Chiu.

Councilmember DiGiovanni reported attendance at the following events: Assemblymember Stefani's event for scam prevention at the Colma Community Center for seniors, acknowledging the new law passed by Governor Newsom, and the police for their presence; and the celebration of the stop sign installation at Zita Manor, conveying resident Marian's appreciation, and thanking the Council, City Manager Piccolotti, Director Chiu and City Engineer Chan for their efforts.

Mayor Daus-Magbual reported attendance at the following events: the Mayoral Walk at City Heights, thanking City Manager Piccolotti and staff Maybelle Manio and Leilani Ramos for supporting small businesses, and meeting with owners of Chibog, House of Silvanas, California School of Martial Arts, Shine Thai Restaurant, and Councilmember Proaño, who represented the Chamber of Commerce, alongside Adrienne Tissier. Dr. Daus-Magbual joined Councilmember Manalo and the Yuchengco Philippine Studies Program to celebrate their 25th year of Philippine Studies at USF, acknowledging their outgoing Chair James Zarsadiaz for collaborating on a great program with Pulitzer Prize winner Jose Antonio Vargas. The Mayor commended Vargas for his work with Define American and drawing attention to the experiences of undocumented immigrants in the US, and for his interview with Maria Ressa. Dr. Daus-Magbual recognized Maria Ressa as the first Philippine-born Nobel Peace Prize recipient, spoke about her book *How to Stand Up to a Dictator*, and her work in holding the people controlling social media accountable, while calling for more transparency.

Staff

City Manager Piccolotti recognized staff at all levels for their hard work. Piccolotti informed the Council about updating the website based on the Mayor's recommendation and acknowledged receipt of the information regarding the Rapid Response Hotline.

CITY OF DALY CITY
MINUTES – REGULAR MEETING – CITY COUNCIL
NOVEMBER 10, 2025

ADJOURNMENT:

Mayor Daus-Magbual adjourned the meeting at 9:46 P.M. in memory of Lauren Craven, Ronald J. Artale, Marico Calingo Enriquez, and the victims of the typhoons in the Philippines and Jamaica. Vice Mayor Sylvester noted he would defer the adjournment in memory of Laura Walsh's mother to the next City Council meeting.

Approved as submitted, this 24th

day of November 2025.

Dr. Roderick Daus-Magbual
Mayor

City Clerk



City Council Meeting Agenda Report

Item # _____

Meeting Date: November 24, 2025

Subject: Fiscal Year 2025 Annual Report on Collection and Use of Developer Public Facility Fees

Recommended Action

It is recommended that the City Council approve the annual report on the collection and use of Developer Public Facility Fees for Fiscal Year 2025.

Discussion

AB 1600 Developer Public Facility Fees are revenues derived from developer fees that are restricted to infrastructure expenditures for expansion and enhancements, necessitated by new development. The fees generate funding for use for the following infrastructure elements:

- Police facilities and equipment
- Public Library facilities
- Fire facilities and equipment
- Recreation facilities
- City administrative facilities
- City street and sidewalk improvements
- Water production and distribution facilities
- Wastewater collection and treatment facilities
- Storm drain collection and dispersal facilities

The use of the fees is established in the City's Capital Budget during each budget cycle. These fees provide a portion of funding for various eligible projects in priorities established by the adopted budgets.

State law requires the City to segregate its public facility fee revenue and not commingle it with other City funds. To meet this requirement, the City has established a separate Public Facility Fees Fund specifically to track the collection and use of public facility fees and to allocate interest earned. State law also requires this annual report be brought before the governing body for approval.

In November 2024, Council approved an updated nexus study and rates for all fees except for the hotels. Any current open applications at the time for Building were grandfathered in to keep the same rate while any new applications taken after January 27, 2025 would start to be collected at the new rates. As of June 30, 2025, no revenue received was utilizing the new rates. Staff will continue to evaluate these fees to provide Council an update once these new fees begin to be collected.

Fiscal Impact

The balance in this fund as of June 30, 2024, was \$5,015,446. During Fiscal Year 2025, revenues totaling \$760,767 were received from developer fees and interest of \$248,963 was earned. A total of \$941 was transferred out of the AB1600 fund to the capital improvement fund for storm drain use; and \$95,919 was transferred back to the AB1600 fund from projects that did not end up utilizing all the funds. The ending balance in the fund as of June 30, 2025, was \$6,120,153.

Attached is a summary of the activity in the fund. Complete details on all capital projects funded by Public Facility Fees can be found in the City's Capital Budget.

City Council Agenda Report

Fiscal Year 2025 Annual Report on Collection and Use of Developer Public Facility Fees

Meeting Date: November 24, 2025

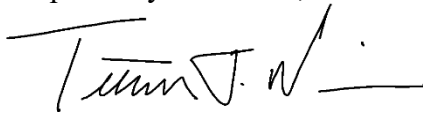
Page 2 of 2

Summary/Conclusion

Staff recommends the City Council approve the annual report on the collection and use of developer Public Facility Fees for Fiscal Year 2025.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Timothy J. Nevin", with a stylized flourish at the end.

Timothy J. Nevin

Assistant City Manager/ Interim Director of Finance &
Administrative Services

Attachment: Fiscal Year 2025 Public Facility Fees Annual Report

City of Daly City
Fiscal Year 2025 Public Facility Fees Annual Report
July 1, 2024 though June 30, 2025

	Received through 6-30-24*	Expended through 06-30-24	06-30-24 BALANCE	2024-2025 Revenue**	Interest Earned	Interfund Transfers Out	6-30-25 BALANCE
General Fees:							
Water Improvement Fees	3,793,803	1,056,063	2,737,740	62,698	89,898	-	2,890,336
Administration/Citywide Fees	1,861,060	1,803,566	57,494	32,819	2,899	-	93,212
Fire Fees	1,032,307	1,601,200	(568,893)	20,472	-	-	(548,421)
Police Fees	2,567,923	2,363,094	204,829	84,880	9,300	-	299,009
Library Fees	2,256,818	1,763,496	493,322	84,345	18,544	-	596,211
Sewer System Improvements	310,267	249,177	61,090	-	1,961	-	63,051
Parks & Rec Fees	2,443,594	3,731,809	(1,288,215)	112,461	-	-	(1,175,754)
Sub-Total	14,265,772	12,568,405	1,697,367	397,674	122,602	-	2,217,643
Storm Drain Fees:							
South Palisades	11,123	56,806	(45,684)	33	-	-	(45,651)
Bayshore	567,004	820,526	(253,522)	140,845	-	941	(113,619)
Colma Creek	1,572,284	286,934	1,285,350	6,170	41,459	-	1,332,979
Crocker	749,973	49,200	700,773	6,478	22,704	-	729,954
Vista Grande/Lake Merced	990,453	979,863	10,589	1,759	396	-	12,744
Sub-Total	3,890,835	2,193,330	1,697,506	155,284	64,560	941	1,916,408
Roadway Fees:							
Street Zone 1- Bayshore	315,605	-	315,605	69,937	12,376	-	397,918
Street Zone 2 - Pen. Gateway	1,665	1,674	(9)	-	-	-	(9)
Street Zone 4 - Crocker	373,166	288,565	84,601	1,038	2,749	-	88,388
Street Zone 5 - Crocker St	33,217	33,395	(178)	-	-	-	(178)
Street Zone 8 - Crocker St	148,534	149,248	(714)	-	-	-	(714)
Street Zone - Citywide	6,286,414	5,065,145	1,221,269	136,834	46,676	(95,919)	1,500,698
Sub-Total	7,158,601	5,538,028	1,620,573	207,808	61,802	(95,919)	1,986,102
Total Public Facility Fee Fund 20:	25,315,208	20,299,762	5,015,446	760,767	248,963	(94,978)	6,120,153

	-	-
Project	AB1600 Funds Expended	Interfund Transferred
Storm Drain Master Plan	941	941
Return unspent funds- John Daly Streetscape	-	(87,980)
Return unspent funds - Serramonte Callan Signals	-	(7,939)
Total	941	(94,978)

Complete details on all capital projects funded by public facility fees can be found in the City's Capital Budget.

*Includes interest earned and rounding adjustments.

**Still collecting for projects that were grandfathered into rates prior to update in January 2025



City Council Agenda Report

Item # _____

Meeting Date: November 24, 2025

Subject: Authorize City Manager to Execute Amendment No. 2 to the Funding Agreement with the City/County Association of Governments of San Mateo County for the Construction Phase of the Smart Corridor Extension Project

Recommended Action

Staff recommends the City Council authorize the City Manager to execute Amendment No. 2 to the Funding Agreement with the City/County Association of Governments of San Mateo County (C/CAG) for the construction phase of the Smart Corridor Extension Project.

Background

C/CAG is sponsoring the San Mateo County Smart Corridor Project, an Intelligent Transportation Systems (ITS) project that extends along El Camino Real and major local streets in San Mateo County connecting to US 101 and I-280. The project enables cities and the California Department of Transportation (Caltrans) to proactively manage daily traffic and non-recurring traffic congestion caused by diverted traffic due to major incidents on the freeway.

The current phase of the Smart Corridor Project will extend north into Daly City, Brisbane and Colma. The project will include the deployment of an interconnected traffic signal system, closed circuit video cameras, trailblazer/arterial dynamic message signs and vehicle detection systems. These ITS elements will allow agencies to deploy incident response plans to manage traffic congestion on the Junipero Serra Boulevard and Bayshore Boulevard, the two primary parallel corridors to I-280 and US 101, respectively.

Discussion

On January 8, 2024, City Council authorized the funding agreement with C/CAG for the construction phase of the Smart Corridor Project, which will reimburse Daly City for costs up to \$5,795,308 the City will incur to lead the construction phase of the project within the limits of City of Daly City and Town of Colma. The City will administer and manage selected civil contractor, provide construction inspection services and prepare project reporting to the various grantors.

On September 9, 2024, City Council authorized Amendment No. 1 to allocate an additional \$1,038,596 for a total not-to-exceed amount of \$6,833,904 to cover project construction costs.

The original funding agreement is set to expire on December 31, 2025. Construction of the project is ongoing, and additional time is needed to complete the construction and system integration. The term of the proposed Amendment No. 2 is for an additional 12-month period ending on December 31, 2026.

Authorize City Manager to Execute Amendment No. 2 to the Funding Agreement with the City/County of Association of Governments of San Mateo County for the Smart Corridor Extension Project
Meeting Date: November 24, 2025
Page 2

Fiscal Impact

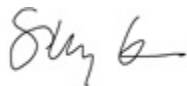
There is no fiscal impact associated with this recommendation. Sufficient funds are available in the Capital Project San Mateo County Northern Cities Expansion project to fully fund the construction phase.

Summary/Conclusion

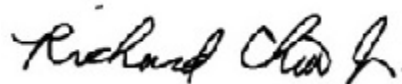
Staff recommends the City Council authorize the City Manager to execute Amendment No. 2 to the Funding Agreement with C/CAG for the construction phase of the Smart Corridor Extension Project.

Staff is available to provide any additional information desired by the Mayor or City Council Members.

Respectfully submitted,



Shirley Chan
Acting City Engineer



Richard Chiu, Jr.
Director of Public Works

Attachment: Amendment No. 2 to the Funding Agreement between C/CAG and City of Daly City and Town of Colma for Construction Phase of the Smart Corridor Extension Project

**AMENDMENT NO. 2 TO THE FUNDING AGREEMENT
BETWEEN
CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY
AND
CITY OF DALY CITY
AND
TOWN OF COLMA
FOR
CONSTRUCTION PHASE OF THE SMART CORRIDOR EXTENSION PROJECT**

WHEREAS, the City/County Association of Governments of San Mateo County (hereinafter referred to as “C/CAG”), the City of Daly City (hereinafter referred to as “City”), and the Town of Colma (hereinafter referred to as “Town”) (each a “Party” and collectively the “Parties”) are Parties to an Agreement dated March 1, 2024, specifying each Party’s obligations and responsibilities for the construction phase of the Smart Corridor extension project (hereinafter referred to as the “Agreement”); and

WHEREAS, C/CAG provided the City and Town a total of \$5,795,308 in funding to cover project construction and related costs under the Agreement; and

WHEREAS, C/CAG and the City and the Town executed Amendment No. 1 on September 13, 2024 to allocate an additional amount of \$1,038,596 for a total not-to-exceed amount of \$6,833,904 to cover the high construction and related costs; and

WHEREAS, the Agreement term ends on December 31, 2025;

WHEREAS, the Parties have determined that additional time is needed to complete construction and system integration;

WHEREAS, the Parties desire to amend the Agreement as set forth herein.

IT IS HEREBY AGREED by the Parties as follows:

1. The term of the Agreement, as provided in Section 3 “Time of Performance,” shall be extended through December 31, 2026.
2. Except as expressly amended herein, all other provisions of the Agreement shall remain in full force and effect.
3. This amendment shall take effect on January 1, 2026.

[Signatures on the following page]

CITY OF DALY CITY

TOWN OF COLMA

By: _____
Thomas J. Piccolotti
City Manager

By: _____
Daniel Barros
City Manager

Approved as to Form:

Rose Zimmerman
City Attorney

Christopher Diaz
City Attorney

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

By: _____
Sean Charpentier
C/CAG Executive Director

Approved as to Form:

By: _____
Melissa Andrikopoulos
Legal Counsel for C/CAG



City Council Meeting Agenda Report

Item # _____

Meeting Date: November 24, 2025

Subject: Accept and Appropriate \$2,500 from North East Medical Services for Sponsorship of the Walk-About Program

Recommended Action

It is recommended the City Council accept a \$2,500 sponsorship from North East Medical Services (NEMS), via Serramonte Center, and appropriate the funds for supplies and items needed to run the Walk-About Program provided in partnership by the City of Daly City – Department of Recreation Services, Serramonte Center and NEMS.

Background/Discussion

This past year NEMS became a partner with the City of Daly City – Department of Recreation Services and Serramonte Center to provide the Walk-About Program, a free walking and light exercise program to Active Adult/Seniors ages 50 and older to promote health, wellness, and social engagement in a safe and climate-controlled environment. The program is held at the Serramonte Center Food Court, near the indoor entrance to Dick's Sporting Goods. It runs from 8:00am through 9:30am, every Friday from January - October. NEMS provided sponsorship monies in the total amount of \$5,000 to the Walk-About Program, and of those funds \$2,500 is ear-marked to assist with program supplies and materials to enhance the participant experience through the Department of Recreation Services.

Fiscal Impact

The \$2,500 sponsorship from NEMS was not anticipated in the current Fiscal Year budget and will be appropriated into account number 10115700-52014 for Fiscal Year 2025-26.

Summary/Conclusion

Staff is available to provide any additional information desired by the Mayor or City Council.

Respectfully submitted,

Denise Brown
Director



City Council Meeting Agenda Report

Item # _____

Meeting Date: November 24, 2025

Subject: Adopt Resolution to Supersede and Amend Recurrent and Part-Time Hourly Rates Schedule in Accordance with City Council Adopted Minimum Wage

Recommended Action

That the City Council adopt a resolution to amend the Recurrent and Part-Time Hourly Rates Schedule to reflect the City's adopted minimum wage of \$17.07/hour effective January 1, 2025, supersede Resolution No. 24-161, and establish the process for the 2026 minimum wage adjustment in accordance with Ordinance No. 1425.

Background

On November 12, 2024, the City Council adopted Resolution No. 24-161, updating the Recurrent and Part-Time Hourly Rate Schedule in anticipation of a potential state-mandated minimum wage increase under Proposition 32, which was then pending on the November 5, 2024 ballot. Resolution 24-161 included projected wage rates based on the assumption that Proposition 32 would pass, which would have raised the statewide minimum wage to \$18.00/hour effective January 1, 2025.

However, Proposition 32 did not pass, and therefore the minimum wage adjustment reverted to the City's local standard established by Ordinance No. 1425, which governs annual adjustments based on the Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose region.

Discussion

In accordance with Ordinance No. 1425, the minimum wage is adjusted each January by the lesser of 3.5% or the CPI increase. Based on CPI data from August 2023 to August 2024, the applicable CPI increase was 2.7%, resulting in a 2025 minimum wage of \$17.07/hour.

Although Resolution 24-161 anticipated a different rate, staff implemented and enforced the correct wage of \$17.07/hour as of January 1, 2025, consistent with the ordinance. The wage schedule in effect complies with the law, but for administrative clarity and to ensure alignment between City records and actual implementation, staff recommends superseding Resolution 24-161.

This resolution will also reaffirm the City's compliance with Ordinance No. 1425 and provide direction for adjusting the wage for calendar year 2026 using the same CPI-based process.

Based on CPI data from August 2024 to August 2025, the applicable CPI increase was 2.5%, resulting in a minimum wage of \$17.50/hour effective January 1, 2026.

City Council Agenda Report

Subject: Adopt Resolution to Supersede and Amend Recurrent and Part-Time Hourly Rates Schedule in Accordance with City Council Adopted Minimum Wage

Meeting Date: November 24, 2025

Page 2 of 2

Fiscal Impact

Hourly rates have been increased to meet Daly City's Minimum Wage Ordinance requirements.

Summary/Conclusion

The recommended resolution provides an accurate administrative record of the minimum wage in effect, ensures compliance with Daly City's local wage ordinance, and prepares the City for the upcoming 2026 adjustment.

Staff recommends adoption of the resolution superseding Resolution 24-161, confirming the 2025 wage of \$17.07 hour, setting the process for 2026 wage adjustment and amending the Recurrent and Part-Time Hourly Rates schedule. Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,



Natalie Sakkal
Director of Human Resources



Rose Zimmerman
City Attorney

Attachments

- Draft Resolution Superseding 24-161 and Confirming Wage Adjustment Protocol
- Ordinance No. 1425
- Recurrent and Part-Time Hourly Rates schedule

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DALY CITY TO AMEND THE RECURRENT AND PART-TIME HOURLY RATES SCHEDULE IN ACCORDANCE WITH THE CITY COUNCIL ADOPTED MINIMUM WAGE, SUPERSEDE RESOLUTION NO. 24-161, AND ESTABLISH THE 2026 MINIMUM WAGE ADJUSTMENT PURSUANT TO ORDINANCE NO. 1425

WHEREAS, The City of Daly City adopted Ordinance No. 1425, establishing a local minimum wage ordinance and providing for annual wage adjustments based on the lesser of 3.5% or the percentage change in the Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose region; and

WHEREAS, On November 12, 2024, the City Council adopted Resolution No. 24-161, which amended the Recurrent and Part-Time Hourly Rate Schedule in anticipation of Proposition 32 passing, which would have increased the minimum wage to \$18.00 hour effective January 1, 2025; and

WHEREAS, Proposition 32 did not pass in the November 5, 2024 election, and the City's local minimum wage defaulted to the rate calculated under Ordinance No. 1425, based on the 2.7% CPI increase between August 2023 and August 2024, resulting in a legally applicable minimum wage of \$17.07/hour effective January 1, 2025; and

WHEREAS, The City has implemented the minimum wage of \$17.07 hour in accordance with Ordinance No. 1425; and

WHEREAS, The City Council desires to supersede Resolution No. 24-161 and adopt an updated hourly wage schedule based on the correct minimum wage, and to establish the process for calculating and implementing the minimum wage effective January 1, 2026, as required by Ordinance No. 1425;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Daly City:

Section 1. The City Council amends the Recurrent and Part-Time Hourly Rates Schedule, effective January 1, 2025, in accordance with the City's adopted minimum wage of \$17.07/hour, as established by Ordinance No. 1425 and based on the 2.7% CPI increase.

Section 2. Resolution No. 24-161 is superseded in its entirety to reflect the correct minimum wage implementation and to ensure consistency in the administrative record.

Section 3. The amended Recurrent and Part-Time Hourly Rate Schedule, attached hereto as Exhibit A, reflects wage adjustments consistent with the \$17.07/hour minimum wage and is hereby adopted.

Section 4. The City Council directs the Human Resources Department to prepare the minimum wage for January 1, 2026, using CPI data from August 2024 to August 2025 and to publish and implement the new wage in accordance with Ordinance No. 1425.

I hereby certify the foregoing to be a true copy of a Resolution adopted by the City Council of Daly City, California, at a regular meeting thereof held on the _____ day of _____, 2025, by the following vote of the members thereof:

AYES, and in favor thereof, Councilmembers: _____

NOES, Councilmembers: _____ None _____

ABSENT, Councilmembers: _____ None _____

CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

MAYOR OF THE CITY OF DALY CITY

ORDINANCE NO. 1425

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY
ADDING CHAPTER 8.76 MINIMUM WAGE

THIS ORDINANCE is adopted in light of the following facts and circumstances, which are hereby found and declared by the Daly City City Council:

WHEREAS, the State of California has enacted a minimum wage that will reach \$15.00 per hour in January of 2022; and

WHEREAS, in an effort to help working households achieve economic security and acknowledging the higher relative cost of living in the San Francisco Bay Area, the City Council of the City of Daly City wishes to enact a citywide minimum wage to reach \$15.00 before January 2022; and

WHEREAS, a higher minimum wage rate protects the public health, safety and welfare by requiring that employees are compensated in such a manner as to enable and facilitate their individual self reliance within the City of Daly City; and

WHEREAS, the City of Daly City may adopt a higher minimum wage pursuant to the powers vested in the City under the laws and Constitution of the State of California including by not limited to the police powers vested in the City pursuant to Article XI, Section 7 of the California Constitution;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DALY CITY DOES ORDAIN AS FOLLOWS:

SECTION 1: Chapter 8.76 of Title 8 of the Municipal Code is hereafter added to read as follows:

Chapter 8.76 MINIMUM WAGE

8.76.010	Definitions
8.76.020	Minimum Wage
8.76.030	Notice and Posting
8.76.040	Implementation
8.76.050	Enforcement
8.76.060	No Preemption of Higher Standard

8.76.010 Definitions

As used in this Chapter, the following terms shall have the following meaning:

- (a) “Calendar week” shall mean a period of seven consecutive days starting on Sunday.
- (b) “City” shall mean the City of Daly City
- (c) “Employee” shall mean any person who:
 - (1) In a calendar week performs at least two hours of work within the geographic boundaries of the City for an Employer.
 - (2) Qualifies as an employee entitled to payment of a minimum wage from any Employer under the California Minimum Wage law, as provided by the State of California Industrial Welfare Commission.
- (d) “Employer” shall mean any person (including a natural person, corporation, non-profit corporation, general partnership limited partnership, limited liability partnership, limited liability company, business trust, estate, trust, association, joint venture, agency, instrumentality or any other legal or commercial entity, whether domestic or foreign) who directly or indirectly (including through the services of a temporary services or staffing agency or similar entity) employs or exercises control over the wages , hours, or working conditions of any Employee.
- (e) “Minimum Wage” shall have the meaning set forth in Section 8.76.020 of this Chapter.

8.76.020 Minimum Wage

- (a) Employers shall pay Employees no less than the Minimum Wage for each hour worked within the geographic boundary of the City.
- (b) The Minimum Wage paid by all Employers shall be as follows:
 - (1) Beginning January 1, 2019, the Minimum Wage shall be an hourly rate of \$12.00.
 - (2) Beginning January 1, 2020, the Minimum Wage shall be an hourly rate of \$13.75
 - (3) Beginning January 1, 2021, the Minimum Wage shall be an hourly rate of \$15.00.
- (c) An Employer may not deduct an amount from wages due an Employee on account of any tip or gratuity, or credit the amount or any part thereof, of a tip or gratuity, against, or as part of, the wages due the Employee from the Employer.
- (d) Beginning on January 1, 2022, and each January thereafter, the minimum wage shall increase by the lesser of 3.5 percent or a percentage amount equal to the prior year’s

increase, if any, in the Consumer Price Index (CPI) for San Francisco-Oakland-San Jose as determined by the United States Department of Labor. The change shall be calculated using the August to August change in CPI to calculate the annual increase, if any. A decrease in the CPI shall not result in a decrease in the minimum wage

8.76.030 Notice and Posting

(a) By October of each year, the City shall publish and make available to Employers a bulletin announcing the adjusted Minimum Wage rate, to take effect January 1 of the following year. In conjunction with this bulletin, the City shall, by November 1 of each year, publish and make available to Employers a notice suitable for posting by Employers in the workplace informing Employees of the current Minimum Wage rate and of their rights under this Chapter.

(b) Each Employer shall give written notification to each current Employee, and to each new Employee at time of hire, of his or her rights under this Chapter. Failure to post such notice shall constitute a violation of this Chapter.

8.76.040 Implementation

City may promulgate regulations for the implementation and enforcement of this Chapter. Any regulation promulgated by City shall have the force and effect of law and may be relied on by Employers, Employees, and other parties to determine their rights and responsibilities under this Chapter. Any regulations may establish procedures for ensuring fair, efficient and cost-effective implementation of this Chapter, for monitoring Employee compliance with this Chapter, and for providing administrative hearings or determining whether an Employer has violated the requirements of this Chapter.

8.76.050 Enforcement

(a) Enforcement by the City.

City may take any enforcement action set forth in Chapter 1.12 of this Municipal Code to address violations of this Chapter.

(b) Private Right of Action.

An Employee claiming harm from a violation of this Chapter may bring an action against the Employer in court to enforce the provisions of this Chapter and shall be entitled to all remedies available to correct any violation of this Chapter, including but not limited to, back pay, reinstatement, injunctive relief, or civil penalties as provided herein. An Employee who is a prevailing party in an action to enforce this Chapter is entitled to an award of reasonable attorney's fees, witness fees and costs.

(c) Remedies.

The remedies for violation of this Chapter include, but are not limited to:

(1) Reinstatement, the payment of back wages unlawfully withheld, and payment of an additional sum as a civil penalty in the amount of \$40 to each Employee whose rights under this Chapter were violated for each day or portion thereof that the violation occurred or continued, and fines imposed pursuant to other provisions of State law.

(2) Interest on all due and unpaid wages at the rate of interest specified in subdivision (b) of Section 3289 of the California Civil Code, which shall accrue from the date that the wages were due and payable as provided in Part 1 (commencing with Section 200) of Division 2 of the California Labor Code, to the date the wages are paid in full.

(3) Reimbursement of the City's administrative costs of enforcement and reasonable attorney fees.

The remedies, penalties and procedures provided under this Chapter are cumulative and are not intended to be exclusive of any other available remedies, penalties and procedures established by law which may be pursued to address violations of this Chapter.

(d) Retention of Records

Each Employer shall maintain for at least three years for each Employee, a record of his or her name, hours worked and pay rate. Each Employer shall provide each Employee with a copy of the records relating to such Employee upon the Employee's reasonable request.

Section 8.76.060 No Preemption of Higher Standards

The purpose of this Chapter is to ensure minimum labor standards. This Chapter does not preempt or prevent the establishment of superior employment standards (including higher wages) or the expansion of coverage by ordinance, resolution, contract, or any other action of the City.

SECTION 2. Severability. If any section, subsection, provision or part of this Ordinance, or its application to any person or circumstance, is held to be unconstitutional or otherwise invalid, the remainder of this Ordinance, and the application of such provision to other person or circumstances, shall not be affected thereby and shall remain in full force and effect and, to that end, the provisions of this Ordinance are severable.

SECTION 3. Environmental Determination. The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15378, that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a project as provided by the Act, in that it does not have a potential for resulting in a detrimental physical change in the environment, directly or ultimately, as provided in Title 14, Section 15378(a), and that it is also exempt under the definition of "project" in Section 15378(b)(3) in that it concern general policy and procedure making.

SECTION 4. Publication and Effective Date. Pursuant to the provisions of Government Code Section 36933, a summary of this ordinance shall be prepared by the City Attorney. At least five (5) days prior to the Council meeting at which this ordinance is scheduled to be adopted, the City Clerk shall (1) publish the summary, and (2) post it in the City Clerk's Office a certified copy of this ordinance. Within fifteen (15) days after the adoption of this ordinance, the City Clerk shall (1) publish the summary and (2) post in the City Clerk's Office a certified copy of the full text of this ordinance along with the names of those City Council members voting for and against this ordinance or otherwise voting. This ordinance shall be in full force and effect thirty (30) days after adoption by the City Council of the City of Daly City.

Introduced this 10th day of December, 2018.

Passed and adopted as an Ordinance of the City of Daly City at a regular meeting of the City Council of the City of Daly City held on the 14th day of January, 2019, by the following vote:

AYES, Councilmembers: Daus-Magbual, DiGiovanni,

Manalo, Sylvester, Buenaventura

NOES, Councilmembers: None

Absent, Councilmembers: None

K. Annette Hipona
CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

RAYMOND A. BUENAVENTURA
MAYOR OF THE CITY OF DALY CITY

RECURRENT AND PART TIME HOURLY RATES

Effective January 1, 2026

DRAFT

	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
<u>Range H101</u>					
Kitchen Aide	17.50	18.38	19.29	20.26	21.27
Police Intern					
Recreator I					
<u>RANGE H102</u>					
Library Page	18.11	19.02	19.97	20.97	22.02
<u>RANGE H103</u>					
Clerical Aide	19.13	20.08	21.09	22.14	23.25
Delivery Clerk					
Materials and Supplies Delivery Clerk					
Recreator II					
<u>RANGE H104</u>					
Public Works Aide	19.42	20.39	21.41	22.48	23.60
Senior Library Page					
<u>RANGE H105</u>					
Food Services Assistant	20.34	21.36	22.42	23.55	24.72
Information Services Student					
Library Aide					
Lunch Program Assistant					
Nutrition Site Manager					
Police Cadet					
Recreation Leader					
Recreator III					
Video Technician					
<u>RANGE H106</u>					
Utility Worker Aide	21.06	22.11	23.21	24.37	25.59
<u>RANGE H107</u>					
Engineering Intern I	23.80	24.99	26.24	27.55	28.93
ISD Intern I					
Recreator IV					
<u>RANGE H108</u>					
Engineering Intern II	26.91	28.25	29.66	31.15	32.70
ISD Intern II					
Nutrition Education Coordinator					
Swim Team Coach					

RECURRENT AND PART TIME HOURLY RATES

Effective January 1, 2026

DRAFT

	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
<u>RANGE H109</u>					
Police Intern II	30.41	31.93	33.52	35.20	36.96
Recreator V					
<u>RANGE H110</u>					
Recreator VI	38.32	40.23	42.24	44.36	46.58
Greenhouse/Nursery Specialist					
<u>RANGE H111</u>					
	46.25	48.56	50.99	53.53	56.21
<u>RANGE H112</u>					
Administrative Support Technician	57.33	60.19	63.20	66.36	69.68
After School Education and Safety (ASES) Program Teacher					
Court Liaison					
Financial Administrator/Grants					
Per Diem Police Officer					
Rangemaster					
Red Light Photo Enforcement Program Administrator					

Resolution 25 - xxx adopted by City Council on November 24, 2025



City Council Meeting Agenda Report

Item # _____

Meeting Date: November 24, 2025

Subject: Set Time and Place of Public Hearing – Amending Chapter 2.16 of the Daly City Municipal Code re: Arts and Culture Commission

Recommended Action

Staff recommends that the City Council set December 8, 2025 at 7:00 p.m. as the date and time for a public hearing to amend Daly City Municipal Code Chapter 2.16 Arts and Culture Commission.

Background

The Arts & Culture Commission was established by the Daly City Council in December 2013 to develop and encourage programs in the fine arts and to promote and celebrate the cultural diversity of the community. It was envisioned that the Commission could:

1. Serve as a liaison between the City Council and local fine arts and cultural-based groups;
2. Provide stewardship for the public display of art in the Octagon Gallery at City Hall; and
3. Assist in planning annual cultural events.

After celebrating its 10th Anniversary as a Commission on April 8, 2025, the Commission undertook a self-reflective process, revisiting its ordinance-based duties and discussing how effectively they meet the needs of Daly City's increasingly diverse population.

The Arts & Culture Commission recognizes it has grown in scope and impact since its creation. The role of the Commission has expanded beyond advising on fine arts—it has evolved into building bridges, amplifying marginalized voices, and intentionally using culture to address social issues.

Summary/Conclusion

Staff recommends that the City Council set December 8, 2025 at 7:00 p.m. as the date and time for a public hearing to amend Daly City Municipal Code Chapter 2.16 Arts and Culture Commission.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Leilani Ramos
Assistant to the City Manager



City Council Meeting Agenda Report

Item # _____

Meeting Date: November 24, 2025

Subject: Set Time and Place of Public Hearing – Amend Chapter 2.20 of the Daly City Municipal Code RE: Recreation Commission

Recommended Action

Staff recommends that the City Council set December 8, 2025 at 7:00 p.m. as the date and time for a public hearing – Amend Chapter 2.20 of the Daly City Municipal Code RE: Recreation Commission.

Background

In 2017, the Youth Advisory Committee was established through Resolution 17-75 to create a platform for youth voices in Daly City. The Daly City Youth Advisory Committee (DCYAC) was intended to offer school-aged residents an opportunity to serve on a board, observe and participate in local government, and gain valuable experience that would help prepare them to become civically engaged and empowered citizens.

The goals of the DCYAC were to represent the youth voice and provide meaningful feedback to promote a healthier, more connected community by:

1. Providing opportunities and resources for Daly City teen residents
2. Promoting education, healthy living, and social awareness
3. Preparing teens for the future through community outreach, events, workshops, and related activities

Over time, the Committee struggled to maintain a quorum due to extracurricular commitments and scheduling conflicts, including after-school sports. As regular attendance declined, enthusiasm and engagement diminished, resulting in the Committee becoming inactive.

At prior City Council Budget Priorities Study Sessions, it was identified that the Youth Advisory Committee be transitioned into a Youth Commission. Given the challenges discussed above, staff now proposes repealing and replacing Daly City Municipal Code Chapter 2.20 (Recreation Commission) to include one Youth Advisory Member (“Youth Commissioner”) and an alternate.

Youth Commissioners must be residents of Daly City, between 13 and 17 years of age at the time of appointment and enrolled in middle school and/or high school. They will serve in an advisory capacity only and will not count toward the Commission’s quorum. Each Youth Commissioner shall serve at the pleasure of the City Council for a term of up to two years, and until their successor is appointed and qualified.

Summary/Conclusion

Staff recommends that the City Council set December 8, 2025 at 7:00 p.m. as the date and time for a public hearing – Repeal and Replace Daly City Municipal Code Chapter 2.20 Recreation Commission.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

City Council Agenda Report

**Subject: Set Time and Place of Public Hearing – Amend Chapter 2.20 of the Daly City
Municipal Code RE: Recreation Commission**

Meeting Date: November 24, 2025

Page 2 of 2

Respectfully submitted,



Denise Brown
Director of Recreation Services



Edgardo Bolaños
Administrative Assistant III



City Council Meeting Agenda Report

Item # _____

Meeting Date: November 24, 2025

Subject: Authorize Real Estate Purchase Agreement with City and County of San Francisco for Land Required of the Vista Grande Drainage Basin Improvement Project

Recommended Action

Authorize the City Manager to execute a Real Estate Purchase Agreement with the City and County of San Francisco (SFPUC) for the construction and operation of the Vista Grande Drainage Basin Improvement Project.

Background

The Vista Grande Drainage Basin Improvement Project (Project) is a multi-benefit stormwater management project that will manage, treat, and reuse stormwater in the Vista Grande Drainage Basin while also providing regional water quality, water supply, and recreational benefits.

The Vista Grande storm drain system drains the northwestern portion of Daly City (City) and an unincorporated portion of San Mateo County – areas originally within the watershed of Lake Merced. In the 1890's, the Vista Grande Canal and Tunnel were built to divert storm water away from the lake to an outlet at the Pacific Ocean. The existing Canal and Tunnel do not have adequate hydraulic capacity to convey peak storm flows, and this periodically causes backup of Tunnel flows into the Canal and flooding during peak storm events in adjacent low-lying residential areas and along John Muir Drive. This Project will allow the City and SFPUC to work collaboratively to alleviate flooding in the Vista Grande Drainage Basin and Lake Merced Tract and facilitate augmentation and management of Lake Merced water levels using sustainable supplies of the City's stormwater.

Discussion

This agreement is made with reference to the following facts and circumstances:

A. The Canal and Tunnel carry stormwater for both San Francisco and Daly City via Daly City's Vista Grande storm drain system, which is a regional stormwater system that drains the northwestern portion of Daly City and an unincorporated portion of San Mateo County. The Tunnel and Canal are operated exclusively by Daly City.

B. On July 2, 2007, the Parties entered into a ground lease, which superseded certain SFPUC revocable permits held by Daly City for the use of the Tunnel. The Daly City Lease allows Daly City to operate, maintain, and repair the Tunnel. The Lease expired in 2017 and is currently in holdover status. The Parties will terminate the Lease at the close of escrow of the purchase and sale contemplated by this Agreement through the Form of Termination of Lease.

C. The Vista Grande Canal and Tunnel do not have adequate hydraulic capacity to convey peak storm flows to the Pacific Ocean, resulting in storm-related flooding within the Vista Grande Watershed. The flooding has caused property damage in adjacent low-lying residential areas within the northern portion of Daly City, as well as uncontrolled overflows into Lake Merced from the Vista Grande Canal across John Muir Drive, causing damage to John Muir Drive and associated areas in San Francisco.

D. The SFPUC and Daly City are working collaboratively towards Daly City's implementation of the Vista Grande Basin Drainage Improvement Project to route storm water from the Vista Grande Canal to South Lake Merced as well as to the Pacific Ocean to alleviate the storm-

City Council Agenda Report

Subject: Authorize Real Estate Purchase Agreement with City and County of San Francisco for Land Required of the Vista Grande Drainage Basin Improvement Project

Meeting Date: November 24, 2025

Page 2 of 3

related flooding in Daly City and San Francisco, reduce uncontrolled overflows from the Vista Grande Canal into Lake Merced, and also facilitate the augmentation and management of Lake Merced water levels, which have steadily declined, using sustainable supplies of Daly City's stormwater, and further the restoration of the drainage basin's natural hydrology.

E. The Project will route storm water from the Vista Grande Canal through a culvert that will be constructed on Parcel No. 55; replace the upstream portion of the Vista Grande Canal with a collection box, a box culvert, a debris screening device, and a diversion structure to handle flows (dry and wet) year-round; construct a treatment wetland; and expand the Tunnel's capacity in order to better manage the transportation of stormwater to the Pacific Ocean.

F. To facilitate the Project, Daly City intends to acquire from San Francisco the following real estate interests, easements, and licenses:

1. Existing Tunnel Easements. Daly City proposes to purchase the SFPUC's interests in the existing Tunnel Easements to expand and use the Tunnel for drainage purposes. Daly City, in coordination with San Francisco has also negotiated forms of Amended and Restated Easement Agreements with the Park Service and The Olympic Club to acquire the SFPUC's interest in, restate, and amend the existing Tunnel Easements.
2. New Easements on Parcel No. 55. Daly City proposes to purchase from San Francisco the following non-exclusive permanent easements on Parcel No. 55:
 - a. An easement to access, install, repair, replace, and maintain a treatment wetland, diversion structure, drainage tunnel, and related appurtenances ("Wetland and Stormwater Facilities Easement"), within an approximately 157,448-square-foot easement area on a portion of Assessor's Parcel No. 7283-004;
 - b. An easement to access, install, and maintain new box culverts and a storm water outlet ("Box Culvert and Storm Water Outlet Easement"), within an approximately 12,404-square-foot easement area, on a portion of Assessor's Parcel No. 7283-004;
 - c. An easement to access, install, and maintain a wetland force main ("Wetland Force Main Easement"), within an approximately 2,057-square-foot easement area, on a portion of Assessor's Parcel No. 7283-004;
 - d. An easement to access and maintain three (3) existing armored spillway areas ("Armored Spillway Easement") totaling approximately 6,644 square feet, on a portion of Assessor's Parcel No. 7283-004; and
 - e. An easement to access, install, and maintain a floating and fan-shaped pipeline and facility over Lake Merced ("Floating and Fan-Shaped Easement"), within an approximately 1,457-square-foot easement area, on a portion of Assessor's Parcel No. 7283-004.
3. License to Operate Overflow Facilities. A fifty (50)-year license to use an approximately 9,286-square-foot area on Parcel No. 55 to construct, install,

City Council Agenda Report

Subject: Authorize Real Estate Purchase Agreement with City and County of San Francisco for Land Required of the Vista Grande Drainage Basin Improvement Project

Meeting Date: November 24, 2025

Page 3 of 3

access, operate, repair, replace, and maintain an SFPUC overflow pipeline into Lake Merced (“Overflow License”).

4. Habitat Restoration Sites License. A License Amendment dated _____ increasing the term of License No. P4703, dated August 18, 2025, to ten (10) years, allowing Daly City to use certain portions of Parcel No. 55 for the ongoing operation, inspection, maintenance, and repair of twelve (12) Habitat Mitigation Sites that are required for Daly City to satisfy conditions of the California Coastal Commission’s Coastal Development Permit No. 2-23-0862 for the Project (the “Mitigation License Amendment”).
5. Temporary Construction Staging License. A 48-month license to access and use certain portions of Parcel No. 55 for construction related activities, including: (i) daily contractor parking; (ii) the storage of equipment, materials, and supplies; (iii) the relocation of existing above-ground and subsurface utilities (i.e., AT&T communications cables, PG&E gas transmission pipelines, and a 33-inch treated effluent gravity pipeline); and (iv) temporary workspace adjacent to the Easements to facilitate the construction and installation work (the “Construction Staging License”).

Fiscal Impact

Sufficient funds are available in the Sanitation Fund 87 fund balance to cover the \$71,000 purchase price.

Summary/Conclusion

Authorize the City Manager to execute a Real Estate Purchase Agreement with the City and County of San Francisco (SFPUC) for the construction and operation of the Vista Grande Drainage Basin Improvement Project.

Staff is available to provide any additional information desired by the City Council members.

Respectfully submitted,



Joshua Cosgrove
Director of Water and Wastewater Resources



Rose Zimmerman
City Attorney

Attachment: Draft Agreement for Sale of Real Estate

AGREEMENT FOR SALE OF REAL ESTATE

by and between

the CITY AND COUNTY OF SAN FRANCISCO,
acting by and through its PUBLIC UTILITIES COMMISSION,
a California municipal corporation,
as Seller

and

the CITY OF DALY CITY,
a California municipal corporation,
as Buyer

for the sale and purchase of

approximately _____ square feet of perpetual easement interests
in, under, upon and/or across portions of
Assessor's Parcel Nos. 7283-004, 7284-001, 7284-003, 7282-005, 7282-006

located in San Francisco,
California

_____, 2026

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LIST OF EXHIBITS

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EXHIBIT B	EXISTING TUNNEL EASEMENTS DESCRIPTION AND DEPICTION
EXHIBIT C	QUITCLAIM DEED FOR EXISTING TUNNEL EASEMENTS
EXHIBIT D-1	DESCRIPTION AND DEPICTION OF WETLAND AND STORMWATER FACILITIES EASEMENT
EXHIBIT D-2	DESCRIPTION AND DEPICTION OF BOX CULVERT AND STORMWATER OUTLET EASEMENT
EXHIBIT D-3	DESCRIPTION AND DEPICTION OF WETLAND FORCE MAIN EASEMENT
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EXHIBIT D-5	DESCRIPTION AND DEPICTION OF FLOATING AND FAN-SHAPED EASEMENT
EXHIBIT E	FORM OF EASEMENT DEED FOR D-1 through D-5 EASEMENTS
EXHIBIT F	TERMINATION OF LEASE FORM

AGREEMENT FOR SALE OF REAL ESTATE

(Vista Grande Tunnel Easements,
Portions of Assessor's Parcel Nos. 7283-004, 7284-001, 7284-003, 7282-005, 7282-006
San Francisco, California)

THIS AGREEMENT FOR SALE OF REAL ESTATE (this "**Agreement**") dated for reference purposes only as of _____, 2026, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a California municipal corporation ("**City**" or "**San Francisco**"), acting by and through its PUBLIC UTILITIES COMMISSION ("**SFPUC**"), and the CITY OF DALY CITY, a California municipal corporation ("**Daly City**" or "**Buyer**"). San Francisco and Daly City sometimes are referred to collectively in this Agreement as the "**Parties**" or singularly as "**Party**."

THIS AGREEMENT IS MADE WITH REFERENCE TO THE FOLLOWING FACTS AND CIRCUMSTANCES:

A. In 1907, Spring Valley Water Works, the predecessor in interest to the Spring Valley Water Company, built settling ponds, flumes, the subsurface Lake Merced Drainage Canal (also known as the Vista Grande Canal and referred to in this Agreement as the "**Canal**") and the Lake Merced Drainage Tunnel (also known as the Vista Grande Tunnel and referred to in this Agreement as the "**Tunnel**") near Lake Merced in San Francisco.

B. In 1917, Spring Valley Water Works sold the western portion of the Lake Merced area to the federal government (the "**Fort Funston Property**"), reserving for itself and its successors the Tunnel and "the right to maintain, repair, reconstruct, renew and operate" the existing Tunnel ("**1917 Reservation**"). Per the 1917 Reservation, the Spring Valley Water Company retained ownership rights to an approximately 928-foot-long segment of the Tunnel across the Fort Funston Property.

C. In 1930, the Spring Valley Water Company sold all of its "Water System Properties," including all of its easements and the 1917 Reservation, to San Francisco. Through this transaction, San Francisco, through the SFPUC, owns real property located in the City and County of San Francisco, described as SFPUC Parcel No. 55 and designated as a portion of Assessor's Parcel No. 7283-004, running north along the east and west sides of John Muir Drive ("**Parcel No. 55**"). Parcel No. 55 is located adjacent to portions of the existing Canal. Parcel No. 55 is more particularly described in the attached **Exhibit A-1** and shown generally on the map attached as **Exhibit A-2**.

D. San Francisco, through the SFPUC, owns the above-mentioned easements for the Tunnel on, across and through Assessor's Parcel Nos. 7284-001, 7284-003, 7282-005 and 7282-006, running west from the Tunnel portal located on Parcel No. 55 to the Tunnel's terminus at the Pacific Ocean. The Tunnel's path runs beneath property where a portion of the fee is owned by: (i) San Francisco, (ii) The Olympic Club, a California nonprofit corporation, and (iii) the United States Department of the Interior, acting by and through its National Park Service ("**Park Service**"). The Tunnel easements are collectively referred to in this Agreement as the "**Tunnel Easements**" and are described and depicted in the attached **Exhibit B**.

E. On July 23, 1993, San Francisco quitclaimed approximately 17.35 acres of SFPUC Parcel No. 55 to The Olympic Club ("**Olympic Club Property**"). San Francisco reserved permanent easements to access, construct, reconstruct, maintain, operate, replace, and repair the portions of the Tunnel and the Canal situated on The Olympic Club Property, as well as the right to access the Canal ("**Olympic Club Easements**").

F. San Francisco quitclaimed the Olympic Club Easements to Daly City through an Assignment and Assumption of Easements Agreement dated July 13, 1993 (“**Daly City Easements**”). The Daly City Easements govern the use of the Canal upon Olympic Club Property.

G. The Canal and Tunnel carry stormwater for both San Francisco and Daly City via Daly City’s Vista Grande storm drain system (“**Vista Grande Stormwater System**”), which is a regional stormwater system that drains the northwestern portion of Daly City and an unincorporated portion of San Mateo County. The Tunnel and Canal are operated exclusively by Daly City.

H. On July 2, 2007, the Parties entered into a ground lease (“**Daly City Lease**”), which superseded certain SFPUC revocable permits held by Daly City for the use of the Tunnel. The Daly City Lease allows Daly City to operate, maintain, and repair the Tunnel. The Lease expired in 2017 and is currently in holdover status. The Parties will terminate the Lease at the close of escrow of the purchase and sale contemplated by this Agreement through the Form of Termination of Lease in the attached **Exhibit F**.

I. The Vista Grande Canal and Tunnel do not have adequate hydraulic capacity to convey peak storm flows to the Pacific Ocean, resulting in storm-related flooding within the Vista Grande Watershed. The flooding has caused property damage in adjacent low-lying residential areas within the northern portion of Daly City, as well as uncontrolled overflows into Lake Merced from the Vista Grande Canal across John Muir Drive, causing damage to John Muir Drive and associated areas in San Francisco.

J. The SFPUC and Daly City are working collaboratively towards Daly City’s implementation of the Vista Grande Basin Drainage Improvement Project (“**Project**”) to route storm water from the Vista Grande Canal to South Lake Merced as well as to the Pacific Ocean to alleviate the storm-related flooding in Daly City and San Francisco, reduce uncontrolled overflows from the Vista Grande Canal into Lake Merced, and also facilitate the augmentation and management of Lake Merced water levels, which have steadily declined, using sustainable supplies of Daly City’s stormwater, and further the restoration of the drainage basin’s natural hydrology.

K. The Project will route storm water from the Vista Grande Canal through a culvert that will be constructed on Parcel No. 55; replace the upstream portion of the Vista Grande Canal with a collection box, a box culvert, a debris screening device, and a diversion structure to handle flows (dry and wet) year-round; construct a treatment wetland; and expand the Tunnel’s capacity in order to better manage the transportation of stormwater to the Pacific Ocean (collectively, “**Project Improvements**”).

L. To facilitate the Project, Daly City intends to acquire from San Francisco the following real estate interests, easements, and licenses:

1. Existing Tunnel Easements. Daly City proposes to purchase the SFPUC’s interests in the existing Tunnel Easements to expand and use the Tunnel for drainage purposes. Daly City, in coordination with San Francisco has also negotiated forms of Amended and Restated Easement Agreements with the Park Service and The Olympic Club to acquire the SFPUC’s interest in, restate, and amend the existing Tunnel Easements.
2. New Easements on Parcel No. 55. Daly City proposes to purchase from San Francisco the following non-exclusive permanent easements on Parcel No. 55 (to be collectively referred to in this Agreement, with the Tunnel Easements, as the “**Easements**” or the “**Property**”):

- a. An easement to access, install, repair, replace, and maintain a treatment wetland, diversion structure, drainage tunnel, and related appurtenances (“**Wetland and Stormwater Facilities Easement**”), within an approximately 157,448-square-foot easement area as more particularly described and depicted in the attached **Exhibit D-1**, on a portion of Assessor’s Parcel No. 7283-004;
 - b. An easement to access, install, and maintain new box culverts and a storm water outlet (“**Box Culvert and Storm Water Outlet Easement**”), within an approximately 12,404-square-foot easement area as more particularly described and depicted in the attached **Exhibit D-2**, on a portion of Assessor’s Parcel No. 7283-004;
 - c. An easement to access, install, and maintain a wetland force main (“**Wetland Force Main Easement**”), within an approximately 2,057-square-foot easement area as more particularly described and depicted in the attached **Exhibit D-3**, on a portion of Assessor’s Parcel No. 7283-004;
 - d. An easement to access and maintain three (3) existing armored spillway areas (“**Armored Spillway Easement**”) totaling approximately 6,644 square feet, which easement areas are more particularly described and depicted in the attached **Exhibit D-4**, on a portion of Assessor’s Parcel No. 7283-004; and
 - e. An easement to access, install, and maintain a floating and fan-shaped pipeline and facility over Lake Merced (“**Floating and Fan-Shaped Easement**”), within an approximately 1,457-square-foot easement area as more particularly described and depicted in the attached **Exhibit D-5**, on a portion of Assessor’s Parcel No. 7283-004.
3. License to Operate Overflow Facilities. A fifty (50)-year license to use an approximately 9,286-square-foot area on Parcel No. 55 to construct, install, access, operate, repair, replace, and maintain an SFPUC overflow pipeline into Lake Merced (“**Overflow License**”).
 4. Habitat Restoration Sites License. A License Amendment dated _____ increasing the term of License No. P4703, dated August 18, 2025, to ten (10) years, allowing Daly City to use certain portions of Parcel No. 55 for the ongoing operation, inspection, maintenance, and repair of twelve (12) Habitat Mitigation Sites that are required for Daly City to satisfy conditions of the California Coastal Commission’s Coastal Development Permit No. 2-23-0862 for the Project (the “**Mitigation License Amendment**”).
 5. Temporary Construction Staging License. A 48-month license to access and use certain portions of Parcel No. 55 for construction related activities, including: (i) daily contractor parking; (ii) the storage of equipment, materials, and supplies; (iii) the relocation of existing above-ground and subsurface utilities (i.e., AT&T communications cables, PG&E gas transmission pipelines, and a 33-inch treated effluent gravity pipeline); and (iv) temporary workspace adjacent to the Easements to facilitate the construction and installation work (the “**Construction Staging License**”).

The purchase and sale contemplated by this Agreement will only include San Francisco’s sale of the Easements to Daly City. San Francisco will issue, and Daly City will pay for the Licenses described in subsections 3 through 5 above in one or more separate transactions.

M. Daly City, as Lead Agency under the California Environmental Quality Act (“CEQA”), and the United States Department of the Interior, acting by and through its National Park Service (the “Park Service”), as Lead Agency under the National Environmental Policy Act (NEPA), have prepared a joint Final Environmental Impact Report and Environmental Impact Statement (“FEIR/FEIS”), pursuant to the provisions of CEQA, which was released for agency review on September 8, 2017 (State Clearinghouse Number 2013032001). Daly City certified the FEIR/FEIS and approved the Vista Grande South Lake Merced Alternative described in the FEIR/FEIS via City Council Res. No. 17-200, dated December 11, 2017, adopting the mitigation measures included in the FEIR/FEIS and set forth in the Environmental Commitments Record, and assumed responsibility for their implementation. On June 9, 2025, the City of Daly City adopted an Addendum to the previously certified Final EIR/EIS for the Project to address minor revisions and additions to the Project that occurred after Project approval.

N. San Francisco is a responsible agency under CEQA for review and approval of aspects of the Project. San Francisco has reviewed and considered the FEIR/FEIS and the Project approval documents and has approved this Agreement and adopted findings required under CEQA.

O. Daly City desires to purchase the Easements, and City is willing to sell the Easements, subject to approval by City’s Board of Supervisors and Mayor, on the terms and conditions set forth below.

ACCORDINGLY, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. SALE AND PURCHASE

1.1 Property Included in Sale

Subject to the terms, covenants and conditions set forth in this Agreement, San Francisco agrees to sell to Buyer, and Buyer agrees to purchase from San Francisco, the Easements.

2. PURCHASE PRICE

(a) The purchase price for the existing Tunnel Easements is FIVE THOUSAND SIX HUNDRED EIGHTY-EIGHT DOLLARS (\$5,688).

(b) The purchase price for the Wetland and Stormwater Facilities Easement is SIXTY THOUSAND TWO HUNDRED TWENTY-FOUR DOLLARS (\$60,224).

(c) The purchase price for the Box Culvert and Storm Water Outlet Easement is EIGHT HUNDRED THIRTY-TWO DOLLARS (\$832).

(d) The purchase price for the Wetland Force Main Easement is TWO HUNDRED SIXTY-TWO DOLLARS (\$262).

(e) The purchase price for the Armored Spillway Easement is TWO THOUSAND FIVE HUNDRED FORTY-TWO DOLLARS (\$2,542).

(f) The purchase price for the Floating and Fan-Shaped Easement is ONE THOUSAND ONE HUNDRED SEVENTY-SEVEN DOLLARS (\$1,177).

Accordingly, the total combined purchase price for the Easements is SEVENTY THOUSAND SEVEN HUNDRED SIXTEEN DOLLARS (\$70,716), rounded to SEVENTY-ONE THOUSAND DOLLARS (\$71,000) (the “**Purchase Price**”).

Buyer will pay the Purchase Price, by depositing the Purchase Price into escrow with Fidelity National Title Group, National Commercial Services, 44 Montgomery, Suite 1650, San Francisco, CA 94104, Attention: Mary Pat Noeker (the “**Title Company**”), at the consummation of the purchase and sale contemplated by this Agreement (the “**Closing**”).

All sums payable under this Agreement will be paid in immediately available funds of lawful money of the United States of America.

3. TITLE

3.1 Conditions of Title

At the Closing San Francisco will quitclaim interest in and to the Tunnel Easements to Buyer by quitclaim deed in the form attached as **Exhibit C** (the “**Quitclaim Deed**”). San Francisco will sell and convey the Wetland and Stormwater Facilities Easement, Box Culvert and Storm Water Outlet Easement, Wetland Force Main Easement, Armored Spillway Easement, and the Floating and Fan-Shaped Easement to Buyer by a duly executed and acknowledged easement deed in the form attached as **Exhibit E** (the “**Easement Deed**”).

The Easements will be conveyed subject to **(a)** [intentionally omitted], **(b)** all existing exceptions and encumbrances, whether or not disclosed by a current preliminary title report or the public records or any other documents reviewed by Buyer pursuant to Section 5.1 [Buyer’s Conditions Precedent] below, and any other exceptions to title that would be disclosed by an accurate and thorough investigation, survey, or inspection of the Property, **(c)** all items of which Buyer has actual or constructive notice or knowledge, **(d)** the deed restrictions described in Section 3.3 [Deed Restrictions] below, and **(g)** the rights that will be reserved as further provided in Section 3.4 [Reservation of Rights] below. All of the foregoing exceptions will be referred to collectively as the “**Conditions of Title**.”

3.2 Third Party Rights in Easement Areas.

City agrees that, from the Effective Date until the Closing, City will not enter into any agreements or otherwise grant any rights in the Easement Areas to third parties that would be likely to materially interfere with the Easements.

3.3 Deed Restrictions

Buyer acknowledges and agrees that Buyer will not interfere with or impede San Francisco’s use of its real property surrounding the easement areas as defined in the Easement Deed and Agreement in the attached **Exhibit E** (“**Easement Areas**”) or unreasonably interfere with San Francisco’s use of the Easement Areas in accordance with Section 4 [Subject to San Francisco’s Uses] in the Easement Deed and Agreement. Buyer will not do anything in, on, under, or around the Easement Areas that damages, endangers, or unreasonably interferes with any existing San Francisco or SFPUC facilities within or adjacent to the Property.

3.4 Reservation of Rights

With the exception of the Tunnel Easements to be quitclaimed under this Agreement, San Francisco reserves the right to make use of the Easement Areas that are located on the Property for the purpose of ingress and egress within, over, and across the Easement Areas to allow San Francisco and its Agents (defined in Section 10.8 [Parties and Their Agents] below) sufficient access to the Property and to any of its utility facilities located on or about the Easement Areas.

3.5 Buyer's Responsibility for Title Insurance

Buyer understands and agrees that the rights and interests provided in the Easements will not exceed those vested in San Francisco, and San Francisco is under no obligation to furnish any policy of title insurance in connection with this transaction. Buyer recognizes that any fences or other physical monument of the Property's boundary lines may not correspond to the legal description of the Property. San Francisco will not be responsible for any discrepancies in the parcel area or location of the property lines or any other matters that an accurate survey or inspection might reveal. It is Buyer's sole responsibility to obtain a survey from an independent surveyor and a policy of title insurance from a title company, if desired.

4. "AS-IS" PURCHASE; RELEASE OF SAN FRANCISCO

4.1 Buyer's Independent Investigation

Buyer represents and warrants to San Francisco that Buyer has performed a diligent and thorough inspection and investigation of each and every aspect of the Property, either independently or through agents of Buyer's choosing, including the following matters (collectively, the "**Property Conditions**"):

(a) All matters relating to title including the existence, quality, nature, and adequacy of San Francisco's interest in the Property and the existence of physically open and legally sufficient access to the Property.

(b) The zoning and other legal status of the Property, including the compliance of the Property or its operation with any applicable codes, laws, regulations, statutes, ordinances, and private or public covenants, conditions, and restrictions, and all governmental and other legal requirements such as taxes, assessments, use permit requirements, and building and fire codes.

(c) The quality, nature, adequacy, and physical condition of the Property, including, but not limited to, any structural elements, foundation, roof, interior, landscaping, parking facilities, and the electrical, mechanical, HVAC, plumbing, sewage and utility systems, facilities and appliances, and all other physical and functional aspects of the Property.

(d) The quality, nature, adequacy, and physical, geological and environmental condition of the Property (including soils and any groundwater), and the presence or absence of any Hazardous Materials in, on, under, or about the Property or any other real property in the vicinity of the Property. As used in this Agreement, "Hazardous Material" means any material that, because of its quantity, concentration, or physical or chemical characteristics, is now or hereafter deemed by any federal, state, or local governmental authority to pose a present or potential hazard to human health or safety or to the environment.

(d) The Leases and other agreements as defined in Section 5.1, and all matters in connection therewith, including the ability of the tenants to pay the rent under the Leases.

(e) The suitability of the Property for Buyer's intended uses. Buyer represents and warrants that its intended use of the Property is to facilitate the Project, which will upgrade the Vista Grande Stormwater System.

(f) The economics and development potential, if any, of the Property.

(g) All other matters of material significance affecting the Property.

4.2 Property Disclosures

(a) California law requires sellers to disclose to buyers the presence or potential presence of certain Hazardous Materials. Accordingly, Buyer is hereby advised that occupation of the Property may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane, and building materials containing chemicals, such as formaldehyde. By execution of this Agreement, Buyer acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Section 25359.7 and related statutes.

(b) On November 2, 2015, the Federal Emergency Management Agency (“FEMA”) issued a preliminary Flood Insurance Rate Map (“FIRM”) that identifies Special Flood Hazard Areas along San Francisco’s shoreline, with designations of “Zone A” (areas subject to coastal flooding) and “Zone V” (areas subject to coastal flooding and hazards that accompany wave action). The affected San Francisco property includes its waterfront piers, parts of Mission Bay, Hunters Point Shipyard, Candlestick Point, Treasure and Yerba Buena Islands, and an area adjacent to Islais Creek. FEMA expects to finalize the FIRM in late 2016, which may have significant impacts for developing new structures and reconstructing or repairing existing structures in the identified areas.

(c) According to the United States Geological Survey, roughly one-quarter of the San Francisco Bay region may be exposed to liquefaction. More information about the potential areas of liquefaction may be found at <https://www.usgs.gov/programs/earthquake-hazards/science/san-francisco-bay-area-liquefaction-hazard-maps>.

4.3 Entry and Indemnity

In connection with any entry by Buyer or its Agents (defined in Section 10.8 [Parties and Their Agents] below) onto the Property prior to the Closing, Buyer will give San Francisco reasonable advance written notice of such entry and will conduct such entry and any inspections in connection therewith so as to minimize, to the extent possible, interference with uses being made of the Property and otherwise in a manner and on terms and conditions acceptable to San Francisco. All entries by Buyer or its Agents onto the Property to perform any testing or other investigations that could affect the physical condition of the Property (including soil borings) or the uses thereof will be made only pursuant to the terms and conditions of a permit to enter in form and substance satisfactory to San Francisco. Without limiting the foregoing, prior to any entry to perform any on-site testing, Buyer will give San Francisco written notice thereof, including the identity of the company or persons who will perform such testing, the precise time and location of the testing, and the proposed scope of the testing. San Francisco will have the right to approve, disapprove, or condition and limit the proposed testing, in San Francisco’s sole discretion, within ten (10) business days after receipt of such notice. If Buyer or its agents, employees or contractors take any sample from the Property in connection with any approved testing, Buyer will provide to San Francisco a portion of such sample being tested to allow San Francisco, if it so chooses, to perform its own testing. San Francisco or its representative may be present to observe any testing or other inspection performed on the Property. Buyer will promptly deliver to San Francisco copies of any reports relating to any testing or other inspection of the Property performed by Buyer or its agents, employees or contractors, but will not deliver copies of any such reports to any other person or entity without Buyer’s prior written approval. Buyer will keep all test results and information strictly confidential, and will indemnify, reimburse, defend and hold San Francisco harmless from and against any loss, cost, expense, or damage resulting from Buyer’s failure to keep any information obtained from an inspection or testing of the Property strictly confidential; provided, however, Buyer will not be liable if and to the extent Buyer is required to disclose such information pursuant to a court order or any other law, statute, ordinance, rule, regulation, policy, order, edict, and the like (collectively, “Laws”) of any governmental or other regulatory entity

with jurisdiction over Buyer or the Property. Buyer will comply with all Laws in connection with any entry onto or testing of the Property.

Buyer will maintain, and will require that its Agents maintain, public liability and property damage insurance in amounts and in form and substance adequate to insure against all liability of Buyer and its Agents, arising out of any entry or inspection of the Property in connection with the transaction contemplated by this Agreement, and Buyer will provide San Francisco with evidence of such insurance coverage upon request from San Francisco.

To the fullest extent permitted under law, Buyer will indemnify, defend and hold harmless San Francisco, its Agents, and each of them, from and against any liabilities, costs, damages, losses, liens, claims and expenses (including reasonable fees of attorneys, experts and consultants and related costs) arising out of or relating to any entry on, under or about the Property by Buyer, its Agents, contractors and subcontractors in performing the inspections, testing, or inquiries provided for in this Agreement, whether prior to the date of this Agreement or during the term hereof, including any injuries or deaths to any persons (including Buyer's Agents) and damage to any property, from any cause whatsoever; provided, however, that the foregoing indemnity obligation shall not apply to the extent that any liabilities, costs, damages, losses, liens, claims and expenses arise from (i) the mere discovery of a condition that existed prior to Buyer's inspection of the Property, (ii) or the gross negligence or willful misconduct of Seller or its Agents. The foregoing indemnity will survive beyond the Closing, or, if the sale is not consummated, beyond the termination of this Agreement.

4.4 "As-Is" Purchase

BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SAN FRANCISCO IS SELLING AND BUYER IS PURCHASING CERTAIN EASEMENT INTERESTS ON AN "AS-IS WITH ALL FAULTS" BASIS. BUYER IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SAN FRANCISCO OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PROPERTY, ITS SUITABILITY FOR BUYER'S INTENDED USES OR ANY OF THE PROPERTY CONDITIONS. SAN FRANCISCO DOES NOT GUARANTEE THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL OR OTHER CONDITIONS OF THE PROPERTY, NOR DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF THE PROPERTY OR ITS USE WITH ANY STATUTE, ORDINANCE OR REGULATION. IT IS BUYER'S SOLE RESPONSIBILITY TO DETERMINE ALL BUILDING, PLANNING, ZONING, AND OTHER REGULATIONS RELATING TO THE PROPERTY AND THE USES TO WHICH IT MAY BE PUT.

4.5 Release of San Francisco

As part of its agreement to purchase the Property in its "As-Is With All Faults" condition, Buyer, on behalf of itself and its successors and assigns, waives any right to recover from, and forever releases and discharges, San Francisco, its officers, employees, agents, contractors, and representatives, and their respective heirs, successors, legal representatives, and assigns, from all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs, or expenses whatsoever (including attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with (a) Buyer's and its Agents and customer's past, present and future use of the Property, (b) the physical, geological, or environmental condition of the Property, including any Hazardous Material in, on, under, above or about the Property, and (c) any federal, state, local, or administrative law, rule, regulation, order or requirement applicable thereto, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended by Superfund Amendments and

Reauthorization Act of 1986 (“SARA”) (42 U.S.C. Sections 9601-9657), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (collectively, “RCRA”) (42 U.S.C. Sections 6901-6987), the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977 (collectively the “Clean Water Act”) (33 U.S.C. Section 1251 et seq.), the Toxic Substances Control Act (“TSCA”) (15 U.S.C. Sections 2601-2629), Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), the Carpenter-Presley-Tanner Hazardous Substance Account Law (commonly known as the “California Superfund” law) (California Health and Safety Code Sections 25300-25395), Hazardous Waste Control Act (California Health and Safety Code Section 25100 et seq.), Hazardous Materials Release Response Plans and Inventory Law (commonly known as the “Business Plan Law”) (California Health and Safety Code Section 25500 et seq.), Porter-Cologne Water Quality Control Act (California Water Code Section 13000 et seq.), and the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as “Proposition 65”) (California Health and Safety Code Section 25249.5 et seq.).

In connection with the foregoing release, Buyer expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

BY PLACING ITS INITIALS BELOW, BUYER SPECIFICALLY ACKNOWLEDGES AND CONFIRMS THE VALIDITY OF THE RELEASES MADE ABOVE AND THE FACT THAT BUYER WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THE ABOVE RELEASES.

INITIALS: BUYER: _____

5. CONDITIONS PRECEDENT

5.1 Buyer’s Conditions Precedent

Buyer’s obligation to purchase the Easements is conditioned upon the following (“Buyer’s Conditions”):

(a) Buyer’s review and approval of an updated preliminary title report, together with copies of the underlying documents.

(b) Buyer’s review and approval of all tenant leases and any other occupancy agreements (hereinafter collectively referred to as the “Leases”), if any, affecting the Property.

(c) Buyer’s review and approval of the physical condition of the Property.

(d) Buyer’s review and approval of all zoning, land use, building, environmental and other statutes, rules, or regulations applicable to the Property.

(e) Buyer’s review and approval of soils reports and other documents of significance to the Property in San Francisco’s possession. San Francisco will make available to Buyer at San Francisco’s Real Estate Division’s offices, without representation or warranty of any kind whatsoever, all non-privileged items in its files relating to the Property for Buyer’s review and inspection, at Buyer’s sole cost, during normal business hours. Notwithstanding the foregoing,

Buyer's review will not include a review of any of San Francisco's internal memoranda or reports, any privileged or confidential information, or San Francisco's appraisals of the Property, if any.

5.2 Contingency Period

Buyer will have until 5:00 p.m. San Francisco Time on the date that is ten (10) business days after the Effective Date to review and approve, waive or disapprove Buyer's Conditions (such period being referred to in this Agreement as the "**Contingency Period**"). If Buyer elects to proceed with the purchase of the Property, then Buyer shall, before the expiration of the Contingency Period, notify San Francisco in writing that Buyer has approved all such matters. If, before the end of the Contingency Period, Buyer fails to give San Francisco such written notice and fails to object to any of Buyer's Conditions, then Buyer will be deemed to have waived Buyer's Conditions and elected to proceed with the Closing. Notwithstanding the foregoing, if Buyer objects to any of the matters contained within Section 5.1 within the Contingency Period, then San Francisco may, but will have no obligation to remove or remedy any objectionable matter. If San Francisco agrees to remove or remedy the objectionable matter, it will notify Buyer within ten (10) days following Buyer's notice of objection, and the Closing Date will be delayed for so long as San Francisco diligently pursues such removal or remedy. If and when San Francisco elects not to remove or remedy the objectionable matter, which San Francisco may do at any time including following an initial election to pursue remedial or corrective actions, this Agreement will automatically terminate and neither party will have any further rights or obligations under this Agreement except as provided in Section 4.3 [Entry and Indemnity], Section 8.2 [Brokers], or Section 10.4 [Authority of Buyer] or as otherwise expressly provided in this Agreement.

5.3 San Francisco's Condition Precedent

The following are conditions precedent to San Francisco's obligation to sell the Property to Buyer ("**San Francisco's Conditions Precedent**"):

(a) Buyer will have performed all of its obligations pursuant to or in connection with this Agreement and all of Buyer's representations and warranties will be true and correct.

(b) A resolution approving and authorizing the transactions contemplated by this Agreement and finding that the public interest or necessity demands, or will not be inconvenienced by the sale of the Property, will have been adopted by San Francisco's Board of Supervisors and Mayor, in their respective sole and absolute discretion.

(c) Title Company will have agreed to be the real estate reporting person for the Closing in compliance with the Reporting Requirements (defined in Section 6.5 [Title Company as Real Estate Reporting Person] below).

5.4 Failure of San Francisco's Conditions Precedent

Each of San Francisco's Conditions Precedent are intended solely for the benefit of San Francisco. If any of San Francisco's Conditions Precedent are not satisfied as provided above, San Francisco may, at its option, terminate this Agreement. Upon any such termination, neither party will have any further rights or obligations under this Agreement except as provided in Section 4.3 [Entry and Indemnity], Section 8.2 [Brokers], or Section 10.4 [Authority of Buyer] or as otherwise expressly provided in this Agreement.

6. ESCROW AND CLOSING

6.1 Escrow

On the date the Parties execute this Agreement, or as soon thereafter as reasonably possible, Buyer and San Francisco will deposit an executed counterpart of this Agreement with the Title Company, and this instrument will serve as the instructions to the Title Company as the escrow holder for consummation of the purchase and sale contemplated by this Agreement. San Francisco and Buyer agree to execute such supplementary escrow instructions as may be appropriate to enable the Title Company to comply with the terms of this Agreement; provided, however, in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement will control.

6.2 Closing Date

The Closing will be held, and delivery of all items to be made at the Closing under the terms of this Agreement will be made, at the offices of the Title Company on _____, 20____, and before 1:00 p.m. San Francisco Time **(a)** the date that is _____ (_____) days after the expiration of the Contingency Period and enactment of the Board of Supervisors' resolution referred to in Section 5.3(b) above, or if such date is not a business day, then upon the next ensuing business day, before 1:00 p.m. San Francisco time or **(b)** such other date and time as the Parties may mutually agree upon in writing (the "**Closing Date**"). Such date and time may not be extended without the prior written approval of the Parties.

6.3 Deposit of Documents

(a) At or before the Closing, San Francisco will deposit into escrow the following items:

(i) the duly executed and acknowledged Quitclaim Deed and the duly executed and acknowledged Easement Deed conveying the Property to Buyer subject to the Conditions of Title;

(ii) a duly executed counterpart of the Overflow License;

(iii) a duly executed counterpart of the Constructing Staging License;

(iv) a duly executed counterpart of the Mitigation License Amendment;
and

(v) a duly executed counterpart of the Notice of Termination of the Daly City Lease.

(b) At or before the Closing, Buyer will deposit into escrow the following items:

(i) the funds necessary to close this transaction;

(ii) an original Certificate of Acceptance of Property ("**Certificate of Acceptance**") executed by Buyer and to be attached to the Quitclaim Deed and Easement Deed prior to recordation.

(iii) a duly executed counterpart of the Overflow License;

(iv) a duly executed counterpart of the Mitigation License Amendment

and (v) a duly executed counterpart of the Constructing Staging License;

(vi) a duly executed counterpart of the Notice of Termination of the Daly City Lease.

(c) San Francisco and Buyer will each deposit such other instruments as are reasonably required by the Title Company or otherwise required to close the escrow, issue title insurance (if applicable) and consummate the purchase of the Property in accordance with the terms hereof.

6.4 Prorations

Any assessments; water, sewer and utility charges; amounts payable under any service contracts; annual permits and/or inspection fees (calculated on the basis of the period covered); and any other expenses normal to the operation and maintenance of the Property, to the extent applicable to the Easements, if any, will all be prorated as of 12:01 a.m. on the date the Deed is recorded, on the basis of a three hundred sixty-five (365)-day year. The Parties by this Agreement agree that if any of the above described prorations cannot be calculated accurately on the Closing Date, then the same will be calculated as soon as reasonably practicable after the Closing Date and either party owing the other party a sum of money based on such subsequent proration(s) will promptly pay said sum to the other party.

6.5 Title Company as Real Estate Reporting Person

Section 6045(e) of the United States Internal Revenue Code of 1986 and the regulations promulgated thereunder (collectively, the “**Reporting Requirements**”) require that certain information be made to the United States Internal Revenue Service, and a statement to be furnished to San Francisco, in connection with the Closing. Buyer and San Francisco agree that if the Closing occurs, Title Company will be the party responsible for closing the transaction contemplated in this Agreement and is by this Agreement designated as the real estate reporting person (as defined in the Reporting Requirements) for such transaction. Title Company will perform all duties required of the real estate reporting person for the Closing under the Reporting Requirements, and Buyer and San Francisco will each timely furnish Title Company with any information reasonably requested by Title Company and necessary for the performance of its duties under the Reporting Requirements with respect to the Closing.

7. INTENTIONALLY OMITTED

8. EXPENSES

8.1 Expenses

Buyer will pay any transfer taxes applicable to the sale, escrow fees and recording charges, and any other costs and charges of the escrow for the sale.

8.2 Brokers

The Parties represent and warrant to each other that no broker or finder was instrumental in arranging or bringing about this transaction and that there are no claims or rights for brokerage commissions or finder’s fees in connection with the transactions contemplated by this Agreement. If any person brings a claim for a commission or finder’s fee based on any contact, dealings, or communication with Buyer or San Francisco, then the party through whom such person makes a claim will defend the other party from such claim, and will indemnify the indemnified party from, and hold the indemnified party harmless against, all costs, damages, claims, liabilities, or expenses

(including reasonable attorneys' fees and disbursements) that the indemnified party incurs in defending against the claim. The provisions of this Section will survive the Closing, or, if the purchase and sale is not consummated for any reason, any termination of this Agreement.

9. INTENTIONALLY OMITTED

10. GENERAL PROVISIONS

10.1 Notices

Any notice, consent, or approval required or permitted to be given under this Agreement will be in writing and will be given by **(a)** hand delivery, against receipt, **(b)** reliable next-business-day courier service that provides confirmation of delivery, or **(c)** United States registered or certified mail, postage prepaid, return receipt required, and addressed as follows (or to such other address as either party may from time to time specify in writing to the other upon five (5) days' prior, written notice in the manner provided above):

SAN FRANCISCO:

San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102
Attn: Real Estate Director
Re: Vista Grande Sale of Easements,
Daly San Francisco

BUYER:

City of Daly City
333 90th Street
Daly City, CA 94015
Attn: City Manager
Re: Vista Grande Tunnel Easements
San Francisco

with a copy to:

Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Real Estate Transactions Team
Re: Vista Grande Sale of Easements,
Daly City

with a copy to:

Marc Centor
Downey Brand LLP
455 Market Street, Suite 1500
San Francisco, CA 94105
Re: Vista Grande Tunnel Easements
San Francisco

A properly addressed notice transmitted by one of the foregoing methods will be deemed received upon the confirmed date of delivery, attempted delivery, or rejected delivery, whichever occurs first. Any e-mail addresses, telephone numbers, or facsimile numbers provided by one party to the other will be for convenience of communication only; neither party may give official or binding notice orally or by e-mail or facsimile. The effective time of a notice will not be affected by the receipt, prior to receipt of the original, of an oral notice or an e-mail or facsimile copy of the notice.

10.2 Successors and Assigns

This Agreement will be binding upon, and inure to the benefit of, the parties to this Agreement and their respective successors, heirs, legal representatives, administrators and assigns. Buyer's rights and obligations under this Agreement will not be assignable without the prior written consent of San Francisco; provided, however, even if San Francisco approves any such proposed assignment, in no event will Buyer be released of any of its obligations under this Agreement.

10.3 Amendments

This Agreement may be amended or modified only by a written instrument signed by the Parties.

10.4 Authority of Buyer

Buyer represents and warrants to San Francisco that Buyer is a municipal corporation duly organized, validly existing, and in good standing under the laws of the State of California. Buyer further represents and warrants to San Francisco that this Agreement and all documents executed by Buyer, which are to be delivered to San Francisco at Closing: **(a)** are or at the time of Closing will be duly authorized, executed, and delivered by Buyer; **(b)** are or at the time of Closing will be legal, valid, and binding obligations of Buyer; and **(c)** do not and at the time of Closing will not violate any provision of any agreement or judicial order to which Buyer is a party or to which Buyer is subject. Notwithstanding anything to the contrary in this Agreement, the foregoing representations and warranties and all other representations and warranties of Buyer contained in this Agreement or in other agreements or documents executed by Buyer in connection herewith, will survive the Closing Date.

10.5 Buyer's Representations and Warranties

Buyer makes the following representations as of the date of this Agreement and at all times throughout this Agreement:

(a) Buyer has duly authorized by all necessary action the execution, delivery, and performance of this Agreement. Buyer has duly executed and delivered this Agreement and this Agreement constitutes a legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with the terms hereof.

(b) Buyer represents and warrants to San Francisco that it has not been suspended, disciplined, or disbarred by, or prohibited from contracting with, any federal, state, or local governmental agency. In the event Buyer has been so suspended, disbarred, disciplined, or prohibited from contracting with any governmental agency, it will immediately notify San Francisco of same and the reasons therefore together with any relevant facts or information requested by San Francisco. Any such suspension, debarment, discipline, or prohibition may result in the termination or suspension of this Agreement.

(c) No document or instrument furnished or to be furnished by the Buyer to San Francisco in connection with this Agreement contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained in this Agreement not misleading, under the circumstances under which any such statement will have been made.

10.6 Governing Law

This Agreement will be governed by, subject to, and construed in accordance with the laws of the State of California and San Francisco's Charter and Administrative Code.

10.7 Merger of Prior Agreements

This Agreement, together with the exhibits to this Agreement, contain all representations, warranties, and covenants made by Buyer and San Francisco and constitutes the entire understanding between the Parties to this Agreement with respect to the subject matter hereof. Any prior correspondence, memoranda, or agreements are replaced in total by this Agreement together with the exhibits to this Agreement.

10.8 Parties and Their Agents

The term “**Buyer**” as used in this Agreement will include the plural as well as the singular. If Buyer consists of more than one (1) individual or entity, then the obligations under this Agreement imposed on Buyer will be joint and several. As used in this Agreement, the term “**Agents**” when used with respect to either Party will include the agents, employees, officers, contractors, and representatives of such Party.

10.9 Interpretation of Agreement

The article, section, and other headings of this Agreement and the table of contents are for convenience of reference only and will not affect the meaning or interpretation of any provision contained in this Agreement. Whenever the context so requires, the use of the singular will be deemed to include the plural and vice versa, and each gender reference will be deemed to include the other and the neuter. This Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Agreement. In addition, each Party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement will be interpreted in a reasonable manner to effect the purposes of the Parties and this Agreement. Use of the word “including” or similar words will not be construed to limit any general term, statement, or other matter in this Agreement, whether or not language of non-limitation, such as “without limitation” or similar words, are used.

10.10 Time of Essence

Time is of the essence with respect to the performance of the Parties’ respective obligations contained in this Agreement.

10.11 No Merger

The obligations contained in this Agreement will not merge with the transfer of title to the Property but will remain in effect until fulfilled.

10.12 Non-Liability of San Francisco Officials, Employees and Agents

Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee, or agent of San Francisco will be personally liable to Buyer, its successors and assigns, in the event of any default or breach by San Francisco or for any amount that may become due to Buyer, its successors and assigns, or for any obligation of San Francisco under this Agreement.

10.13 Conflicts of Interest

Through its execution of this Agreement, Buyer acknowledges that it is familiar with the provisions of Article III, Chapter 2 of San Francisco’s Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts that constitute a violation of said provisions and agrees that if it becomes aware of any such fact during the term of this Agreement, Buyer will immediately notify San Francisco.

10.14 Notification of Limitations on Contributions

Through its execution of this Agreement, Buyer acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with San Francisco for the selling or leasing of any land or building to or from San Francisco whenever such transaction would require the approval by a San Francisco elective officer, the board on which that San Francisco elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to **(a)** San Francisco elective officer, **(b)** a candidate for the office held by such individual, or **(c)** a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the contract is approved. Buyer acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Buyer further acknowledges that the prohibition on contributions applies to each Buyer; each member of Buyer's board of directors, and Buyer's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than twenty percent (20%) in Buyer; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Buyer. Additionally, Buyer acknowledges that Buyer must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Buyer further agrees to provide to San Francisco the names of each person, entity or committee described above.

10.15 Sunshine Ordinance

Buyer understands and agrees that under San Francisco's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov. Code Section 7920.000 et seq.), this Agreement and all records, information, and materials submitted to San Francisco under this Agreement are public records subject to public disclosure. Buyer by this Agreement acknowledges that San Francisco may disclose any records, information and materials submitted to San Francisco in connection with this Agreement.

10.16 Tropical Hardwood and Virgin Redwood Ban

The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code.

10.17 No Recording

Neither this Agreement nor any memorandum or short form thereof may be recorded by Buyer.

10.18 Effective Date

As used in this Agreement, the term "**Effective Date**" will mean the date on which both parties will have executed this Agreement provided the Agreement and the transactions contemplated by the Agreement will have been authorized **(a)** in a manner required by law governing Buyer, **(b)** by a duly adopted resolution of San Francisco's Public Utilities Commission, and **(c)** if required by San Francisco's Charter, a duly adopted resolution of San Francisco's Board of Supervisors and Mayor.

10.19 Severability

If any provision of this Agreement or the application thereof to any person, entity, or circumstance will be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this Agreement will be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement.

10.20 Acceptance by Buyer

This Agreement will be null and void unless it is accepted by Buyer and two (2) fully executed copies of this Agreement are returned to San Francisco on or before 5:00 p.m. San Francisco time on _____, 20__.

10.21 Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Agreement may be executed by a party's signature transmitted by electronic mail in portable document format ("**pdf**") or through an electronic signature/online signature service such as "DocuSign" and copies of this Agreement executed and delivered by means of pdf signatures or by DocuSign or similar service shall have the same force and effect as copies hereof executed and delivered with original signatures. All parties hereto may rely upon pdf signatures as if such signatures were originals. Upon request by either Party, any Party executing and delivering this Agreement by pdf shall promptly thereafter deliver a counterpart of this Agreement containing said Party's original signature. All Parties hereto agree that a pdf signature page may be introduced into evidence in any proceeding arising out of or related to this Agreement as if it were an original signature page.

10.22 Cooperative Drafting

This Agreement has been drafted through a cooperative effort of both Parties, and both Parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party will be considered the drafter of this Agreement, and no presumption or rule that an ambiguity will be construed against the party drafting the clause will apply to the interpretation or enforcement of this Agreement.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, BUYER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF SAN FRANCISCO HAS AUTHORITY TO COMMIT SAN FRANCISCO TO THIS AGREEMENT UNLESS AND UNTIL A RESOLUTION OF SAN FRANCISCO'S BOARD OF SUPERVISORS WILL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF SAN FRANCISCO UNDER THIS AGREEMENT ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH A RESOLUTION, AND THIS AGREEMENT WILL BE NULL AND VOID IF SAN FRANCISCO'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT BY ANY DEPARTMENT, COMMISSION OR AGENCY OF SAN FRANCISCO WILL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON SAN FRANCISCO.

[SIGNATURES ON FOLLOWING PAGE]

The Parties have duly executed this Agreement as of the respective dates written below.

SAN FRANCISCO:

BUYER:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

CITY OF DALY CITY
a California municipal corporation

By: _____
DENNIS J. HERRERA
General Manager
San Francisco Public Utilities Commission

By: _____
THOMAS J. PICCOLOTTI
City Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM

DAVID CHIU, City Attorney

ROSE ZIMMERMAN, City Attorney

By: _____
Nancy Taylor
Deputy City Attorney

By _____
Rose Zimmerman
City Attorney

EXHIBIT A-1

PARCEL NO. 55 DESCRIPTION

All that certain real property located in the County of San Francisco, State of California,
described as follows:

[NOTE: NO LEGAL DESCRIPTION PROVIDED BY TITLE COMPANY]

EXHIBIT A-2
DEPICTION OF PARCEL NO. 55

[see attached]

EXHIBIT B
DESCRIPTION AND DEPICTION OF EXISTING TUNNEL EASEMENTS

[attached]

EXHIBIT C
QUITCLAIM DEED

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Director of Property

and

San Francisco Public Utilities Commission
Real Estate Services
525 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102
Attn: Real Estate Director

MAIL TAX STATEMENTS TO:

City of Daly City
Finance Dept., 2nd Fl
333 90th Street
Daly City, CA 94015

The undersigned hereby declares this instrument to be exempt
from Recording Fees (CA Govt. Code §27383) and
Documentary Transfer Tax (CA Rev. & Tax Code §11922 and
S.F. Bus. & Tax Reg. Code §1105)

APN: 7284-001, 7284-003, 7282-005, 7282-006

(Space above this line reserved for Recorder's use only)

QUITCLAIM DEED
(Assessor's Parcel No. 7284-001, 7284-003, 7282-005, 7282-006)

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, the CITY AND COUNTY OF SAN FRANCISCO, a California municipal corporation ("City"), by and through its Public Utilities Commission, pursuant to Resolution No. _____, adopted by the Board of Supervisors on _____, 20____ and approved by the Mayor on _____, 20____, hereby RELEASES, REMISES AND QUITCLAIMS to the CITY OF DALY CITY, a California municipal corporation, all right, title, and interest City may have in and to the real property located in the County of San Francisco, State of California, described on the attached Exhibit 1 and made a part of this quitclaim deed, together with any and all improvements existing thereon and owned by City as of the date of this quitclaim deed, including but not limited to the Vista Grande Tunnel and all appurtenances thereto.

Executed as of this _____ day of _____, 20__.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
SARAH R. OERTH
Director of Property

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
NANCY TAYLOR
Deputy City Attorney

DESCRIPTION CHECKED/APPROVED:

By: _____
R. Edward Peterson
Chief Surveyor

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of _____)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit 1

Description of the Property

All that certain real property located in the County of San Francisco, State of California, described as follows:

EXHIBIT D-1

**DESCRIPTION AND DEPICTION OF WETLAND AND STORMWATER FACILITIES
EASEMENT**

[see attached]

EXHIBIT D-2

**DESCRIPTION AND DEPICTION OF BOX CULVERT AND STORM WATER
OUTLET EASEMENT**

[see attached]

EXHIBIT D-3

DESCRIPTION AND DEPICTION OF WETLAND FORCE MAIN EASEMENT

[see attached]

EXHIBIT D-4

DESCRIPTION AND DEPICTION OF ARMORED SPILLWAY EASEMENT

[see attached]

EXHIBIT D-5

DESCRIPTION AND DEPICTION OF FLOATING AND FAN-SHAPED EASEMENT

[see attached]

EXHIBIT E
EASEMENT DEED

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Director of Property

and

San Francisco Public Utilities Commission
Real Estate Services
525 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102
Attn: Real Estate Director

MAIL TAX STATEMENTS TO:

City of Daly City
Finance Dept., 2nd Fl
333 90th Street
Daly City, CA 94015

The undersigned hereby declares this instrument to be exempt
from Recording Fees (CA Govt. Code §27383) and
Documentary Transfer Tax (CA Rev. & Tax Code §11922 and
S.F. Bus. & Tax Reg. Code §1105)

Portions of Block 7283, Lot 004

(Space above this line reserved for Recorder's use only)

EASEMENT DEED AND AGREEMENT
(Portions of Block 7283, Lot 004,
SFPUC Parcel No. 55)

THIS EASEMENT DEED AND AGREEMENT (this "**Easement Deed**") is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a California municipal corporation ("**San Francisco**" or "**Grantor**"), acting by and through its PUBLIC UTILITIES COMMISSION ("**SFPUC**"), and the CITY OF DALY CITY, a California municipal corporation ("**Daly City**" or "**Grantee**"). Grantor and Grantee sometimes are referred to collectively in this Easement Deed as the "**Parties**" or each singularly as a "**Party**."

RECITALS

A. San Francisco, through the SFPUC, owns real property located in the City and County of San Francisco, described as SFPUC Parcel No. 55 and designated as a portion of Assessor's Parcel No. 7283-004, running north along the east and west sides of John Muir Drive ("**Property**"). The Property is adjacent to portions of the existing Vista Grande Canal ("**Canal**"). The Property is more particularly described in the attached **Exhibit A-1** and shown generally on the map attached as **Exhibit A-2**. The Canal handles stormwater for both San Francisco and Daly City.

B. San Francisco, through the SFPUC, owns easements for its Lake Merced Drainage Tunnel (known as the Vista Grande Tunnel or “**Tunnel**”) on and across Assessor’s Parcel Nos. 7284-001, 7284-003, 7282-005, 7282-006, running west from the Tunnel portal located on the Property to the Tunnel’s terminus at the Pacific Ocean.

C. The Vista Grande Stormwater System (as defined below) components include the Canal and the Tunnel. However, the existing Canal and Tunnel do not have adequate hydraulic capacity to convey peak storm flows, and this inadequate capacity periodically causes the backup of the Tunnel flows into the Canal and flooding during peak storm events in adjacent low-lying residential areas and along John Muir Drive.

D. Daly City seeks to implement the Vista Grande Basin Drainage Improvement Project (“**Project**”) to upgrade the Vista Grande storm drain system (“**Vista Grande Stormwater System**”), which is a regional stormwater system that drains the northwestern portion of Daly City and an unincorporated portion of San Mateo County. The Project would route storm water from the Vista Grande Canal to South Lake Merced as well as to the Pacific Ocean via the Tunnel to alleviate the storm-related flooding in Daly City and San Francisco, reduce uncontrolled overflows from the Vista Grande Canal into Lake Merced, and also facilitate augmentation and management of Lake Merced water levels, which have steadily declined, using sustainable supplies of Daly City’s stormwater, and further the restoration of the drainage basin’s natural hydrology.

E. The Project will route storm water from the Canal through a treatment wetland to be developed on the Property, replace the upstream portion of the Canal with a collection box, a box culvert, a debris screening device, and a diversion structure to handle flows (dry and wet) year-round, and expand the Tunnel capacity in order to better manage the transportation of stormwater to the Pacific Ocean (collectively, “**Project Improvements**”). The existing outfall from Lake Merced is through the Tunnel, which passes through The Olympic Club Golf Course and Golden Gate National Recreation Area lands.

F. San Francisco agrees to convey to Daly City certain non-exclusive perpetual easements in, under, upon, along, and/or across certain portions of the Property to facilitate the Project, which are defined in Section 1 below and referred to collectively in this Easement Deed as the “**Easements**.”

G. Daly City, as Lead Agency under the California Environmental Quality Act (“**CEQA**”), and the Park Service, as Lead Agency under the National Environmental Policy Act (NEPA), have prepared a joint Final Environmental Impact Report and Environmental Impact Statement (“**FEIR/FEIS**”), pursuant to the provisions of CEQA, which was certified by the State of California on September 8, 2017 (State Clearinghouse Number 2013032001). Daly City approved the Vista Grande South Lake Merced Alternative described in the FEIR/FEIS via City Council Res. No. 17-200, dated December 11, 2017, adopting the mitigation measures included in the FEIR/FEIS and set forth in the Environmental Commitments Record and assumed responsibility for their implementation. On June 9, 2025, the City of Daly City adopted an Addendum to the previously certified Final EIR/EIS for the Project to address minor revisions and additions to the Project that occurred after Project approval.

H. San Francisco is a responsible agency under CEQA for review and approval of aspects of the Project. San Francisco has reviewed and considered the FEIR/FEIS and the Project approval documents and has approved this Agreement and adopted findings required under CEQA.

I. The SFPUC Commission has recommended sale of the Easements pursuant to SFPUC Resolution No. _____ and the San Francisco Board of Supervisors has approved the sale pursuant to Resolution No. _____.

NOW, THEREFORE, for good and valuable consideration, the amount and sufficiency of which are hereby acknowledged, the Parties agree as follows.

AGREEMENT

1. Easements. The Easements are perpetual, non-exclusive easements comprised of: (i) the Wetland and Stormwater Facilities Easement defined in **Section 1(a)** below; (ii) the Box Culvert and Stormwater Outlet Easement defined in **Section 1(b)** below (iii) the Wetland Force Main Easement defined in **Section 1(c)** below; (iv) the Armored Spillway Easement defined in **Section 1(d)** below; and (v) the Floating and Fan-Shaped Easement defined in **Section 1(e)** below. San Francisco hereby conveys to Daly City the Easements upon, over, under, across, and within the portions of the Property described below:

(a) An easement to construct, access, install, operate, repair, replace, and maintain a treatment wetland, diversion structure, box culverts, the eastern portal of the Vista Grande drainage tunnel, the Lake Merced overflow inlet, and related appurtenances, including perimeter fencing ("**Wetland and Stormwater Facilities Easement**"), upon, over, under, across, and within an approximately 157,448-square-foot easement area, which is more particularly described and depicted in the attached **Exhibit 3 ("Wetland and Stormwater Facilities Easement Area")**. The Wetland and Stormwater Facilities Easement Area is designated as a portion of Assessor's Parcel No. 7283-004.

(b) An easement to construct, access, install, repair, replace and maintain new box culverts, a storm water outlet, and related appurtenances ("**Box Culvert and Storm Water Outlet Easement**"), upon, over, under, across, and within an approximately 12,404-square-foot easement area, which is more particularly described and depicted in the attached **Exhibit 4 ("Box Culvert and Storm Water Outlet Easement Area")**. The Box Culvert and Storm Water Outlet Easement Area is designated as a portion of Assessor's Parcel No. 7283-004.

(c) An easement to construct, access, install, repair, replace and maintain a wetland force main, pump station, vault and related appurtenances ("**Wetland Force Main Easement**"), upon, over, under, across, and within an approximately 2,057-square-foot easement area, which is more particularly described and depicted in the attached **Exhibit 5 ("Wetland Force Main Easement Area")**. The Wetland Force Main Easement Area is designated as a portion of Assessor's Parcel No. 7283-004.

(d) An easement to access and maintain three (3) existing armored spillway areas ("**Armored Spillway Easement**") upon, over, under, across, and within three easement areas designated as Parcel 1, Parcel 2, and Parcel 3. Parcel 1 comprises an approximate 407 square-foot portion of the Property, Parcel 2 comprises an approximate 2,918 square-foot portion of the Property, and Parcel 3 comprises an approximate 3,319 square-foot portion of the Property, all of which are more particularly described and depicted in the attached **Exhibit 6 ("Armored Spillway Easement Area")**. The Armored Spillway Easement Area is designated as a portion of Assessor's Parcel No. 7283-004.

(e) An easement to construct, access, install, operate, repair, replace and maintain a floating pipeline, facility and appurtenances over Lake Merced ("**Floating and Fan-Shaped Easement**"), upon, over, under, across, and within an approximately 1,457-square-foot fan-shaped easement area, which is more particularly described and depicted in the attached **Exhibit 7 ("Floating and Fan Shaped Easement Area")**. The Floating and Fan-Shaped Easement Area is designated as a portion of Assessor's Parcel No. 7283-004.

The foregoing easement areas are referred to collectively in this Easement Deed as the "**Easement Areas.**"

2. Permitted Uses. The Easements include the right and privilege to maintain and repair each Easement, inclusive of all necessary supports, fences, protective barriers, and fixtures for use in connection with the Project. The Easements include the right to modify, remove, or replace the Project Improvements, provided that Daly City obtains San Francisco's prior written approval of the proposed modification, removal and/or replacement, which approval will not be unreasonably withheld, conditioned, or delayed. In an emergency, however, Daly City may make such modifications as are reasonably necessary under the circumstances to preserve or restore the safe use of the Easements, without San Francisco's prior approval, provided that Daly City will give San Francisco such notice of the modifications as is reasonable under the circumstances, which may be given retroactively. Further, the Easements include the right of ingress to and egress from the Easement Areas over and across the Property, provided that Daly City's right of ingress and egress will not extend to any portion of the Property that is isolated from the Easements by any public road or highway now crossing or thereafter crossing the Property. San Francisco reserves the right to use said Easement Areas for purposes that will not interfere with Daly City's full enjoyment of the rights granted by this Easement Deed; provided that neither San Francisco nor its successors or assigns will excavate, erect, place, or construct any permanent building or other structures, septic system, leach field, construct any fence, place underground utilities, drill, or operate any well, or construct any reservoir or other obstruction within said Easement Areas, or diminish or install anything that will interfere with the rights in this Easement Deed granted to Daly City within said Easement Areas. Daly City's rights under this Easement Deed may be exercised by Daly City and its officials, employees, agents, contractors, subcontractors, consultants, licensees, invitees, or representatives, or by any other authorized persons acting for or on Daly City's behalf (collectively, "**Agents**").

3. San Francisco's Retained Rights. San Francisco, on behalf of itself, its agents, contractors, subcontractors, suppliers, consultants, employees, invitees or other authorized persons acting for or on behalf of San Francisco, including but not limited to any lessee and its tenants, reserves the right to use the Property and the Easement Area in any way not inconsistent with the above Permitted Uses.

4. Subject to San Francisco's Uses. Daly City is aware that the Easement Areas constitute portions of the SFPUC's regional water, power transmission, and wastewater treatment systems. Notwithstanding anything to the contrary in this Easement Deed, all of Daly City's Project activities under this Easement Deed will be subject and subordinate at all times to San Francisco's existing and future access to and use of the Easement Areas for primary utility and directly related purposes, which may include construction of additional subsurface pipelines or facilities within the Easement Areas; provided that San Francisco will not do anything in, on or under the Easement Areas that causes damage to the Project Improvements or unreasonably interferes with the exercise of Daly City's Easement rights, without prior written notice of at least one hundred eighty (180) days to Daly City, and San Francisco shall endeavor to reasonably coordinate any such actions with Daly City and shall take reasonable measures to minimize any damage to the Project Improvements or interference with the Easements. San Francisco will in no way be liable for any damage or destruction to the Easement Areas or the personal property of Daly City or its Agents resulting from any construction, accident, break, repair, assessment, or maintenance of any pipeline or other SFPUC facilities located on or about the Easement Areas. Daly City acknowledges that San Francisco may use the open trench method for access to San Francisco's existing or future facilities or pipelines located on or about the Easement Areas in the event of maintenance, repair, replacement, construction, or installation of any existing, future, or additional pipelines, conduits, transmission lines, tunnels, boxes, or other SFPUC facilities. San Francisco also reserves the right to use the subsurface of the Property for the installation, operation, maintenance, repair, or replacement of public utilities, including pipes, cable, manholes, or other infrastructure typically required for utility lines. The rights granted to Daly City by this Easement Deed are subject to any prior and existing rights of third parties, if any. Daly City will be solely liable for any claims for the interference of any prior and existing third-party rights caused by Daly City's use of the Easement Areas and the Property. San Francisco reserves the

right to grant, at its sole and absolute discretion, nonexclusive rights to other third parties within the Easement Areas provided that such rights do not materially interfere with the Easements. San Francisco will require such other third parties to consult with Daly City on design, location, and construction activities, but Daly City will have no rights of approval or disapproval.

5. Exercise of Due Care. Daly City will use and will cause its Agents (defined in **Section 2** [Permitted Uses] above) to use, due care at all times to avoid any damage or harm to San Francisco's water pipelines, facilities, or other property and to native vegetation and natural attributes of the Easement Areas and to minimize slope erosion. Except as permitted pursuant to **Section 12** [Construction and Ownership of Project Improvements] below, Daly City will not disturb the surface of the Easement Areas or perform any excavation work without San Francisco's prior written approval, which San Francisco may withhold at its sole discretion. San Francisco may condition and/or oversee any permitted excavation work. At its own expense, Daly City will mark the location of San Francisco's utility pipelines or other facilities within the Easement Areas and will not use any pick, plow, or other sharp tool to remove the two feet (2') of soil around the pipelines or other facilities, provided that Daly City may use hand shovels or pneumatic shovels in compliance with all other terms and conditions of this Easement Deed. Daly City will immediately inform San Francisco of any actual or potential damage to the coating of the pipeline, and any such damage will be promptly repaired by Daly City, at its own expense, to San Francisco's satisfaction prior to backfilling; provided, at its sole discretion, San Francisco may elect to make any necessary repairs itself, at Daly City's sole cost, by notifying Daly City of such fact. Upon completion of such repairs, San Francisco will send Daly City a bill therefor, which Daly City will pay within thirty (30) days following receipt. Under no circumstances will Daly City damage, harm, or take any rare, threatened, or endangered species present on or about the Easement Areas.

6. Assignment. Daly City will not assign its rights under this Easement Deed, in whole or in part, without San Francisco's prior written consent. San Francisco will not unreasonably withhold, condition or delay its consent if Daly City proposes to transfer the Easements to any other agency or entity.

7. Indemnity. Daly City will indemnify, defend, reimburse and hold harmless San Francisco, its officers, agents, employees and contractors, and each of them, from and against all demands, claims, legal or administrative proceedings, losses, costs, penalties, fines, liens, judgments, damages and liabilities of any kind, including all costs and reasonable attorney's fees in providing a defense to any claim arising therefrom ("**Claims**"), arising in any manner out of (a) injury to or death of any person or damage to or destruction of any property occurring in, on, or about the Easement Areas when such injury, death, damage, or destruction is caused by the person or property of Daly City, its Agents, its invitees, guests or business visitors (collectively, "**Invitees**") relating to Daly City's use or activity under this Easement Deed, (b) any failure by Daly City to observe or perform any of the terms, covenants, or conditions of this Easement Deed, (c) the use of the Easement Areas or any activities conducted thereon by Daly City or its Agents or Invitees, or (d) any release or discharge, or threatened release or discharge, of any Hazardous Material caused or allowed by Daly City or its Agents or Invitees, on, in, under, or about the Easement Areas, any improvements thereon, or into the environment; except solely to the extent arising out of or caused by the negligence or willful misconduct of San Francisco or San Francisco's authorized representatives. Daly City's obligations under this Section will survive the termination of the Easements, with respect to events occurring prior to such termination.

8. Insurance. Daly City must maintain in force, and cause each Agent performing work on the Easement Areas, to procure and keep in effect during the course of any work, appropriate amounts of insurance and add San Francisco as additional insured for those respective policies. Notwithstanding anything to the contrary above, Daly City and San Francisco each

acknowledges that the other self-insures and will not be obligated to purchase any third-party commercial liability insurance or property insurance.

9. Restrictions on Use.

(a) Improvements. Except as otherwise expressly provided in this Easement Deed, Daly City will not construct or place any temporary or permanent structures or improvements in, on, under, or about the Easement Areas, nor will Daly City make any alterations or additions to any of existing structures or improvements on the Easement Areas or excavate any portion of the Easement Areas, unless Daly City first obtains San Francisco's prior written consent, which San Francisco may give or withhold at its sole and absolute discretion. **"Improvements"** are defined as and include asphalt, concrete and cementitious concrete driveways, sidewalks and parking areas, structures, shacks, and storage facilities, and fences installed or constructed by or on behalf of Daly City in, on, under, or about the Easement Areas.

(b) Dumping. Daly City will not cause, nor will Daly City allow any of its Agents or Invitees to cause the dumping or other disposal in, on, under, or about the Easement Areas of landfill, refuse, Hazardous Material (defined below), or any other materials, including materials that are unsightly or could pose a hazard to human health or safety, native vegetation or wildlife, or the environment.

(c) Hazardous Material. Daly City will not cause, nor will Daly City allow any of its Agents or Invitees to cause, any Hazardous Material (defined below) to be brought upon, kept, used, stored, generated, released, or disposed of in, on, under, or about the Easement Areas, or transported to, from, or over the Easement Areas, except that Daly City is permitted to bring onto the Easement Areas products and materials commonly used in or essential to the installation of the Project Improvements that may contain Hazardous Material, provided that any such products and materials will be handled and used in compliance with all applicable state, federal, or local laws, statutes, ordinances, rules, regulations, policies, orders, edicts, and the like (collectively, **"Laws"**) and only in such quantities as are necessary for the permitted uses of the Easements.

Daly City will immediately notify San Francisco if and when Daly City learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on, under, or about the Easement Areas. In the event that any Hazardous Material brought to the Easement Areas by Daly City or any of its Agents or Invitees is spilled or leaked or otherwise released on the Easement Areas as a result of Daly City's exercise of its rights under this Easement Deed, Daly City will promptly take all steps necessary to remove any contamination resulting from such activities. Daly City accepts full responsibility for all activities and costs incurred related to cleaning up the Easement Areas from the effects of such spill or leak. With respect to Hazardous Material brought to the Easement Areas by Daly City or its Agents or Invitees, Daly City will be responsible for meeting, and possessing the means to satisfy, the requirements of all federal, state, and local controlling agencies, which may have jurisdiction over the region in which the Easement Areas are located or over the substance being used by Daly City on the Easement Areas. In the event that Daly City or its Agents or Invitees cause a release of Hazardous Material, at San Francisco's discretion, Daly City will either remediate, at Daly City's sole cost, such contaminated property to the satisfaction of the regulatory agency having jurisdiction over same or reimburse San Francisco for its reasonable costs in performing such remediation. Daly City will further comply with all applicable Laws requiring notice of such releases or threatened releases to governmental agencies, and will take all action necessary or desirable to mitigate the release or minimize the spread of contamination. In connection with any release of Hazardous Material on or about the Easement Areas, Daly City will afford San Francisco a full opportunity to negotiate and participate in any discussion with governmental agencies and environmental consultants regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise proceeding involving Hazardous Material, and any other abatement or clean-up plan, strategy, and procedure.

For purposes of this Easement Deed, “**Hazardous Material**” means material that, because of its quantity, concentration, or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state, or local governmental authority to pose a present or potential hazard to public health, welfare, or the environment. Hazardous Material includes the following: any material or substance defined as a “hazardous substance, pollutant or contaminant” pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code or any other applicable Laws; a “hazardous waste” listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos-containing materials whether or not such materials are part of the Easement Areas or are naturally occurring substances in the Easement Areas; and any petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids, provided, the foregoing will not prohibit Daly City from traversing to, from, and across the Easement Areas in standard motor vehicles that do not exceed the weight limitations set forth below. The term “**release**” or “**threatened release**” when used with respect to Hazardous Material will include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under, or about the Easement Areas.

(d) Nuisances. Daly City will not conduct or allow any of its Agents or Invitees to conduct any activities in, on, under, or about the Easement Areas that constitute waste, nuisance, or unreasonable annoyance (including emission of objectionable odors, noises, or lights) to San Francisco, to the owners or occupants of neighboring property, or to the public, or that constitute waste or nuisance per se.

(e) Avoiding Damage to the Easement Areas. At its sole cost, Daly City will at all times maintain the Easement Areas in a good, clean, safe, secure, sanitary, and slightly condition, so far as the Easement Areas may be affected by Daly City’s activities under this Easement Deed. Daly City will not do anything in, on, under, or about the Easement Areas that could cause damage or interference to any pipelines or other property located in, on, under, or about the Easement Areas. Immediately following completion of any work permitted under this Easement Deed, at its sole expense, Daly City will remove all debris and any excess dirt and restore the Easement Areas as near as reasonably possible to its condition immediately prior to Daly City’s work under this Easement Deed to the reasonable satisfaction of San Francisco’s authorized representative.

If any portion of the Easement Areas or any San Francisco property located on or about the Easement Areas is damaged or threatened by any of the activities conducted by Daly City or its Agents or Invitees, at its sole cost, Daly City will immediately notify San Francisco of such damage or threat by **(a)** telephoning the SFPUC’s City Distribution Division by telephone at (415) 550-4900 of any emergency or incident requiring emergency response., and **(b)** providing written notice in accordance with **Section 17** [Notices] below. At its option, San Francisco may remedy such damage or threat at Daly City’s sole cost, or San Francisco may elect to witness Daly City’s repair work. If San Francisco elects not to remedy such damage or threat, Daly City will repair all such damage and restore the Easement Areas or property to its previous condition subject to San Francisco’s inspection, review, and approval. San Francisco has no responsibility or liability of any kind with respect to any utilities that may be on, in, or under the Easement Areas. Daly City is solely responsible for the location of any such utilities and other existing facilities and their protection from damage. Daly City will be solely responsible to arrange and pay directly for any utilities or services necessary for its activities pursuant to this Easement Deed; provided, Daly City will obtain San Francisco’s prior written approval to the provision of such services or utilities in, on, under, or through the Easement Areas.

(f) Use of Adjoining Land. Daly City acknowledges that the privilege given under this Easement Deed will be limited strictly to the Easement Areas. Daly City will not

traverse over or otherwise use any adjoining lands of San Francisco except as authorized by this Easement Deed.

(g) Ponding; Water Courses. Daly City will not cause any ponding on the Easement Areas or any flooding on adjacent land. Daly City will not engage in any activity that causes any change, disturbance, fill, alteration, or impairment to the bed, bank, or channel of any natural water course, wetland, or other body of water on, in, under, or about the Easement Areas, nor will Daly City engage in any activity that could pollute or degrade any surface or subsurface waters or result in the diminution or drainage of such waters.

(h) Heavy Equipment and Vehicles. To prevent damage to San Francisco's underground pipelines and wastewater utility facilities, Daly City's use of vehicles and equipment within twenty feet (20') of each side of the centerline of any San Francisco pipeline (measured on the surface) will be subject to the following restrictions:

(i) The depth of soil cover over the tops of San Francisco's pipelines must be at least three feet (3') for steel cylinder pipe and four feet (4') for reinforced pre-stressed concrete cylinder pipe to accommodate the loading defined in **subsection (ii)** below. If any equipment with axle loading exceeds the loads stated in **subsection (ii)** below or if the depth of soil cover is less than stated above, Daly City will submit to San Francisco for review and approval, at San Francisco's sole discretion, engineering calculations prepared by a licensed Professional Engineer licensed in California showing that San Francisco's pipelines will not be adversely affected by Daly City's proposed activities. If San Francisco's pipelines may be adversely affected, Daly City will submit remedial measures for San Francisco's approval to ensure that no adverse effect will occur.

(ii) The effects of vehicle and equipment loads to the pipeline must not exceed the effects of the "AASHTO Standard H-10 Loading." H-10 loading is defined as loading caused by a two-axle truck with a gross weight of ten tons (20,000 lbs.), axles fourteen feet (14') apart, and rear axle carrying eight tons (16,000 lbs.). Daly City will be responsible for providing adequate evidence to San Francisco that Daly City's equipment and vehicles meet the foregoing requirements.

(iii) Daly City will not use vibrating compaction equipment without the SFPUC's prior written approval, which approval may be given or withheld at the SFPUC's sole discretion.

(iv) If the depth of the soil cover over the pipeline (determined by potholing or other proof procedure) is less than the minimum stated in **subsection (i)** above, unless an alternate method is approved by the SFPUC in writing, all excavation and grading over the pipeline will be performed manually. For any machinery or equipment excavation and grading over and/or within twenty feet (20') of each side of the centerline of the pipeline (measured on the surface), Daly City will submit a written proposal together with all supporting calculations and data to the SFPUC for review and approval. In any case, the two feet (2') of soil around the pipeline will be removed manually or by other methods approved by the SFPUC with due care as provided in **Section 4** [Exercise of Due Care].

10. Cathodic and Other Protection. From time to time, San Francisco may adopt such reasonable rules and regulations with regard to Daly City's facilities and operations under this Easement Deed as San Francisco may determine are necessary or appropriate, at San Francisco's sole discretion, to safeguard against corrosion of, or other damage to, San Francisco's pipelines and related facilities. After receipt of a copy of such rules and regulations, Daly City will comply promptly with them.

11. Compliance with Laws. At its expense, Daly City will conduct and cause to be conducted all activities on the Easement Areas allowed under this Easement Deed in a safe and reasonable manner and in compliance with all Laws of any governmental or other regulatory entity (including the Americans with Disabilities Act) and all covenants, restrictions, and provisions of record, whether presently in effect or subsequently adopted and whether or not in the contemplation of the Parties.

12. Maintenance. At its expense, Daly City will repair and maintain the Easement Areas as to wear and tear caused by the proportionate use of the Easement Areas by Daly City and its Agents, in San Francisco's sole determination, but not the wear and tear caused by the use of the Easement Areas by others.

13. Construction and Ownership of Project Improvements. The Parties acknowledge that the Project Improvements, once constructed by Daly City within the Easement Areas in accordance with the plans and specifications that have been approved by City and are on file with the SFPUC's San Francisco Water Division ("**Approved Plans**"), will belong to Daly City. Subject to the terms and conditions of this Easement Deed, at its sole cost and expense, Daly City may construct or cause the construction of modifications, additions, or replacements of such Project Improvements and will, at its sole cost and expense, maintain the Project Improvements in good, safe condition and repair.

14. Approval of Daly City's Approved Plans. Daly City will construct and install the Project Improvements in the Easement Areas, including modifications, additions, or replacements to the Project Improvements, in strict accordance with the Approved Plans (including drawings) approved in advance and in writing by San Francisco. Any Approved Plans may be revised or amended only with San Francisco's prior written approval, at its sole discretion, after the SFPUC's Bureau of Environmental Management has determined that no further environmental review is required by CEQA as a result of any such revision or amendment. San Francisco's consent to or approval of any improvements, equipment, or fixtures will not relieve Daly City or its Agents from any liability for negligence, errors, or omissions associated with the design and construction of the Project Improvements. In no event will San Francisco's approval of the Approved Plans or any future revisions or amendments to the Approved Plans be deemed to constitute a representation or warranty by San Francisco concerning the suitability of the improvements, equipment, or fixtures for Daly City's purposes or that the work called for in the Approved Plans complies with applicable Laws or industry standards nor will such approval release Daly City from Daly City's obligation to supply plans and specifications that conform to any applicable Laws, including building codes, and industry standards. Within ninety (90) calendar days following final completion of any work performed under this Easement Deed, Daly City shall provide the SFPUC with as-built drawings to confirm the location of Daly City's Project Improvements.

15. Permits and Approvals. Before beginning any work in the Easement Areas, Daly City will obtain all permits, licenses, and approvals (collectively, "**Approvals**") of all regulatory agencies and other third parties that are required to commence, complete, and maintain the permitted work. Promptly upon receipt of such Approvals, Daly City will deliver copies of them to the SFPUC. Daly City recognizes and agrees that no approval by San Francisco or the SFPUC for purposes of Daly City's work under this Easement Deed will be deemed to constitute the approval of any federal, state, or local regulatory authority with jurisdiction, and nothing in this Easement Deed will limited Daly City's obligation to obtain all such regulatory Approvals required by Laws, at Daly City's sole cost.

16. Cooperation with the SFPUC. Daly City and its Agents will cooperate with San Francisco or SFPUC personnel to minimize any potential disruption (even if temporary) of San Francisco's facilities in, under, on, or about the Easement Areas and the SFPUC's use thereof.

17. Restoration of Easement Areas. Immediately following completion of any work permitted under this Easement Deed, Daly City will remove all debris and any excess dirt, repair any damaged caused to the SFPUC's facilities and adjacent property, and place the Easement Areas in the condition reflected in the Approved Plans. Any area that is not slated for modification in the Approved Plans, but altered by the work, will be returned to pre-work condition, to San Francisco's reasonable satisfaction.

18. Notices. Any notice, consent, or approval required or permitted to be given under this License will be in writing and will be given by **(a)** hand delivery, against receipt, **(b)** reliable next business day courier service that provides confirmation of delivery, or **(c)** United States registered or certified mail, postage prepaid, return receipt required, and addressed as follows (or to such other address as either party may from time to time specify in writing to the other upon five (5) days' prior, written notice in the manner provided above):

San Francisco or the SFPUC: Real Estate Services Division
San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attn: Real Estate Director
Re: Vista Grande Sale of Easements, Daly City

with a copy to: Office of the City Attorney of San Francisco
1 Dr. Carlton B Goodlett Place
San Francisco, California 94012
Attn: Real Estate/Finance Team
Re: Vista Grande Sale of Easements, Daly City

Daly City: Department of Water and Wastewater
City of Daly City
153 Lake Merced Blvd
Daly City, CA 94015
Attn: Director
Re: Vista Grande Tunnel Easements

with a copy to: City of Daly City
33 90th Street, Third Floor
Daly City, CA 94015
Attn: City Attorney
Re: Vista Grande Tunnel Easements

A properly addressed notice transmitted by one of the foregoing methods will be deemed received upon the confirmed date of delivery, attempted delivery, or rejected delivery, whichever occurs first. Any e-mail addresses, telephone numbers, or facsimile numbers provided by one party to the other will be for convenience of communication only; neither party may give official or binding notice orally or by e-mail or facsimile. The effective time of a notice will not be affected by the receipt, prior to receipt of the original, of an oral notice or an e-mail or telefacsimile copy of the notice.

19. Successors and Assigns. The Easements and the ancillary rights granted by San Francisco in this Easement Deed are granted to Daly City in gross, with the Property serving as the servient tenement and without any particular dominant tenement benefiting from the Easements. The provisions of this Easement Deed will run with the land, burden the Easement Areas, and inure to the benefit of and bind the respective successors and assigns of San Francisco and Daly City.

20. Counterparts. This Easement Deed may be executed in counterparts, each of which will be an original, but all counterparts will constitute one instrument.

21. General Provisions. (a) This Easement Deed may be amended or modified only by a writing signed by San Francisco and Daly City. (b) No waiver by any party of any of the provisions of this Easement Deed will be effective unless in writing and signed by an officer or other authorized representative of such party, and only to the extent expressly provided in such written waiver. (c) All approvals and determinations of San Francisco requested, required, or permitted under this Easement Deed may be made by the General Manager of the SFPUC. (d) This instrument (including the attached exhibits) contains the entire agreement between the Parties with regard to the Easements and all prior written or oral negotiations, discussions, understandings, and agreements are merged into this Easement Deed. (e) The section and other headings of this Easement Deed are for convenience of reference only and will be disregarded in the interpretation of this Easement Deed. (f) Time is of the essence. (g) This Easement Deed will be governed by California law and San Francisco's Charter and Administrative Code. (h) The obligations of Daly City under this Easement Deed will be joint and several. (i) This Easement Deed has been drafted through a cooperative effort of San Francisco and Daly City, and both Parties have had an opportunity to have this Easement Deed reviewed and revised by legal counsel. No party will be considered the drafter of this Easement Deed, and no presumption or rule that an ambiguity will be construed against the party drafting the clause will apply to the interpretation or enforcement of this Easement Deed. (j) Use of the word "including" or similar words will not be construed to limit any general term, statement, or other matter in this Easement Deed, whether or not language of non-limitation, such as "without limitation," "but not limited to," or similar words, are used. (k) Notwithstanding anything to the contrary contained in this Easement Deed, San Francisco acknowledges and agrees that no officer or employee of San Francisco has authority to commit San Francisco to this Easement Deed unless and until a resolution approving this Easement Deed of San Francisco's Public Utilities Commission and San Francisco's Board of Supervisors and Mayor will have been duly adopted and approved. Therefore, any obligations or liabilities of San Francisco under this Easement Deed are contingent upon enactment of such a resolution and/or ordinance, and this Easement Deed will be null and void if San Francisco's SFPUC, Board of Supervisors and Mayor do not approve this Easement Deed, at their respective sole discretion. (l) This Easement Deed shall be recorded in the Official Records of the City and County of San Francisco, California.

[SIGNATURES ON FOLLOWING PAGE]

Executed as of this _____ day of _____, 202_.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
SARAH R. OERTH
Director of Property

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Nancy Taylor
Deputy City Attorney

DESCRIPTION CHECKED/APPROVED:

By: _____
R. Edward Peterson
Chief Surveyor

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of _____)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit 1

Description of the Property

All that certain real property located in the County of San Francisco, State of California, described as follows:

[NOTE: DESCRIPTION TO COME FROM TITLE REPORT]

Exhibit 2
Depiction of the Property
[see attached]

Exhibit 3

Description and Depiction of Wetland and Stormwater Facilities Easement Area

[see attached]

Exhibit 4

**Description and Depiction of Box Culvert and
Storm Water Outlet Easement Area**

[see attached]

Exhibit 5

Description and Depiction of Wetland Force Main Easement Area

[see attached]

Exhibit 6

Description and Depiction of Armored Spillway Easement Area

[see attached]

Exhibit 7

**Description and Depiction of Floating and
Fan Shaped Easement Area**

[see attached]

EXHIBIT F

LEASE TERMINATION AGREEMENT

This Lease Termination Agreement (the “**Agreement**”) is entered into _____, 202__, by and between the CITY AND COUNTY OF SAN FRANCISCO, a California municipal corporation (“**City**”), acting by and through its PUBLIC UTILITIES COMMISSION (“**SFPUC**”), and the CITY OF DALY CITY, a California municipal corporation (“**Daly City**”). City and Daly City sometimes are referred to collectively in this Agreement as the “**Parties**” or singularly as “**Party**.”

RECITALS

This Agreement is made with reference to the following facts:

A. On July 2, 2007, the Parties entered into a Ground Lease (“**Daly City Lease**”), for the Lake Merced Drainage Tunnel (also known as the Vista Grande Tunnel or “**Tunnel**”) near Lake Merced in San Francisco. The Daly City Lease allows Daly City to operate, maintain, and repair the Tunnel. The Daly City Lease is attached hereto as **Attachment 1** and incorporated herein by reference.

B. The Daly City Lease expired in 2017 and is currently in holdover status.

C. The Parties desire to enter into this Agreement for the purpose of agreeing to terminate the Daly City Lease, effective as of the Closing Date (“**Lease Termination Date**”) as defined in the Agreement for Sale of Real Estate entered into by the Parties and dated _____, 202__.

NOW, THEREFORE, the Parties hereby acknowledge and agree as follows:

AGREEMENT

1. **Lease Termination**. The Parties each acknowledges and agrees that the Daly City Lease and all of the Parties’ right, title and interest under the Daly City Lease shall be deemed terminated effective on the Lease Termination Date; provided, however, that any rights or obligations specifically identified in the Daly City Lease to survive lease termination shall so survive.

2. **Successors and Assigns**. The provisions of this Agreement will inure to the benefit of and bind the respective successors and assigns of Parties.

3. **Counterparts**. This Agreement may be executed in counterparts, each of which will be an original, but all counterparts will constitute one instrument.

4. **General Provisions**. **(a)** This Agreement may be amended or modified only by a writing signed by the Parties. **(b)** No waiver by any Party of any of the provisions of this Agreement will be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. **(c)** All approvals and determinations of the City requested, required, or permitted under this Agreement may be made by the General Manager of the SFPUC. **(d)** This instrument (including the attached exhibits) contains the entire agreement between the Parties with regard to the subject matter of this Agreement and all prior written or oral negotiations, discussions, understandings, and agreements are merged into this Agreement. **(e)** This Agreement will be governed by California law and San Francisco’s Charter and Administrative Code. **(f)** This Agreement has been drafted through a cooperative effort of the

City and Daly City, and both Parties have had an opportunity to have this Agreement reviewed and revised by legal counsel. No party will be considered the drafter of this Agreement, and no presumption or rule that an ambiguity will be construed against the party drafting the clause will apply to the interpretation or enforcement of this Agreement.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the respective dates written below.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

CITY OF DALY CITY
a California municipal corporation

By: _____
DENNIS J. HERRERA
General Manager
San Francisco Public Utilities Commission

By: _____
THOMAS J. PICCOLOTTI
City Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

APPROVED AS TO FORM

ROSE ZIMMERMAN, City Attorney

By: _____
Nancy Taylor
Deputy City Attorney

By: _____
Rose Zimmerman
City Attorney

ATTACHMENT 1

DALY CITY LEASE



City Council Meeting Agenda Report

Item # _____

Meeting Date: November 24, 2025

Subject: Authorize License Agreement with the City and County of San Francisco for the Construction Staging Area of the Vista Grande Drainage Basin Improvement Project

Recommended Action

Authorize the City Manager to execute a License Agreement with the City and County of San Francisco (SFPUC) for the construction staging area of the Vista Grande Drainage Basin Improvement Project.

Background

The Vista Grande Drainage Basin Improvement Project (Project) is a multi-benefit stormwater management project that will manage, treat, and reuse stormwater in the Vista Grande Drainage Basin while also providing regional water quality, water supply, and recreational benefits.

The Vista Grande storm drain system drains the northwestern portion of Daly City (City) and an unincorporated portion of San Mateo County – areas originally within the watershed of Lake Merced. In the 1890's, the Vista Grande Canal and Tunnel were built to divert storm water away from the lake to an outlet at the Pacific Ocean. The existing Canal and Tunnel do not have adequate hydraulic capacity to convey peak storm flows, and this periodically causes backup of Tunnel flows into the Canal and flooding during peak storm events in adjacent low-lying residential areas and along John Muir Drive. This Project will allow the City and SFPUC to work collaboratively to alleviate flooding in the Vista Grande Drainage Basin and Lake Merced Tract and facilitate augmentation and management of Lake Merced water levels using sustainable supplies of the City's stormwater.

Discussion

This agreement is made with reference to the following recitals:

A. San Francisco, through the SFPUC, owns real property located in the City and County of San Francisco, described as SFPUC Parcel No. 55 and designated as a portion of Assessor's Parcel No. 7283-004, running north along the east and west sides of John Muir Drive.

B. Daly City seeks to implement its Vista Grande Drainage Basin Improvement Project to upgrade the Vista Grande storm drain system, which is a regional stormwater system that drains the northwestern portion of Daly City and an unincorporated portion of San Mateo County. The Project seeks to alleviate storm-related flooding in Daly City and San Francisco, reduce uncontrolled overflows from Daly City's Vista Grande Canal into Lake Merced, and also facilitate the augmentation and management of Lake Merced water levels, which have steadily declined, by using sustainable supplies of Daly City's stormwater.

C. The Project would route storm and non-storm water from the Canal through a diversion structure to be developed on the Property and then would either discharge stormwater to Lake Merced or route it through the Vista Grande Tunnel to be discharged into the Pacific Ocean. Portions of the water would be routed through a treatment wetland to be developed on the property before being discharged into Lake Merced.

City Council Agenda Report

Subject: Authorize License Agreement with the City and County of San Francisco for the Construction Staging Area of the Vista Grande Drainage Basin Improvement Project

Meeting Date: November 24, 2025

Page 2 of 2

D. To facilitate the Project, Daly City intends to acquire certain easements and licenses for the construction, operation, and maintenance of Project improvements on portions of the Property.

E. The Project will require the temporary use of portions of the Property for construction related activities, including: (i) daily contractor parking; (ii) the storage of equipment, materials, and supplies; (iii) the relocation of existing above-ground and subsurface utilities (i.e., AT&T communications cables, PG&E gas transmission pipelines, and a 33-inch treated effluent gravity pipeline); and (iv) temporary workspace adjacent to the Easements to facilitate the construction and installation work.

Fiscal Impact

Sufficient funds are available in the Sanitation Fund 87 fund balance to cover the \$11,256 application and use fees.

Summary/Conclusion

Authorize the City Manager to execute a License Agreement with the City and County of San Francisco (SFPUC) for the construction staging area of the Vista Grande Drainage Basin Improvement Project.

Staff is available to provide any additional information desired by the City Council members.

Respectfully submitted,



Joshua Cosgrove
Director of Water and Wastewater Resources



Rose Zimmerman
City Attorney

Attachment: Draft License Agreement for Construction Staging Area

**SAN FRANCISCO PUBLIC UTILITIES COMMISSION
REVOCABLE LICENSE
(License #P4714)**

THIS REVOCABLE LICENSE (this “**License**”) dated for reference purposes only as of _____, 2026, is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”), acting by and through its Public Utilities Commission (the “**SFPUC**”), and the CITY OF DALY CITY, a municipal corporation (“**Licensee**”). City and Licensee sometimes are referred to collectively in this License as the “**Parties**” or singularly as a “**Party**.”

RECITALS

A. San Francisco, through the SFPUC, owns real property located in the City and County of San Francisco, described as SFPUC Parcel No. 55 and designated as a portion of Assessor’s Parcel No. 7283-004, running north along the east and west sides of John Muir Drive (“**Property**”). The Property is more particularly described in the attached **Exhibit A-1** and shown generally on the map attached as **Exhibit A-2**.

B. Daly City seeks to implement its Vista Grande Drainage Basin Improvement Project (“**Project**”) to upgrade the Vista Grande storm drain system, which is a regional stormwater system that drains the northwestern portion of Daly City and an unincorporated portion of San Mateo County. The Project seeks to alleviate storm-related flooding in Daly City and San Francisco, reduce uncontrolled overflows from Daly City’s Vista Grande Canal (“**Canal**”) into Lake Merced, and also facilitate the augmentation and management of Lake Merced water levels, which have steadily declined, by using sustainable supplies of Daly City’s stormwater.

C. The Project would route storm and non-storm water from the Canal through a diversion structure to be developed on the Property, and then would either discharge stormwater to Lake Merced or route it through the Vista Grande Tunnel (“**Tunnel**”) to be discharged into the Pacific Ocean. Portions of the water would be routed through a treatment wetland to be developed on the property before being discharged into Lake Merced.

D. To facilitate the Project, Daly City intends to acquire certain easements and licenses for the construction, operation, and maintenance of Project improvements on portions of the Property (collectively, the “**Easements**”).

E. The Project will require the temporary use of portions of the Property for construction related activities, including: **(i)** daily contractor parking; **(ii)** the storage of equipment, materials, and supplies; **(iii)** the relocation of existing above-ground and subsurface utilities (i.e., AT&T communications cables, PG&E gas transmission pipelines, and a 33-inch treated effluent gravity pipeline); and **(iv)** temporary workspace adjacent to the Easements to facilitate the construction and installation work.

F. Daly City, as Lead Agency under the California Environmental Quality Act (“**CEQA**”), and the United States Department of the Interior, acting by and through its National Park Service (the “**Park Service**”), as Lead Agency under the National Environmental Policy Act (NEPA), have prepared a joint Final Environmental Impact Report and Environmental Impact

Statement (“**FEIR/FEIS**”), pursuant to the provisions of CEQA, which was released for agency review on September 8, 2017 (State Clearinghouse Number 2013032001). Daly City certified the FEIR/FEIS and approved the Vista Grande South Lake Merced Alternative described in the FEIR/FEIS via City Council Res. No. 17-200, dated December 11, 2017, adopting the mitigation measures included in the FEIR/FEIS and set forth in the Environmental Commitments Record, and assumed responsibility for their implementation. On June 9, 2025, the City of Daly City adopted an Addendum to the previously certified Final EIR/EIS for the Project to address minor revisions and additions to the Project that occurred after Project approval.

G. San Francisco is a responsible agency under CEQA for review and approval of aspects of the Project. San Francisco has reviewed and considered the FEIR/FEIS and the Project approval documents and has approved this Agreement and adopted findings required under CEQA.

NOW, THEREFORE, for and in consideration of the foregoing Recitals, which are incorporated into this License by this reference, the mutual covenants and obligation of the Parties contained in this License, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

BASIC LICENSE INFORMATION

The following is a summary of basic license information (the “**Basic License Information**”). Each item below will be deemed to incorporate all the terms set forth in this License pertaining to the item. In the event of any conflict between the information in this Section and any more specific provision of this License, the more specific provision will control.

City:	CITY AND COUNTY OF SAN FRANCISCO, acting by and through its Public Utilities Commission
Licensee:	CITY OF DALY CITY
License Area (<u>Section 1</u>):	Approximately 62,933 square feet of SFPUC Parcel No. 55 (“ Lake Merced Tract ”), designated as Assessor’s Parcel No. 7283-004, located in San Francisco, California, as more particularly shown in the attached <u>Exhibit B</u> , together with any appurtenances. The License Area is comprised of eleven (11) temporary use parcels (each a “ Temporary Use Parcel ” and together, “ Temporary Use Parcels ”), as shown generally in the attached <u>Exhibit B</u> . The approximate square footage of each Temporary Use Parcel is stated in the attached <u>Exhibit D</u> .
Term (<u>Section 2</u>):	Forty-eight (48) months commencing on the Commencement Date and expiring on the Expiration Date (“ Term ”). Commencement Date: _____ License Term Expiration Date: _____

Permitted Acts (Section 4(a)):	(i) daily contractor parking; (ii) the storage of equipment, materials, and supplies; (iii) the relocation of existing above-ground and subsurface utilities (i.e., AT&T communications cables, PG&E gas transmission pipelines, and a 33-inch treated effluent gravity pipeline); and (iv) temporary workspace, including without limitation office trailers, adjacent to the Easements to facilitate Licensee's construction and installation work.
Application Fee (Section 7(a)):	\$2,500
Use Fee (Section 7(b)):	\$8,756
Security for Performance (Section 3):	N/A
Remit All Payments To:	City and County of San Francisco c/o Customer Service Bureau Attn: Real Estate Billing 525 Golden Gate Avenue, 3rd Floor San Francisco, CA 94102 Reference: License P4714
Licensee's Share of Property Taxes:	See <u>Section 30</u> [Taxes, Assessments, Licenses, License Fees, and Liens].
Notices:	See <u>Section 31</u> [Notices].
Key Contact for City:	SFPUC Real Estate Director
Telephone No. and Email:	(415) 487-5210 RES@sfpuc.org
Key Contact for Licensee:	Joshua Cosgrove, Director of Water & Wastewater Resources
Telephone No. and Email:	(650) 991-8206 Email: jcosgrove@dalycity.org
Alternate Contact for Licensee:	Anthony Tofiga, Senior Management Analyst, Department of Water & Wastewater Resources
Telephone No. and Email:	(650) 991-8202 Email: atofiga@dalycity.org
Licensee's Billing Address:	Department of Water & Wastewater Resources City of Daly City 153 Lake Merced Blvd Daly City, CA 94015 Attn: Joshua Cosgrove

	Re: Vista Grande Staging Area License License P4714
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City and Licensee agree as follows:

1. License. City confers to Licensee a revocable, personal, non-exclusive, and non-possessory privilege to enter upon and use portions of the Property owned by City situated in the County of San Francisco, State of California, shown generally on the drawings attached as **Exhibit B** (the “**License Area**”), for the limited purpose and subject to the terms, conditions, and restrictions set forth below. This License gives Licensee a license only and notwithstanding anything to the contrary in this License, it does not constitute a grant by City of any ownership, leasehold, easement, or other property interest or estate whatsoever in any portion of the License Area. Nothing in this License will be construed as granting or creating any franchise rights pursuant to any federal, state, or local laws.

THE PRIVILEGE GIVEN TO LICENSEE UNDER THIS LICENSE IS EFFECTIVE ONLY INsofar AS THE RIGHTS OF CITY IN THE LICENSE AREA ARE CONCERNED, AND LICENSEE WILL OBTAIN ANY FURTHER PERMISSION NECESSARY BECAUSE OF ANY OTHER EXISTING RIGHTS AFFECTING THE LICENSE AREA. WITHOUT LIMITING THE FOREGOING, THIS LICENSE IS BEING ISSUED SUBJECT AND SUBORDINATE TO ALL OF THE TERMS AND CONDITIONS OF THAT CERTAIN DEED DATED AND RECORDED MARCH 3, 1930 IN BOOK 2002, AT PAGE 1, OF OFFICIAL RECORDS OF SAN FRANCISCO COUNTY, PURSUANT TO WHICH CITY ACQUIRED ITS INTEREST IN THE LICENSE AREA, A COPY OF WHICH IS ATTACHED TO THIS LICENSE AS **EXHIBIT C** (THE “**DEED**”), AND ALL OTHER EXISTING AND FUTURE DOCUMENTS AND INSTRUMENTS OF RECORD AFFECTING THE LICENSE AREA (COLLECTIVELY, WITH THE DEED, THE “**RECORDED DOCUMENTS**”). LICENSEE MUST SECURE ALL ADDITIONAL NECESSARY APPROVALS, PERMITS, LICENSES, AND CONSENTS, AND DELIVER ALL NECESSARY NOTICES, BEFORE COMMENCING WORK IN THE LICENSE AREA, INCLUDING ANY APPROVALS, PERMITS, LICENSES, CONSENTS, OR NOTICES REQUIRED FROM OR TO THE GRANTOR UNDER THE RECORDED DOCUMENTS. FOR CITY’S BENEFIT, LICENSEE COVENANTS AND AGREES THAT LICENSEE WILL FULLY COMPLY WITH THE TERMS AND CONDITIONS OF THE RECORDED DOCUMENTS AND ANY OTHER RULES AND REGULATIONS PROMULGATED BY CITY AS THEY APPLY TO ANY WORK TO BE PERFORMED OR FACILITIES TO BE INSTALLED BY LICENSEE ON THE LICENSE AREA PURSUANT TO THIS LICENSE, AND CITY WILL HAVE NO RESPONSIBILITY OR LIABILITY OF ANY KIND WITH RESPECT THERETO. LICENSEE ACKNOWLEDGES AND AGREES THAT NEITHER CITY NOR ANY OF ITS DEPARTMENTS, COMMISSIONS, OFFICERS, DIRECTORS, AND EMPLOYEES, AND ALL PERSONS ACTING BY, THROUGH, OR UNDER EACH OF THEM HAVE MADE, AND CITY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE PRESENT OR FUTURE SUITABILITY OF THE LICENSE AREA FOR LICENSEE’S INTENDED WORK OR FACILITIES, THE IMPACT OF ANY TERM OR CONDITION OF THE RECORDED DOCUMENTS ON LICENSEE’S RIGHTS UNDER THIS LICENSE, OR THE ABILITY TO OBTAIN OR DELIVER, OR THE PROCEDURE FOR OBTAINING OR DELIVERING, ANY NECESSARY APPROVALS, LICENSES, PERMITS, CONSENTS OR NOTICES FROM OR TO THE GRANTOR UNDER THE RECORDED DOCUMENTS OR ANY OTHER PARTY WITH RESPECT TO ANY MATTERS CONTAINED IN THIS LICENSE.

2. Term of License; Revocability.

(a) **Term.** The privilege conferred to Licensee pursuant to this License will commence on the Commencement Date, as shown in the Basic License Information. The Commencement Date is the date that is the later to occur of (i) the date this License is fully executed and delivered by City following SFPUC authorization and approval and the receipt of all fees, insurance certificates, and security required to be provided by this License; or (ii) the date specified by Licensee in a written notice to the SFPUC of Licensee's intended commencement of mobilization activities upon the License Area, which in no event shall be later than June 1, 2026. The Commencement Date shall be no less than fifteen (15) days after the SFPUC's receipt of such notice. Following the Commencement Date, the Term of this License will immediately expire upon the earlier of: (i) forty-eight (48) months after the Commencement Date, or (ii) upon 30 days prior written notice from City revoking this License.

(b) **Termination.** This License may be terminated at any time without cause or liability, and without any obligation to pay any consideration to Licensee or return to Licensee any part of the license fee or, if applicable, the use fee.

(c) **Revocability.** At its sole option, City may freely revoke this License at any time without cause or liability, and without any obligation to pay any consideration to Licensee or return to Licensee any part of the license fee or, if applicable, the use fee. Upon any revocation, Licensee will promptly surrender the License Area in the condition required by this License. The installation of facilities or the existence of other improvements to, or alterations of, the License Area, regardless of cost, will not in any way whatsoever limit City's right to revoke this License.

3. Intentionally Omitted.

4. Use of License Area.

(a) **Permitted Acts.** Licensee may enter and use the License Area for the sole purpose of the Permitted Acts (as defined above), in strict accordance with Section 5(a) [Approval of Plans and Specifications] below, and for no other purpose whatsoever.

(b) **Subject to City Uses.** Licensee is aware that the License Area constitutes a portion of City's regional water system. Notwithstanding anything to the contrary in this License, all of Licensee's activities pursuant to this License will be subject and subordinate at all times to City's existing and future use of the License Area for municipal and other purposes. City will in no way be liable for any damage or destruction to Licensee's property and/or improvements resulting from the condition of the License Area or use of the License Area by SFPUC for any utility purpose. At City's request, Licensee will immediately remove any of Licensee's property or improvements from the License Area to allow City access to the SFPUC facilities. If City deems it necessary, at City's sole discretion, City may remove any property or improvements, and City will not be responsible for restoring or returning the same to its prior condition.

5. Improvements to License Area, Conditions to Permitted Acts. Licensee may perform the permitted acts described in Section 4(a) [Permitted Acts] above on the License Area. Licensee's use of the License Area and its implementation or installation of any facilities, are subject to its satisfaction of all of the following conditions (to the extent applicable), which are for City's sole benefit:

(a) **Approval of Plans and Specifications.** Licensee will not install or implement any improvements or installation of any facilities within the License Area without City's prior written consent. Licensee will only install or implement improvements or facilities in accordance with plans and specifications (including drawings) approved in advance and in writing by the SFPUC (the "**Approved Plans**"). The Approved Plans may be revised or amended only with the SFPUC's prior written approval after the SFPUC's Environmental Management Group has determined that no further environmental review is required by the California Environmental Quality Act ("**CEQA**") as a result of any such revision or amendment.

(b) **Energy Service and Related Facilities.** If Licensee seeks electrical service for use in the License Area, including for any improvements or facilities, Licensee will contact the Interconnection Services Department in the Power Enterprise of the SFPUC to arrange for service. Licensee will purchase all electricity necessary for its operations at the License Area from the SFPUC, at the SFPUC's standard rates charged to third parties, unless the SFPUC determines, in its sole judgment, that it is not feasible to provide service to the License Area. The SFPUC is the provider of electric services to City property, and the SFPUC's Interconnection Services Department coordinates with Pacific Gas and Electric Company and others to implement this Section. Except as provided above with respect to any electricity services provided by the SFPUC, Licensee will arrange and pay for all utilities and services furnished to the License Area for use by Licensee or its contractors or agents, including gas, electricity, water, sewage, telephone, and trash collection services, and for all deposits, connection, and installation charges.

Except as otherwise provided in this License, the SFPUC has no responsibility or liability of any kind with respect to any utilities that may be on or about the License Area. Licensee has the sole responsibility to locate any utility facilities within the License Area and protect them from damage resulting from Licensee's use of the License Area.

(c) **Permits, Licenses, and Approvals.** Before beginning any permitted improvement or alteration work in the License Area, Licensee will obtain all permits, licenses, and approvals (collectively, "**Approvals**") of all regulatory agencies and other third parties that are required to commence, complete, and maintain the permitted work. Promptly upon receipt of any Approvals, Licensee will deliver copies of them to the SFPUC. No approval by the SFPUC for purposes of Licensee's work under this License will be deemed to constitute the approval of any federal, state, or other local regulatory authority with jurisdiction, and nothing in this License will limit Licensee's obligation to obtain all regulatory Approvals, at Licensee's sole cost.

(d) **Limits of City's or SFPUC's Consent.** City's or the SFPUC's consent to or approval of any improvements, equipment, or fixtures within the License Area will not relieve Licensee or its engineers, architects, or contractors from any liability for negligence, errors, or omissions associated with the design and construction of any improvements, equipment, or fixtures. In no event will the SFPUC's approval of plans or specifications be deemed to constitute a representation or warranty by City concerning the suitability of the improvements, equipment, or fixtures for Licensee's purposes or that the work called for in the plans and specifications complies with applicable building codes or other applicable Laws (defined in Section 9 [Compliance with Laws] below), or industry standards, nor will the SFPUC's approval release Licensee from its obligation to supply plans and specifications that conform to applicable building codes, other applicable Laws, and industry standards.

(e) **Exercise of Due Care.** Licensee will use and will cause its Agents (defined in Section 19 [Indemnity] below) to use, due care at all times to avoid any damage or harm to City's water system, facilities, or other property and to native vegetation and natural attributes of the License Area and to minimize slope erosion. Licensee will not disturb the surface of the License Area or perform any excavation work without City's prior written approval, which City may withhold at its sole discretion. City may condition and/or oversee any permitted excavation work. At its own expense, Licensee will mark the location of City's water pipelines or other facilities within the License Area and will not use any pick, plow, or other sharp tool to remove the two feet of soil around the pipelines or other facilities, provided that Licensee may use hand shovels or pneumatic shovels in compliance with all other terms and conditions of this License. Licensee will immediately inform City of any actual or potential damage to the coating of the pipeline, and any damage will be promptly repaired by Licensee, at its own expense, to City's satisfaction prior to backfilling; provided, at its sole discretion, City may elect upon notification to Licensee to make any necessary repairs itself, at Licensee's sole cost. Upon completion of the repairs, City will send to Licensee an invoice therefor, which Licensee will pay within thirty (30) days following receipt. Under no circumstances will Licensee damage, harm, or take any rare, threatened, or endangered species present on or about the License Area.

(f) **Cooperation with Public Utilities Commission.** Licensee and its Agents will work closely with City personnel to minimize any potential disturbance (even if temporary) of the natural features of the License Area and to avoid disruption (even if temporary) of City facilities, in, under, on, or about the License Area and City uses of its facilities.

(g) **Heavy Equipment.** Licensee will not use any heavy construction equipment over or about City's pipelines, except as otherwise expressly allowed in Section 6(i) [Heavy Equipment and Vehicles] below.

(h) **Work Schedule and Notification for Future Work.** Licensee must diligently perform and complete the Permitted Acts in accordance with the Work Schedule provided in the attached **Exhibit D**. At least ten (10) business days prior to the commencement of any work on a Temporary Use Parcel that deviates from the Work Schedule or any amended Work Schedule later provided to SFPUC, Licensee will notify City's Peninsula and San Francisco Watershed Resource Manager ("**Watershed Manager**"), at (650) 652-3201, of the date the work will commence and the intended work schedule. Notification must also be given to Underground Service Alert at least two (2) days prior to the start of the work. Notwithstanding the approval of Licensee's schedule by the SFPUC, the Watershed Manager will have the right to require Licensee to adjust its schedule from time to time, provided that the Watershed Manager will not unreasonably interfere with Licensee's Permitted Acts, and the Term will be extended by one (1) business day for every business day of delay caused by requirements of the Watershed Manager. All work must be performed during regular working hours (Monday through Friday) between 7:00 a.m. and 7:00 p.m., exclusive of City holidays. Any work performed during any other time or day must be preapproved by the SFPUC at least ten (10) business days prior to commencing the work. In connection with its approval, City may charge Licensee additional inspection fees payable prior to the SFPUC's approval of the request. Notwithstanding the work hours set forth above, Licensee will comply with any applicable local ordinance that imposes later start times and/or earlier cessation times for construction activities and will be solely responsible for addressing and resolving any and all complaints from the public or neighboring properties related to the work performed under this Agreement.

(i) **Restoration of License Area.** Promptly following completion of any work permitted under this License, Licensee will remove all debris and any excess dirt, to City's reasonable satisfaction. Licensee will restore any damage caused to existing roads and may be required to restore excavated areas with new vegetation (including irrigation and maintenance until established) and erosion control netting, all as requested by City, and will comply with all applicable regulations of the regulatory agency with jurisdiction.

(j) **Pipeline Depth/Installation of Above-Ground Markers.** Before commencing any excavation work in the License Area, Licensee will measure the depth of City's pipelines, if any, located in the License Area by potholing and forward the information to City. Any potholing authorized by this License will be subject to the requirements of Section 5(m) [Potholing] below. Upon completion of work, Licensee will promptly notify City in writing of the depth of City's pipeline and related facilities in the License Area. Licensee will install above-ground markers identifying the location of any underground facilities installed pursuant to this License. The location, type, and installation of markers and identifying information on the markers will be subject to the SFPUC's prior written approval.

(k) **As-Built Drawings/Reports.** Promptly upon completion of any improvements or facilities, Licensee will furnish the SFPUC with two (2) complete copies of final as-built drawings for the improvements or facilities, which drawings will include sufficient detail so as to allow City to precisely locate the improvements or facilities. If Licensee or any of its Agents or consultants prepares any environmental, seismic, geophysical, or other written report relating to the License Area and/or any work performed on the License Area, Licensee will furnish to City a complete copy of the report, including any schedules, exhibits, and maps, promptly upon completion of the same.

(l) **Contractors.** Licensee will not accept and release its contractor for work authorized or required by this License before securing the SFPUC's written approval.

(m) **Potholing.** Any potholing authorized by this License will be subject to the direction of City's Watershed Manager. Potholing using the soft dig method (vacuum soil extraction system) is preferred. If Licensee wishes to use any other mechanical method such as digging with a backhoe, License must submit a written request to the SFPUC at least five (5) business days prior to commencing the work and obtain the SFPUC's prior written consent. Notwithstanding the foregoing, the last two feet (2') above the top of the pipe must be dug manually, without the use of any machines.

6. Restrictions on Use. The following uses (by way of example only) of the License Area by Licensee, or any other person claiming by or through Licensee, are inconsistent with the limited purpose of this License and are strictly prohibited as provided below:

(a) **Improvements.** Except as otherwise expressly provided in this License, Licensee will not construct or place any temporary or permanent structures or improvements in, on, under, or about the License Area, nor will Licensee make any alterations or additions to any existing structures or improvements on the License Area, unless Licensee first obtains the SFPUC's prior written consent, which the SFPUC may give or withhold at its sole and absolute discretion. For purposes of this License, the term "improvements" includes asphalt, concrete, and cementitious driveways, sidewalks, and parking areas, shacks, storage facilities, and fences.

(b) **Trees and Other Plantings.** Licensee will not plant any trees or other vegetation in or on the License Area, except as otherwise expressly provided in this License and except in accordance with detailed plans consistent with the SFPUC's Vegetation Management Policy, if applicable, which may be amended from time to time and as approved by the SFPUC in writing in advance.

(c) **Dumping.** Licensee will not cause or permit the dumping or other disposal in, on, under, or about the License Area of landfill, refuse, Hazardous Material (defined in subsection (d) [Hazardous Material] below), or any other materials, including materials that are unsightly or could pose a hazard to the human health or safety, native vegetation or wildlife, or the environment.

(d) **Hazardous Material.** Licensee will not cause, nor will Licensee allow any of its Agents or Invitees (defined in Section 19 [Indemnity] below) to cause, any Hazardous Material to be brought upon, kept, used, stored, generated, released, or disposed of in, on, under, or about the License Area, or transported to, from, or over the License Area. Licensee will immediately notify City when Licensee learns of or has reason to believe that a release of Hazardous Material has occurred in, on, under, or about any part of the License Area. Licensee will further comply with all applicable Laws requiring notice of releases or threatened releases to governmental agencies and will take all action necessary or desirable to mitigate the release or minimize the spread of contamination. If Licensee or its Agents or Invitees cause a release of Hazardous Material, Licensee will promptly return the License Area to the condition immediately prior to the release, without cost to City, in accordance with all Laws, and using the highest and best technology available. In connection with any remedial action, Licensee will afford City a full opportunity to participate in any discussion or negotiations with governmental agencies and environmental consultants regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise proceeding involving Hazardous Material, and any other abatement or cleanup plan, strategy, and procedure. For purposes of this License, "**Hazardous Material**" means material that, because of its quantity, concentration, or physical or chemical characteristics, is at any time now or hereafter deemed by any applicable federal, state, or local governmental authority to pose a present or potential hazard to public health, welfare, or the environment. Hazardous Material includes the following: any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 *et seq.*, or pursuant to Section 78075 of the California Health & Safety Code or any other applicable federal, state, or local Law; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos-containing materials whether or not those materials are part of the License Area or are naturally occurring substances in the License Area; and any petroleum, including crude oil or any crude-oil fraction, natural gas, or natural gas liquids, provided, the foregoing will not prohibit Licensee from traversing to, from, and across the License Area in standard motor vehicles that do not exceed the weight limitations set forth below. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material will include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under, or about the License Area.

(e) **Nuisances.** Licensee will not conduct any activities in, on, under, or about the License Area that constitute waste, nuisance, or unreasonable annoyance (including emission of objectionable odors, noises, or lights) to City, to the owners or occupants of neighboring property, or to the public, or that constitute waste or nuisance per se.

(f) **Damage.** Licensee will not do anything in, on, under, or about the License Area that could cause damage to or interference with any pipelines, facilities, or other property located in, on, under, or about the License Area. Licensee will compensate City for all damage caused to the License Area and City facilities resulting from the activities of Licensee and its Agents and Invitees, including damage resulting from defective work.

(g) **Use of Adjoining Land.** Licensee acknowledges that the privilege given under this License will be limited strictly to the License Area. Licensee will not traverse over or otherwise use any adjoining lands of City.

(h) **Ponding; Water Courses.** Licensee will not cause any ponding on the License Area or any flooding on adjacent land. Licensee will not engage in any activity that causes any change, disturbance, fill, alteration, or impairment to the bed, bank, or channel of any natural water course, wetland, or other body of water on, in, under, or about the License Area, nor will Licensee engage in any activity that could pollute or degrade any surface or subsurface waters or result in the diminution or drainage of such waters.

(i) **Heavy Equipment and Vehicles.** To prevent damage to City's underground pipelines, Licensee's use of heavy vehicles and equipment within twenty feet (20') of each side of the centerline of any City pipeline (measured on the surface) will be subject to the following restrictions:

(i) The depth of soil cover over the tops of City's pipelines must be at least three feet (3') for steel cylinder pipe and four feet (4') for reinforced pre-stressed concrete cylinder pipe to accommodate the loading defined in subsection (ii) below. If any equipment with axle loading exceeds the loads stated in subsection (ii) below or if the depth of soil cover is less than stated above, Licensee will submit to the SFPUC for review and approval, at the SFPUC's sole discretion, engineering calculations prepared by a licensed Professional Engineer licensed in California showing that City's pipelines will not be adversely affected by Licensee's proposed activities. If City's pipelines may be adversely affected, Licensee will submit remedial measures for City's approval to ensure that no adverse effect will occur.

(ii) The effects of vehicle and equipment loads on the pipeline must not exceed the effects of the "AASHTO Standard H-10 Loading." H-10 loading is defined as loading caused by a two-axle truck with a gross weight of ten tons (20,000 lbs.), axles fourteen feet (14') apart, and rear axle carrying eight tons (16,000 lbs.). Licensee will be responsible for providing the SFPUC adequate evidence that its equipment and vehicles meet the foregoing requirements.

(iii) Licensee will not use vibrating compaction equipment without the SFPUC's prior written approval, which approval may be given or withheld at the SFPUC's sole discretion.

(iv) If the depth of the soil cover over the pipeline (determined by potholing or other proof procedure) is less than the minimum stated in subsection (i) above, unless an alternate method is approved by the SFPUC in writing, all excavation and grading over the pipeline must be performed manually. For any machinery or equipment excavation and grading over and/or within twenty feet (20') of each side of the centerline of the pipeline (measured on the surface), Licensee will submit a written proposal together with all supporting calculations and data to the SFPUC for review and approval. In any case, the two feet (2') of soil around the pipeline must be

removed manually or by other methods approved by the SFPUC with due care as provided in Section 5(e) [Exercise of Due Care] above.

(j) **Intentionally Omitted.**

(k) **Cathodic and Other Protection.** City may adopt from time-to-time rules and regulations with regard to any facilities, Licensee's prior improvements or alterations, and Licensee's operations under this License as City may determine are necessary or appropriate, at City's sole discretion, to safeguard against corrosion of, or other damage to, City's pipelines and other facilities. Licensee will immediately comply with all rules and regulations upon receipt of a copy of any rules and regulations.

7. **License Fee(s).**

(a) **Processing Fee.** Licensee will pay to City a one-time non-refundable license fee in the amount of Two Thousand Five Dollars (\$2,500) to cover City's processing, inspection, and other administrative costs. Such fee is payable when Licensee signs and delivers this License to City. Payment will be made by good check payable to the City and County of San Francisco and delivered to City in care of the SFPUC Real Estate Director at the address for notices to City specified in Section 31(a) [Notices] below, or such other place as City may designate in writing.

(b) **Use Fee.** In addition, Licensee will pay to City a use fee in consideration of Licensee's use of the License Area. The use fee payable for the entire Term will be in the amount of Eight Thousand Seven Hundred and Fifty-Six Dollars (\$8,756) ("Use Fee"). The Use Fee will be paid to City, without prior demand and without any deduction, setoff, or counterclaim whatsoever. If this License is superseded by a new license as contemplated in Section 2(a)(ii), any Use Fee paid by Licensee under this License will be credited against the use fee due and payable under any new license. All sums payable by Licensee to City pursuant to this License will be paid in cash or by good check to the City and County of San Francisco and delivered to City in care of the Customer Service Bureau, Attn: Real Estate Billing, 525 Golden Gate Avenue, 3rd Floor, San Francisco, California, 94102, or such other place as City may designate in writing. **City's acceptance of a third-party check or other payment will not be deemed as City's acceptance or acknowledgement of any assignment of this License and will not be deemed to establish a relationship between City and that third party. Any sum tendered by a third party will be deemed a use fee tendered on behalf of Licensee and not on behalf of the third party regardless of whether it contains a restrictive endorsement.**

(c) **Intentionally Omitted.**

(d) **Intentionally Omitted.**

8. **Required Insurance Coverages.** Licensee's compliance with the provisions of this Section 8 will in no way relieve or decrease Licensee's indemnification or other obligations under this License. Licensee must maintain in force, during the full Term of this License, insurance in the amounts and coverages listed below. In addition, Licensee will cause each Agent (defined in Section 19 [Indemnity] below) performing work on the License Area to procure and keep in effect during the course of any work appropriate amounts of insurance and add City as additional insured for those respective policies.

(a) Commercial General Liability Insurance with limits not less than \$3,000,000 each occurrence for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Independent Contractors, Explosion, Collapse, and Underground (XCU), Broad Form Property Damage and Products, and Completed Operations.

(b) Commercial Automobile Liability Insurance with limits not less than \$2,000,000 each occurrence, “Combined Single Limit” for Bodily Injury and Property Damage, including Owned, Non-Owned, and Hired auto coverage, as applicable.

(c) Workers’ Compensation, in statutory amounts, with Employers’ Liability Limits not less than \$1,000,000 each accident, injury, or illness.

(d) Pollution Liability Insurance applicable to Licensee’s activities and responsibilities under this License with limits not less than \$1,000,000 each occurrence combined single limit, including coverage for on-site third-party claims for bodily injury and property damage.

(e) **Additional Insured Endorsements.**

(i) The Commercial General Liability and Pollution Liability policies must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(ii) The Commercial Automobile Liability Insurance policy must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(f) **Waiver of Subrogation Endorsements.** The Workers’ Compensation policy(ies) and all Liability Policies referenced above will be endorsed with a waiver of subrogation in favor of City for all work performed by Licensee or its Agents.

(g) **Primary Insurance Endorsements.**

(i) The Commercial General Liability policy will provide that the policy is primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this License, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(ii) The Commercial Automobile Liability Insurance policy will provide that the policy is primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this License, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(iii) The Pollution Liability Insurance policy will provide that the policy is primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this License, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(iv) The policies will also provide for severability of interests and that an act or omission of one of the named insureds that would void or otherwise reduce coverage will not reduce or void the coverage as to any other insured and will afford coverage for all claims based

on acts, omissions, injury, or damage that occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

(h) Other Insurance Requirements.

(i) Thirty (30) days' advance written notice will be provided to City of cancellation, intended non-renewal, or reduction in coverages, except for non-payment for which no less than ten (10) days' notice will be provided to City. Notices will be sent to the City address set forth in Section 31(a) [Notices].

(ii) If any of the required insurance is provided under a claims-made form, Licensee will maintain coverage continuously throughout the Term of this License and, without lapse, for a period of three years beyond the expiration of this License, to the effect that, should occurrences during the License Term give rise to claims made after expiration of the License, those claims will be covered by the claims-made policies.

(iii) If any of the required insurance is provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in the general annual aggregate limit, the general annual aggregate limit must be double the occurrence or claims limits specified above.

(iv) If any required insurance lapses during the Term of this License, requests for payments originating after the lapse will not be processed until City receives satisfactory evidence of reinstated coverage as required by this License, effective as of the lapse date. If insurance is not reinstated, City may, at its sole option, terminate this License effective on the date the insurance lapses.

(v) Prior to the Commencement Date, Licensee will furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Licensee and its contractors will submit or cause their respective insurance brokers to submit requested information through the TenantShield insurance verification program designated by City or any successor program used by City for verification of Licensee and contractor insurance coverage. Approval of the insurance by City will not relieve or decrease Licensee's liability hereunder. If Licensee fails to procure the required insurance, or to deliver policies or certificates, at its option, City may procure the same for the account of Licensee, and Licensee will reimburse City for any costs paid by City within five (5) business days after delivery to Licensee of an invoice therefor.

(vi) If Licensee will use any subcontractor(s) to perform the Permitted Acts, Licensee will require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco, its officers, agents and employees, and the Licensee as additional insureds.

(vii) Upon City's request, Licensee and City will periodically review the limits and types of insurance carried pursuant to this Section. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Licensee for risks comparable to those associated with the License Area, then, at its sole discretion, City may require Licensee to increase

the amounts or coverage carried by Licensee hereunder to conform to the general commercial practice.

(i) Self-Insurance.

Licensee will have the right to self-insure with respect to any of the insurance requirements required under this License, to the extent permitted by applicable law. If Licensee elects to self-insure with respect to any of the insurance requirements required under this License, before the Commencement Date and upon written request by the SFPUC, within thirty (30) days of the commencement of each year thereafter, Licensee will submit to the SFPUC a certificate of self-insurance signed by a duly authorized representative of Licensee, such certificate evidencing that Licensee's self-insurance program is adequately funded, in full force and effect and in compliance with and subject to all the terms, agreements, covenants, conditions and provisions of this License. If Licensee elects to self-insure, Licensee will give City prompt written notice of any significant change in or the depletion of its self-insurance fund. Notwithstanding the foregoing, Licensee is also responsible for causing any contractors, subcontractors, and/or Agents to maintain commercially reasonable insurance coverages and coverage limits as required under this License.

Any deductibles or self-insured retentions must be declared. All deductibles and self-insured retentions will be paid by Licensee.

With respect to any claim, loss, or liability that would have been covered by the insurance policies (including the status as an "additional insured" thereunder of City, the SFPUC, and their respective Agents and Employees) required by this License to be maintained by Licensee but within the self-insured retention or deductible amount, Licensee will cover such claim, loss, or liability on the same basis as the insurance arrangements or deductibles on such insurance policies, including such insurance carrier responsibility to protect City, the SFPUC, and their respective Agents and Employees as an "additional insured."

9. Compliance with Laws. At its expense, Licensee will conduct and cause to be conducted all activities on the License Area permitted by this License in a safe and reasonable manner and in compliance with all laws, statutes, ordinances, rules, regulations, policies, orders, edicts, and the like (collectively, "**Laws**") of any governmental or other regulatory entity with jurisdiction (including the Americans with Disabilities Act) and all applicable covenants, restrictions, and provisions of record, whether presently in effect or subsequently adopted and whether or not in the contemplation of the Parties. At its sole expense, Licensee will procure and maintain in force at all times during its use of the License Area all business and other licenses or approvals necessary to conduct the activities allowed by this License. City is entering into this License in its capacity as a property owner with a proprietary interest in the License Area and not as a regulatory agency with police powers. No approval by City for purposes of this License will be deemed to constitute approval of any federal, state, City, or other local regulatory authority with jurisdiction, and nothing in this License will limit Licensee's obligation to obtain all regulatory approvals at Licensee's sole cost, or limit in any way City's exercise of its police powers.

Licensee will keep itself fully informed of City's Charter, codes, ordinances and regulations and all state and federal laws, rules and regulations affecting the performance of Licensee's operations pursuant to this License and will at all times comply with those laws and regulations. Licensee agrees to maintain its good standing as a corporation, nonprofit, limited liability company, partnership, joint venture, or similar legal entity at all times during the Term of

this License. Licensee's obligation to maintain good standing includes, without limitation, Licensee's continued timely submission of all required information and payments when due to the California Secretary of State, Franchise Tax Board, Internal Revenue Service, California Attorney General's Registry of Charitable Trusts, or any other applicable agency or entity. Licensee will immediately notify City of any voluntary or involuntary change to its good standing status or in its eligibility, rights and privileges as a statutory entity. Upon City's request, Licensee will provide documentation demonstrating its compliance with all applicable Laws. If Licensee will use any contractors to perform the Permitted Acts, Licensee is responsible for ensuring they comply with all applicable Laws at the time Licensee contracts with those contractors and for the duration of that agreement. Any failure by Licensee or any of its contractors to remain in good standing with applicable Laws will be a material breach of this License.

10. Covenant to Maintain License Area and Facilities. Licensee will be solely responsible for repairing and maintaining any facilities and improvements or alterations made in or on the License Area pursuant to prior agreements in good, clean, safe, secure, sanitary, and slightly condition, and City will have no duty whatsoever for any repair or maintenance of the License Area or any facilities, or other Licensee improvements or alterations. Throughout the Term of this License, at its sole cost, Licensee will maintain the License Area at all times in a good, clean, safe, secure, sanitary, and slightly condition, so far as the License Area may be affected by Licensee's activities under this License. Licensee will notify City in writing not less than five (5) days before performing any repair or maintenance work in the License Area, except in the case of an emergency when Licensee will notify City telephonically and in writing as soon as reasonably possible.

11. Monuments.

(a) By its execution and delivery of this License, Licensee acknowledges that the monuments shown on the attached **Exhibit B**, if any, are in place and in good condition. During the installation of any facilities and at all times during Licensee's use of the License Area, Licensee will protect and safeguard City's monuments. Licensee will promptly notify City if Licensee becomes aware of any change in the condition of City's monuments, regardless of the cause of the change.

(b) If Licensee damages a monument necessitating resurvey, repair, or replacement, as determined by City at its sole discretion, Licensee will survey, file a land surveyor's map in the Official Records of the County of San Francisco, and install a replacement monument within thirty (30) days of completion of work authorized under this License, all at Licensee's expense and to City's satisfaction. A recorded surveyor's map will be furnished by Licensee to the SFPUC for its records.

(c) During the Term of this License, City may replace missing monuments or install new monuments. When City replaces missing monuments or installs new monuments, City will give Licensee written notice of the replacement or installation. Upon deposit of the notice in the U.S. mail by City, postage prepaid, Licensee will assume the protection and replacement responsibilities set forth in this License.

12. Removal or Alteration of Facilities or Improvements. Without limiting City's rights under this License, at City's written request, Licensee will promptly alter or remove, at its sole expense, all facilities, improvements, plantings, or other property owned by Licensee or installed

or placed in, on, under, or about the License Area by Licensee, as may be necessary to avoid any actual or potential interference with the installation, construction, maintenance, operation, repair, replacement, or removal of any of City's pipelines, power lines, facilities, or other structures now or later constructed or with any other operations or land uses by City. In the request, City may specify reasonable time limits for completion of the work. If, after the written notice, Licensee fails to complete the requested work within the prescribed time limits, City may perform the requested work and charge Licensee all costs and expenses so incurred by City. City's costs and expenses will be due and payable upon City's demand. In the event of an emergency, at City's sole option, at Licensee's sole expense, and without notice, City may, alter, remove, or protect all facilities, improvements, plantings, or other property installed or placed in, on, under, or about the License Area by Licensee. Upon City's written or oral notice that an emergency exists, the owner of any utility facilities must take immediate action at its sole expense to protect, remove, or relocate the utility facilities as required by City to address the emergency.

13. Intentionally Omitted.

14. Signs. Except for any pipeline markers required by City or any regulatory agency with jurisdiction, Licensee will not place, erect, or maintain any sign, advertisement, banner, or similar object in, on, or about the License Area without City's prior written consent, which City may give or withhold at its sole discretion; provided, however, that, without City's prior written consent, if necessary for Licensee's construction use, Licensee may place in the License Area a temporary sign of less than thirty (30) days' duration that does not penetrate the ground surface.

15. Surrender. Upon the expiration of this License or within ten (10) days after any earlier revocation or other termination of this License, Licensee will surrender the License Area in the same condition as received, and broom clean, free from hazards, and clear of all debris. At that time, Licensee will remove all of its property from the License Area and any signs, and, upon City's request, any facilities and any other structures, improvements, or alterations placed on the License Area during the Term of this License, and will repair, at its cost, any damage to the License Area caused by the removal. Licensee's obligations under this Section will survive any termination of this License.

16. Repair of Damage. If any portion of the License Area or any City property located on or about the License Area is damaged or threatened by any of the activities conducted by Licensee or anyone acting by or through Licensee during the Term, at its sole cost, Licensee will immediately notify City of the damage or threat by **(a)** calling the SFPUC's dispatch operator as specified in Section 31(b) [Emergency Contacts] below, and **(b)** providing written notice in accordance with Section 31(a) [Notices] below. City may, but will not be obligated to, remedy the damage or threat at Licensee's sole cost, or City may elect to observe Licensee's repair work. If City elects not to remedy the damage or threat, Licensee will repair all damage and restore the License Area or property to its previous condition subject to City's inspection, review, and approval. City has no responsibility or liability of any kind with respect to any utilities that may be on, in, or under the License Area. Licensee is solely responsible for the location of any utilities and other existing facilities and their protection from damage. Licensee will be solely responsible to arrange and pay directly for any utilities or services necessary for its Permitted Acts; provided, Licensee will obtain City's prior written approval for the provision of any services or utilities in, on, under, or through the License Area.

17. City's Right to Cure Defaults by Licensee. If Licensee fails to perform its obligations under this License to restore the License Area, remove or alter any facilities and other Licensee improvements or alterations, or repair damage, or if Licensee defaults in the performance of its other obligations under this License, then, at its sole option, City may remedy the failure for Licensee's account and at Licensee's expense after first providing Licensee with (i) five (5) business days' prior written notice of City's intention to cure the default (except that no prior notice will be required in the event of an emergency as determined by City), and (ii) the opportunity for Licensee to cure the default within the notice period or such other longer period of time agreed upon by City. City's action will not be construed as a waiver of City's rights or remedies under this License, and nothing in this License will imply any duty of City to do any act that Licensee is obligated to perform. Licensee will pay to City upon demand, all costs, damages, expenses, or liabilities incurred by City, including reasonable attorneys', experts', and consultants' fees, in remedying or attempting to remedy the default. Licensee's obligations under this Section will survive the termination of this License.

18. No Costs to City. Licensee will bear all costs or expenses of any kind or nature in connection with its use of the License Area and will keep the License Area free and clear of any liens or claims of lien arising out of or in any way connected with its use of the License Area.

19. Indemnity. Licensee will indemnify, defend, reimburse, and hold harmless City, its officers, agents, employees, and contractors, and each of them, from and against all demands, claims, legal or administrative proceedings, losses, costs, penalties, fines, liens, judgments, damages, and liabilities of any kind ("**Claims**"), arising in any manner out of (**a**) any injury to or death of any person or damage to or destruction of any property occurring in, on, or about any part of the License Area, whether such injury, death, damage, or destruction is caused by the person or property of Licensee, its officers, directors, members, employees, agents, consultants, contractors, or subcontractors (collectively, "**Agents**"), or its invitees, guests, or business visitors (collectively, "**Invitees**"), or third persons, relating to any use or activity under this License, (**b**) any failure by Licensee to faithfully observe or perform any term, covenant, or condition of this License, (**c**) the use of the License Area or any activities conducted on the License Area by Licensee, its Agents, or Invitees, (**d**) any release or discharge, or threatened release or discharge, of any Hazardous Material caused or allowed by Licensee, its Agents, or Invitees, on, in, under, or about the License Area, any improvements or into the environment, or (**e**) any failure by Licensee to faithfully observe or perform any terms, covenants, or conditions of the Recorded Documents to the extent that the terms, covenants, or conditions relate to or are triggered by the work to be performed or facilities or other Licensee improvements or alterations on the License Area; except solely to the extent of Claims resulting directly from the gross negligence or willful misconduct of City or City's authorized representatives. In addition to Licensee's obligation to indemnify City, Licensee has an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnity provision even if the allegation is or may be groundless, fraudulent, or false, which obligation arises at the time the claim is tendered to Licensee by City and continues at all times thereafter. The foregoing indemnity will include reasonable attorneys', experts', and consultants' fees and costs, investigation and remediation costs, and all other reasonable costs and expenses incurred by the indemnified parties, including damages for decrease in the value of the License Area and claims for damages or decreases in the value of adjoining property. Licensee's obligations under this Section will survive the expiration or other termination of this License.

20. Waiver of Claims.

(a) Neither City nor any of its commissions, departments, boards, officers, agents, or employees will be liable for any damage to the property of Licensee, its officers, agents, employees, contractors, or subcontractors, or their employees, or for any bodily injury or death to these persons, resulting or arising from the condition of the License Area or its use by Licensee, or Licensee's Agents or Invitees.

(b) Because this License is freely revocable by City, Licensee expressly assumes the risk of making any expenditure in connection with this License, even if the expenditures are substantial. Without limiting any indemnification obligations of Licensee or other waivers contained in this License and as a material part of the consideration for this License, Licensee fully RELEASES, WAIVES, AND DISCHARGES forever all claims, demands, rights, and causes of action against, and covenants not to sue, City, its departments, commissions, officers, directors, and employees, and all persons acting by, through, or under each of them, under any present or future Laws, including any claim for inverse condemnation or the payment of just compensation under law or equity, if City exercises its right to revoke or terminate this License.

(c) Licensee acknowledges that it will not be a displaced person at the time this License is terminated or revoked or expires by its own terms, and Licensee fully RELEASES, WAIVES, AND DISCHARGES forever all claims, demands, rights, and causes of action against, and covenants not to sue, City, its departments, commissions, officers, directors, and employees, and all persons acting by, through, or under each of them, under any present or future Laws related to displaced persons or relocation assistance, including all claims for relocation benefits or assistance from City under federal and state relocation assistance laws.

(d) The fees payable pursuant to this License do not take into account any potential City liability for any consequential or incidental damages including lost profits and arising out of disruption to or any facilities or other Licensee improvements or alterations on the License Area; or Licensee's uses of the License Area permitted by this License. City would not be willing to grant this License in the absence of a waiver of liability for consequential or incidental damages resulting from the acts or omissions of City or its departments, commissions, officers, directors, and employees, and by all persons acting by, through, or under each of them, and Licensee expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Licensee or other waivers contained in this License and as a material part of the consideration for this License, Licensee fully RELEASES, WAIVES, AND DISCHARGES forever all claims, demands, rights, and causes of action against for consequential and incidental damages (including lost profits) and covenants not to sue for consequential or incidental damages City, its departments, commissions, officers, directors, and employees, and all persons acting by, through, or under each of them, arising out of this License or the uses authorized under this License, including any interference with uses conducted by Licensee pursuant to this License, regardless of the cause, and whether or not due to the negligence of City or its departments, commissions, officers, directors, and employees, and all persons acting by, through, or under each of them, except for the gross negligence and willful misconduct of City or its departments, commissions, officers, directors, and employees, and all persons acting by, through, or under each of them.

(e) As part of Licensee's agreement to accept the License Area in its "As Is" condition as provided below, and without limiting its agreement, Licensee, on behalf of itself and its

successors and assigns, waives its right to recover from, and forever releases and discharges, City and its officers, agents, and employees, and their respective heirs, successors, administrators, personal representatives, and assigns, from all Claims, whether direct or indirect, known or unknown, foreseen and/or unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the License Area and any related improvements or any applicable Laws or the suitability of the License Area for Licensee's intended use.

(f) In connection with the foregoing releases, Licensee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Licensee acknowledges that the releases contained in this License include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Licensee realizes and acknowledges that it has agreed upon this License in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of California Civil Code Section 1542, or any statute or other similar law now or later in effect. The releases contained in this License will survive any termination of this License.

21. As Is Condition of License Area; Disability Access; Disclaimer of Representations.

Licensee accepts the License Area in its "AS IS" condition, without representation or warranty of any kind by City, its departments, commissions, officers, directors, and employees, and all persons acting by, through, or under each of them, and subject to all applicable Laws governing the use of the License Area. Without limiting the foregoing, this License is made subject to all existing and future covenants, conditions, restrictions, easements, encumbrances, and other title matters affecting the License Area, whether foreseen or unforeseen, and whether these matters are of record or would be disclosed by an accurate inspection or survey.

City discloses (a) City has not been issued a disability access inspection certificate as described in California Civil Code Section 55.53(e), (b) pursuant to California Civil Code Section 1938, that City has not ordered, performed, or caused to be performed, a Certified Access Specialist ("CASp") inspection of the License Area (sometimes referred to as "premises" or "subject premises" for the herein disclosures), and (c) City makes the following statutory disclosure per California Civil Code Section 1938 (the required "CASp Disclosure"):

"A Certified Access Specialist ("CASp") can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties will mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

22. **No Assignment.** This License is personal to Licensee and will not be assigned, conveyed, or otherwise transferred by Licensee under any circumstances. Any attempt to assign, convey, or otherwise transfer this License will be null and void and cause the immediate termination and revocation of this License.

23. **Cessation of Use.** Licensee will not terminate its activities on and use of the License Area pursuant to this License without prior written notice to City.

24. **No Joint Ventures or Partnership; No Authorization.** This License does not create a partnership or joint venture between City and Licensee as to any activity conducted by Licensee on, in, or relating to the License Area. Licensee is not a state actor with respect to any activity conducted by Licensee on, in, under, or around the License Area. City's provision of this License does not constitute City's authorization or approval of any activity conducted by Licensee on, in, around, or relating to the License Area.

25. **Intentionally Omitted.**

26. **Intentionally Omitted.**

27. **Intentionally Omitted.**

28. **Notification of Prohibition on Contributions.** Licensee acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with City for the selling or leasing of any land or building to or from City whenever the transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (a) the City elective officer, (b) a candidate for the office held by such individual, or (c) a committee controlled by that individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for the contract or twelve months after the date the contract is approved. Licensee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Licensee further acknowledges that (i) the prohibition on contributions applies to each Licensee; each member of Licensee's board of directors, and Licensee's chief executive officer, chief financial officer, and chief operating officer, if applicable; any person with an ownership interest of more than ten percent (10%) in Licensee; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Licensee; and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department seeking to enter into the contract must notify the Ethics Commission of the parties and any subcontractor to the contract. Additionally, Licensee certifies it has informed each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 by the time it submitted a proposal for the contract to City, and has provided the names of the persons required to be informed to the City department seeking to enter into that contract within thirty (30) days of submitting its contract proposal to the City department receiving that submittal, and acknowledges the City department receiving that submittal was required to notify the Ethics Commission of those persons.

29. **Intentionally Omitted.**

30. Taxes, Assessments, Licenses, License Fees, and Liens.

(a) Licensee recognizes and understands that this License may create a possessory interest subject to property taxation and that Licensee may be subject to the payment of property taxes levied on that interest. Licensee further recognizes and understands that any transfer or assignment permitted under this License and any exercise of any option to renew or extend this License may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder.

(b) Licensee will pay taxes of any kind, including possessory interest taxes, that may be lawfully assessed on the interest created by this License and will pay all other taxes, excises, licenses, permit charges, and assessments based on Licensee's usage of the License Area that may be imposed upon Licensee by law, all of which will be paid when the same become due and payable and before delinquency.

(c) Licensee will not allow or suffer a lien for any taxes or charges to be imposed upon the License Area or upon any equipment or property located on the License Area without promptly discharging the same, provided that Licensee may contest the validity of the same by paying under protest or posting adequate (at City's sole discretion) security during any contest.

(d) San Francisco Administrative Code Sections 23.38 and 23.39 require that City report certain information relating to this License, and any renewals of this License, to the County Assessor within sixty (60) days after any renewal, and that Licensee report certain information relating to any assignment of or transfer under this License to the County Assessor within sixty (60) days after any assignment or transfer transaction. Licensee will provide this information as may be requested by City to enable City to comply with this requirement.

31. Notices.

(a) Except as otherwise expressly provided in this License, service of notices and demands given under this License will be effective only if in writing and given by delivering the notice in person, by sending it first class mail or certified mail with a return receipt requested, or next-business-day courier, to City or to Licensee, as applicable, at the addresses specified below. Properly addressed notices issued pursuant to this License will be deemed given on the date personal delivery is made or, if sent by a method that provides confirmation of delivery, on the earliest of confirmed delivery or confirmed attempted delivery:

City or the SFPUC:	Real Estate Services Division San Francisco Public Utilities Commission 525 Golden Gate Avenue, 10 th Floor San Francisco, CA 94102 Attn: Real Estate Director Re: Vista Grande Staging Area License License P4714 Telephone No.: (415) 487-5210
Licensee:	Department of Water & Wastewater Resources City of Daly City 153 Lake Merced Blvd

Daly City, CA 94015
Attn: Joshua Cosgrove, Director of Water and
Wastewater Resources
Re: Vista Grande Staging Area License
License P4714
Telephone No.: (650) 991-8206
Email: jcosgrove@dalycity.org

Telephone numbers and email addresses are provided for convenience of communication and do not constitute sufficient methods for delivering notices. Each party may change its address for notices from time to time by giving notice to the other in the manner described above.

(b) Emergency Contacts. Licensee will immediately notify the SFPUC's City Distribution Division facility by phone at (415) 550-49000 of any emergency or incident requiring emergency response.

32. Prohibition of Tobacco Sales and Advertising. No advertising or sale of cigarettes or tobacco products is allowed on the License Area. This advertising prohibition includes the placement of the name of a company producing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product.

33. Prohibition of Alcoholic Beverage Advertising. No advertising of alcoholic beverages is allowed on the License Area. For purposes of this Section, "alcoholic beverage" will be defined as set forth in California Business and Professions Code Section 23004, and will not include cleaning solutions, medical supplies, and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product.

34. Restrictions on the Use of Pesticides. Chapter 3 of the San Francisco Environment Code (the Integrated Pest Management Program Ordinance or "**IPM Ordinance**") describes an integrated pest management ("**IPM**") policy to be implemented by all City departments. Licensee will not use or apply or allow the use or application of any pesticides on the License Area or contract with any person or entity to provide pest abatement or control services to the License Area without first receiving City's written approval of an IPM plan that **(a)** lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Licensee may need to apply to the License Area during the Term of this License, **(b)** describes the steps Licensee will take to meet City's IPM Policy described in Section 300 of the IPM Ordinance and **(c)** identifies, by name, title, address, and telephone number, an individual to act as the Licensee's primary IPM contact person with City. Licensee will comply, and will require all of Licensee's contractors to comply, with the IPM plan approved by City and will comply with the requirements of Sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM Ordinance, as if Licensee were a City department. Among other matters, the provisions of the IPM Ordinance: **(i)** provide for the use of pesticides only as a last resort, **(ii)** prohibit the use or application of pesticides on property owned by City, except for pesticides granted an exemption under Section 303 of the IPM Ordinance (including pesticides included on the most current Reduced Risk Pesticide List compiled by City's Department of the Environment), **(iii)** impose certain notice requirements, and **(iv)** require Licensee to keep certain records and to report to City all pesticide use at the License Area by Licensee's staff or contractors.

If Licensee or Licensee's contractor will apply pesticides to outdoor areas at the License Area, Licensee must first obtain a written recommendation from a person holding a valid Agricultural Pest Control Advisor license issued by the California Department of Pesticide Regulation ("CDPR") and any pesticide application will be made only by or under the supervision of a person holding a valid, CDPR-issued Qualified Applicator certificate or Qualified Applicator license. City's current Reduced Risk Pesticide List and additional details about pest management on City property can be found at the San Francisco Department of the Environment website, <http://sfenvironment.org/ipm>.

35. Conflict of Interest. Licensee acknowledges that it is familiar with the provisions of Section 15.103 of City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the California Government Code and certifies that it does not know of any facts that would constitute a violation of said provisions. If Licensee becomes aware of any fact that would constitute a violation of these provisions during the Term of this License, Licensee will immediately notify City.

36. Disclosure. City's Sunshine Ordinance (San Francisco Administrative Code Chapter 67) and the State Public Records Act (Gov't Code Section 7920.000 et seq.), apply to this License and all records, information, and materials related to this License submitted to City in connection with this License. Accordingly, all records, information, and materials may be subject to public disclosure in accordance with City's Sunshine Ordinance and the State Public Records Act. Licensee authorizes City to disclose any records, information, and materials submitted to City in connection with this License.

37. Intentionally Omitted.

38. Severability. If any provision of this License, or its application to any person, entity, or circumstance, will be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this License, or the application of any provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this License will be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this License without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this License.

39. Cooperative Drafting. This License has been drafted through a cooperative effort of both Parties, and both Parties have had an opportunity to have the License reviewed and revised by legal counsel. No Party will be considered the drafter of this License, and no presumption or rule that an ambiguity will be construed against the Party drafting the clause will apply to the interpretation or enforcement of this License.

40. Intentionally Omitted.

41. San Francisco Packaged Water Ordinance. Licensee will comply with San Francisco Environment Code Chapter 24 ("**Chapter 24**"). Licensee will not sell, provide, or otherwise distribute Packaged Water, as defined in Chapter 24 (including bottled water), in the performance of this License or on City property unless Licensee obtains a waiver from City's Department of the Environment. If Licensee violates this requirement, City may exercise all remedies in this

License and the Director of City's Department of the Environment may impose administrative fines as set forth in Chapter 24.

42. General Provisions. (a) This License may be amended or modified only by a writing signed by City and Licensee. (b) No waiver by any Party of any of the provisions of this License will be effective unless in writing and signed by an officer or other authorized representative of such Party, and only to the extent expressly provided in a written waiver. No waiver will be deemed a subsequent or continuing waiver of the same, or any other, provision of this License. (c) The exhibits referenced in and attached hereto are incorporated into this License. (d) This License contains the entire agreement between the Parties regarding the subject matter of this License, and supersedes all prior written or oral negotiations, discussions, understandings, and agreements between the Parties regarding such subject matter. (e) The Section and other headings of this License are for convenience of reference only and will be disregarded in the interpretation of this License. (f) Time is of the essence in all matters relating to this License. (g) This License will be governed by California law and City's Charter. (h) If either Party commences an action against the other or a dispute arises under this License, the prevailing party will be entitled to recover from the other reasonable attorneys' fees and costs. For purposes of this License and the indemnifications set forth in this License, reasonable attorneys' fees of City will be based on the fees regularly charged by private attorneys in San Francisco with comparable experience notwithstanding City's use of its own attorneys. (i) If Licensee consists of more than one person then the obligations of each person will be joint and several. (j) Licensee may not record this License or any memorandum of this License. (k) Subject to the prohibition against assignments or other transfers by Licensee hereunder, this License will be binding upon and inure to the benefit of the Parties and their respective heirs, representatives, successors, and assigns. (l) Any sale or conveyance of the property burdened by this License by City will automatically revoke this License. (m) Except as expressly provided to the contrary, all approvals, consents, and determinations to be made by City under this License may be made at City's sole and absolute discretion. (n) Whenever this License requires City's or the SFPUC's consent or approval, the General Manager of the SFPUC, or their designee, will be authorized to provide such consent or approval, except as otherwise provided by applicable Laws, including City's Charter, or by the SFPUC's Real Estate Guidelines. No consent, approval, election, or option will be effective unless given, made, or exercised in writing. (o) This License may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. (p) Use of the word "including", or similar words will not be construed to limit any general term, statement, or other matter in this License, whether or not language of non-limitation, such as "without limitation" or similar words, are used. (q) Each person executing this License on Licensee's behalf does hereby represent and warrant that Licensee has full right and authority to enter into this License, and that each person signing on behalf of Licensee is duly authorized to bind Licensee to the terms and conditions of this License. Upon City's request, Licensee will provide documentation confirming the foregoing representations and warranties.

[SIGNATURES ON FOLLOWING PAGE]

LICENSEE REPRESENTS AND WARRANTS TO CITY THAT IT HAS READ AND UNDERSTANDS THE CONTENTS OF THIS LICENSE, HAS HAD AN OPPORTUNITY TO REVIEW AND DISCUSS IT WITH COUNSEL OF ITS CHOOSING, AND AGREES TO COMPLY WITH AND BE BOUND BY ALL OF ITS PROVISIONS.

LICENSEE:

CITY OF DALY CITY,
a municipal corporation

By: _____

Its: _____

Date: _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

DENNIS J. HERRERA
General Manager
San Francisco Public Utilities Commission
(authority pursuant to SFPUC Resolution
No. 24-0185)

Date: _____

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____

Nancy Taylor
Deputy City Attorney

EXHIBIT A-1

Description of License Area

All that certain real property located in the County of San Francisco, California, described as follows:

Portions of SFPUC Parcel No. 55 (“**Lake Merced Tract**”), according to SFPUC records and as shown on the drawing attached as **Exhibit B** and made a part of this License.

EXHIBIT A-2

Depiction of the Property

[see attached]

EXHIBIT B

Depiction of License Area

[see attached]

EXHIBIT C

Deed

[see attached]

EXHIBIT D**Work Schedule**

Temporary Use Parcel:	Approx. Area (in square feet)	Duration (Months):	Estimated Occupancy Dates
Temporary Use Parcel No. 1	1,765	10	Summer 2026 to Early 2027
Temporary Use Parcel No. 2	1,802	10	Summer 2026 to Early 2027
Temporary Use Parcel No. 3	2,427	2	Late 2026/early 2027 or Winter/Spring 2028 (timing is flexible)
Temporary Use Parcel No. 4	4,001	2	Late 2026/early 2027 or Winter/Spring 2028 (timing is flexible)
Temporary Use Parcel No. 5	38,873	48	Early 2026 to Late 2029
Temporary Use Parcel No. 6	1,319	6	Late 2028 to Early 2029
Temporary Use Parcel No. 7	595	6	Late 2028 to Early 2029
Temporary Use Parcel No. 8	4,454	6	Late 2028 to Early 2029
Temporary Use Parcel No. 9	4,605	6	Late 2028 to Early 2029
Temporary Use Parcel No. 10	1,457	26	Fall 2027 to Winter 2029
Temporary Use Parcel No. 11	1,635	26	Fall 2027 to Winter 2029



City Council Meeting Agenda Report

Item # _____

Meeting Date: November 24, 2025

Subject: Authorize License Agreement with the City and County of San Francisco to Construct a new Lake Merced Overflow Structure for the Vista Grande Drainage Basin Improvement Project

Recommended Action

Authorize the City Manager to execute a License Agreement with the City and County of San Francisco (SFPUC) to construct a new Lake Merced Overflow Structure for the Vista Grande Drainage Basin Improvement Project.

Background

The Vista Grande Drainage Basin Improvement Project (Project) is a multi-benefit stormwater management project that will manage, treat, and reuse stormwater in the Vista Grande Drainage Basin while also providing regional water quality, water supply, and recreational benefits.

The Vista Grande storm drain system drains the northwestern portion of Daly City (City) and an unincorporated portion of San Mateo County – areas originally within the watershed of Lake Merced. In the 1890's, the Vista Grande Canal and Tunnel were built to divert storm water away from the lake to an outlet at the Pacific Ocean. The existing Canal and Tunnel do not have adequate hydraulic capacity to convey peak storm flows, and this periodically causes backup of Tunnel flows into the Canal and flooding during peak storm events in adjacent low-lying residential areas and along John Muir Drive. This Project will allow the City and SFPUC to work collaboratively to alleviate flooding in the Vista Grande Drainage Basin and Lake Merced Tract and facilitate augmentation and management of Lake Merced water levels using sustainable supplies of the City's stormwater.

Discussion

This agreement is made with reference to the following recitals:

A. San Francisco, through the SFPUC, owns real property located in the City and County of San Francisco, described as SFPUC Parcel No. 55 and designated as a portion of Assessor's Parcel No. 7283-004, running north along the east and west sides of John Muir Drive. The Property constitutes a portion of the SFPUC's regional water delivery system and contains SFPUC water supply and wastewater facilities and associated utility rights of way.

B. Daly City seeks to implement the Vista Grande Basin Drainage Improvement Project to upgrade the Vista Grande storm drain system, which is a regional stormwater system that drains the northwestern portion of Daly City and an unincorporated portion of San Mateo County. SFPUC staff and consultants worked for several years with Daly City staff and consultants to develop the Project. The Project seeks to alleviate storm-related flooding in Daly City and San Francisco, reduce uncontrolled overflows from Daly City's Vista Grande Canal into Lake Merced, and also facilitate the augmentation and management of Lake Merced water levels, which have steadily declined, by using sustainable supplies of Daly City's stormwater.

C. The Project would route storm water from the Canal through a treatment wetland to be developed on the Property and then would either discharge stormwater to South Lake Merced via

City Council Agenda Report

Subject: Authorize License Agreement with the City and County of San Francisco to Construct a new Lake Merced Overflow Structure for the Vista Grande Drainage Basin Improvement Project

Meeting Date: November 24, 2025

Page 2 of 2

a diversion structure or route it through the Vista Grande Tunnel to be discharged into the Pacific Ocean.

D. As part of the Project, Licensee will replace an SFPUC-owned overflow facility on a portion of the Property with the new Lake Merced Overflow Structure consisting of an adjustable Overflow Outlet Weir and Siphon pipeline and related appurtenances.

E. In May 2023, Daly City, in coordination with the SFPUC and after consultation with the Regional Water Quality Control Board, submitted to the RWQCB a Vista Grande Drainage Basin Improvement Project Lake Management Plan to establish and document for the RWCQB how Daly City will implement the Project, including an overview of the initial operational plan for the diversion of stormwater from the Canal to Lake Merced and the monitoring and management of lake levels.

F. On October 21st, 2025, the San Francisco Board of Supervisors approved a Memorandum of Agreement between the SFPUC and Daly City to memorialize, among other things, the Parties' respective obligations related to the implementation of the Project by Daly City, the SFPUC's financial contribution toward Project construction, and the ongoing management of information regarding the water quality and the quantity and frequency of stormwater diversions to and withdrawals from Lake Merced. Under the MOA, City agrees to convey certain real property rights, easements, and licenses to Daly City for the Project, including this License to construct, operate, and maintain the SFPUC Overflow Facilities.

Fiscal Impact

Sufficient funds are available in the Sanitation Fund 87 fund balance to cover the \$4,778 application and use fees.

Summary/Conclusion

Authorize the City Manager to execute a License Agreement with the City and County of San Francisco (SFPUC) to construct a new Lake Merced Overflow Structure for the Vista Grande Drainage Basin Improvement Project.

Staff is available to provide any additional information desired by the City Council members.

Respectfully submitted,



Joshua Cosgrove
Director of Water and Wastewater Resources



Rose Zimmerman
City Attorney

Attachment: Draft License Agreement to Construct Lake Merced Overflow Structure

**SAN FRANCISCO PUBLIC UTILITIES COMMISSION
LICENSE AGREEMENT**

(License #P4715)

THIS LICENSE AGREEMENT (this “**License**”) dated for reference purposes only as of _____, 2026, is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”), acting by and through its Public Utilities Commission (the “**SFPUC**”), and the CITY OF DALY CITY, a municipal corporation (“**Licensee**”). City and Licensee sometimes are referred to collectively in this License as the “**Parties**” or singularly as a “**Party**.”

RECITALS

A. San Francisco, through the SFPUC, owns real property located in the City and County of San Francisco, described as SFPUC Parcel No. 55 and designated as a portion of Assessor’s Parcel No. 7283-004, running north along the east and west sides of John Muir Drive (“**Property**”). The Property constitutes a portion of the SFPUC’s regional water delivery system and contains SFPUC water supply and wastewater facilities and associated utility rights of way. The Property is more particularly described in the attached **Exhibit A-1** and shown generally on the map attached as **Exhibit A-2**.

B. Daly City seeks to implement the Vista Grande Basin Drainage Improvement Project (“**Project**”) to upgrade the Vista Grande storm drain system, which is a regional stormwater system that drains the northwestern portion of Daly City and an unincorporated portion of San Mateo County. SFPUC staff and consultants worked for several years with Daly City staff and consultants to develop the Project. The Project seeks to alleviate storm-related flooding in Daly City and San Francisco, reduce uncontrolled overflows from Daly City’s Vista Grande Canal (“**Canal**”) into Lake Merced, and also facilitate the augmentation and management of Lake Merced water levels, which have steadily declined, by using sustainable supplies of Daly City’s stormwater.

C. The Project would route storm water from the Canal through a treatment wetland to be developed on the Property, and then would either discharge stormwater to South Lake Merced via a diversion structure or route it through the Vista Grande Tunnel (“**Tunnel**”) to be discharged into the Pacific Ocean.

D. As part of the Project, Licensee will replace an SFPUC-owned overflow facility on a portion of the Property with the new Lake Merced Overflow Structure consisting of an adjustable Overflow Outlet Weir and Siphon pipeline and related appurtenances (“**SFPUC Overflow Facilities**”).

E. In May 2023, Daly City, in coordination with the SFPUC and after consultation with the Regional Water Quality Control Board (“**RWQCB**”), submitted to the RWQCB a Vista Grande Drainage Basin Improvement Project Lake Management Plan (“**Lake Management Plan**”) to establish and document for the RWQCB how Daly City will implement the Project, including an overview of the initial operational plan for the diversion of stormwater from the Canal to Lake Merced and the monitoring and management of lake levels.

F. On _____, 2025, the San Francisco Board of Supervisors approved a Memorandum of Agreement between the SFPUC and Daly City to memorialize, among other things, the Parties’ respective obligations related to the implementation of the Project by Daly City, the SFPUC’s financial contribution toward Project construction, and the ongoing management of information regarding the water quality and the quantity and frequency of stormwater diversions to and withdrawals from Lake Merced (the “**MOA**”). Under the MOA, City agrees to convey certain real property rights, easements, and licenses to Daly City for the Project, including this License to construct, operate, and maintain the SFPUC Overflow Facilities.

G. Daly City, as Lead Agency under the California Environmental Quality Act (“**CEQA**”), and the United States Department of the Interior, acting by and through its National Park Service (the “**Park Service**”), as Lead Agency under the National Environmental Policy Act (NEPA), have prepared a joint Final Environmental Impact Report and Environmental Impact Statement (“**FEIR/FEIS**”), pursuant to the provisions of CEQA, which was released for agency review on September 8, 2017 (State Clearinghouse Number 2013032001). Daly City certified the FEIR/FEIS and approved the Vista Grande South Lake Merced Alternative described in the FEIR/FEIS via City Council Res. No. 17-200, dated December 11, 2017, adopting the mitigation measures included in the FEIR/FEIS and set forth in the Environmental Commitments Record, and assumed responsibility for their implementation. On June 9, 2025, the City of Daly City adopted an Addendum to the previously certified Final EIR/EIS for the Project to address minor revisions and additions to the Project that occurred after Project approval.

H. San Francisco is a responsible agency under CEQA for review and approval of aspects of the Project. San Francisco has reviewed and considered the FEIR/FEIS and the Project approval documents and has approved this Agreement and adopted findings required under CEQA.

I. The SFPUC Commission has recommended the issuance of this License pursuant to SFPUC Resolution No. _____ and the San Francisco Board of Supervisors has approved this License pursuant to Resolution No. _____.

NOW, THEREFORE, for and in consideration of the foregoing Recitals, which are incorporated into this License by this reference, the mutual covenants and obligation of the Parties contained in this License, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

BASIC LICENSE INFORMATION

The following is a summary of basic license information (the “**Basic License Information**”). Each item below will be deemed to incorporate all the terms set forth in this License pertaining to the item. In the event of any conflict between the information in this Section and any more specific provision of this License, the more specific provision will control.

City:	CITY AND COUNTY OF SAN FRANCISCO, acting by and through its Public Utilities Commission
Licensee:	CITY OF DALY CITY

License Area (<u>Section 1</u>):	An approximately 9,286-square-foot portion of SFPUC Parcel No. 55 (“ Lake Merced Tract ”), commonly known as Assessor’s Parcel No. 7283-004, located in San Francisco, California, as more particularly described in the attached <u>Exhibit B-1</u> and shown in the attached <u>Exhibit B-2</u> , together with any appurtenances. The SFPUC Overflow Facilities are described more particularly in the Approved Plans and Specifications in the attached <u>Exhibit D</u> .
Term (<u>Section 2</u>):	Fifty (50) years commencing on the Commencement Date and expiring on the Expiration Date (“ Term ”). Commencement Date: _____, 2026 License Term Expiration Date: _____, 2076
Permitted Acts (<u>Section 4(a)</u>):	Licensee may enter in, upon, through, and across a portion of the Property as depicted in <u>Exhibit B-2</u> to install, construct, use, operate, maintain, repair, and replace the SFPUC Overflow Facilities in the License Area.
Permitted Improvements:	Licensee may install the SFPUC Overflow Facilities constructed in accordance with this License and as described in the Approved Plans and Specifications in the attached <u>Exhibit D</u> .
Application Fee (<u>Section 7(a)</u>):	\$2,500
Use Fee (<u>Section 7(b)</u>):	\$2,278
Security for Performance (<u>Section 3</u>):	N/A
Remit All Payments To:	City and County of San Francisco c/o Customer Service Bureau Attn: Real Estate Billing 525 Golden Gate Avenue, 3rd Floor San Francisco, CA 94102 Reference: License P4715
Licensee’s Share of Property Taxes:	See <u>Section 30</u> [Taxes, Assessments, Licenses, License Fees, and Liens].
Notices:	See <u>Section 31</u> [Notices].
Key City Contact for Legal Notices:	SFPUC Real Estate Director
City Telephone No. and Email:	(415) 487-5210 RES@sfpuc.org

Key City Contact for Routine or Day to Day Communications:	[SFPUC to identify correct day-to-day contact. This is a WWE asset.]
Key Licensee Contact for Legal Notice and for Routine or Day-to-Day Communications:	Joshua Cosgrove, Director of Water & Wastewater Resources
Licensee Telephone No. and Email:	(650) 991-8206 Email: jcosgrove@dalycity.org
Alternate Contact for Licensee:	Anthony Tofiga, Senior Management Analyst, Department of Water & Wastewater Resources
Licensee Telephone No. and Email:	(650) 991-8202 Email: atofiga@dalycity.org
Licensee's Billing Address:	Department of Water & Wastewater Resources City of Daly City 153 Lake Merced Blvd Daly City, CA 94015 Attn: Joshua Cosgrove Re: Vista Grande Mitigation Sites License P4715

AGREEMENT

City and Licensee agree as follows:

1. License. City confers to Licensee a personal, non-exclusive, and non-possessory privilege to access, install, construct, use, operate, improve, maintain, repair, and replace an SFPUC-owned overflow pipeline and related appurtenances (“**SFPUC Overflow Facilities**”) on the License Area. The License Area is described and depicted in the attached **Exhibits B-1 and B-2**. The SFPUC Overflow Facilities are depicted more particularly in the Approved Plans and Specifications in the attached **Exhibit D**. This License gives Licensee a license only and notwithstanding anything to the contrary in this License, it does not constitute a grant by City of any ownership, leasehold, easement, or other property interest or estate whatsoever in any portion of the License Area or to the SFPUC Overflow Facilities. Nothing in this License will be construed as granting or creating any franchise rights pursuant to any federal, state, or local laws.

THE PRIVILEGE GIVEN TO LICENSEE UNDER THIS LICENSE IS EFFECTIVE ONLY INsofar AS THE RIGHTS OF CITY IN THE LICENSE AREA ARE CONCERNED, AND LICENSEE WILL OBTAIN ANY FURTHER PERMISSION NECESSARY BECAUSE OF ANY OTHER EXISTING RIGHTS AFFECTING THE LICENSE AREA. WITHOUT LIMITING THE FOREGOING, THIS LICENSE IS BEING ISSUED SUBJECT AND SUBORDINATE TO ALL OF THE TERMS AND CONDITIONS OF THAT CERTAIN DEED DATED AND RECORDED MARCH 3, 1930 IN BOOK 2002, AT PAGE 1, OF OFFICIAL RECORDS OF SAN

FRANCISCO COUNTY, PURSUANT TO WHICH CITY ACQUIRED ITS INTEREST IN THE LICENSE AREA, A COPY OF WHICH IS ATTACHED TO THIS LICENSE AS **EXHIBIT C** (THE “**DEED**”), AND ALL OTHER EXISTING AND FUTURE DOCUMENTS AND INSTRUMENTS OF RECORD AFFECTING THE LICENSE AREA (COLLECTIVELY, WITH THE DEED, THE “**RECORDED DOCUMENTS**”). LICENSEE MUST SECURE ALL ADDITIONAL NECESSARY APPROVALS, PERMITS, LICENSES, AND CONSENTS, AND DELIVER ALL NECESSARY NOTICES, BEFORE COMMENCING WORK IN THE LICENSE AREA, INCLUDING ANY APPROVALS, PERMITS, LICENSES, CONSENTS, OR NOTICES REQUIRED FROM OR TO THE GRANTOR UNDER THE RECORDED DOCUMENTS. FOR CITY’S BENEFIT, LICENSEE COVENANTS AND AGREES THAT LICENSEE WILL FULLY COMPLY WITH THE TERMS AND CONDITIONS OF THE RECORDED DOCUMENTS AND ANY OTHER RULES AND REGULATIONS PROMULGATED BY CITY AS THEY APPLY TO ANY WORK TO BE PERFORMED OR THE SFPUC OVERFLOW FACILITIES TO BE INSTALLED BY LICENSEE ON THE LICENSE AREA PURSUANT TO THIS LICENSE, AND CITY WILL HAVE NO RESPONSIBILITY OR LIABILITY OF ANY KIND WITH RESPECT THERETO. LICENSEE ACKNOWLEDGES AND AGREES THAT NEITHER CITY NOR ANY OF ITS DEPARTMENTS, COMMISSIONS, OFFICERS, DIRECTORS, AND EMPLOYEES, AND ALL PERSONS ACTING BY, THROUGH, OR UNDER EACH OF THEM HAVE MADE, AND CITY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE PRESENT OR FUTURE SUITABILITY OF THE LICENSE AREA FOR LICENSEE’S INTENDED WORK OR THE SFPUC OVERFLOW FACILITIES, THE IMPACT OF ANY TERM OR CONDITION OF THE RECORDED DOCUMENTS ON LICENSEE’S RIGHTS UNDER THIS LICENSE, OR THE ABILITY TO OBTAIN OR DELIVER, OR THE PROCEDURE FOR OBTAINING OR DELIVERING, ANY NECESSARY APPROVALS, LICENSES, PERMITS, CONSENTS OR NOTICES FROM OR TO THE GRANTOR UNDER THE RECORDED DOCUMENTS OR ANY OTHER PARTY WITH RESPECT TO ANY MATTERS CONTAINED IN THIS LICENSE.

2. Term of License.

(a) **Term.** The privilege conferred to Licensee pursuant to this License will commence on the Commencement Date, as shown in the Basic License Information. The Commencement Date is the first business day on which each of the following events has occurred: (a) the Parties have duly executed and delivered this License; (b) the SFPUC’s Commission and City’s Board of Supervisors have adopted resolutions approving this License; and (c) Licensee’s City Council has approved this License (the “**Commencement Date**”). Following the Commencement Date, the Term of this License will immediately expire upon the first of the following events to occur: (i) fifty (50) years after the Commencement Date; (ii) immediately upon written notice from the SFPUC to Daly City to terminate this License if the Lake Management Plan is amended and no longer requires that Daly City operate and maintain the SFPUC Overflow Facilities; or (iii) immediately upon City’s written notice to Daly City to terminate this License if Daly City fails to operate the SFPUC Overflow Facilities in accordance with the Lake Management Plan, and the SFPUC is forced to assume responsibility for the operation and maintenance of the SFPUC Overflow Facilities, subject to the notice and cure procedures set forth in Section 17 [Default; Remedies].

(b) **Revocability.** At its sole option, but subject to the notice and cure procedures set forth in Section 17 [Default; Remedies], City may freely revoke this License if Licensee fails to

operate the SFPUC Overflow Facilities in accordance with the Lake Management Plan, in City's sole discretion, and without any obligation to pay any consideration to Licensee or return to Licensee any part of the Use Fee. Upon any revocation, Licensee will promptly surrender the License Area in the condition required by this License. The installation of facilities or the existence of other improvements to, or alterations of, the License Area, regardless of cost, will not in any way whatsoever limit City's right to revoke this License.

3. Intentionally Omitted.

4. Use of License Area.

(a) **Permitted Acts.** Licensee may enter and use the License Area for the sole purpose of accessing, installing, constructing, using, operating, maintaining, repairing, and replacing the SFPUC Overflow Facilities in the License Area, in strict accordance with Section 5(a) [Approval of Plans and Specifications] below, and for no other purpose whatsoever ("**Permitted Acts**").

(b) **Subject to City Uses.** Licensee is aware that the License Area constitutes a portion of City's regional water system. The License Area remains property under the direct jurisdiction, management, and control of the SFPUC pursuant to San Francisco Charter Article VIII.B. The SFPUC has the ultimate authority over all matters regarding the entire Property. Notwithstanding anything to the contrary in this License, all of Licensee's activities pursuant to this License will be subject and subordinate at all times to City's existing and future use of the License Area for municipal and other purposes. City will in no way be liable for any damage or destruction to Licensee's property and/or improvements resulting from the condition of the License Area or use of the License Area by SFPUC for any utility purpose.

5. Installation of Facilities. Licensee may perform the permitted acts described in Section 4(a) [Permitted Acts] above on the License Area and may install the SFPUC Overflow Facilities on the License Area only on satisfaction of the following conditions, which are for City's sole benefit:

(a) **Approval of Plans and Specifications.** Licensee may perform the permitted acts described in Section 4(a) [Permitted Acts] above on the License Area in accordance with the plans and specifications (including drawings) approved in advance and in writing by the SFPUC and attached as Exhibit D (the "**Approved Plans and Specifications**"). The Approved Plans and Specifications may be revised or amended only with the SFPUC's prior written approval after the SFPUC's Environmental Management Group has determined that no further environmental review is required by the California Environmental Quality Act ("**CEQA**") as a result of any such revision or amendment.

(b) **Energy Service and Related Facilities.** If Licensee seeks electrical service for use in the License Area, including for the SFPUC Overflow Facilities, Licensee will contact the Interconnection Services Department in the Power Enterprise of the SFPUC to arrange for service. Licensee will purchase all electricity necessary for its operations at the License Area from the SFPUC, at the SFPUC's standard rates charged to third parties, unless the SFPUC determines, in its sole judgment, that it is not feasible to provide service to the License Area. The SFPUC is the provider of electric services to City property, and the SFPUC's Interconnection Services Department coordinates with Pacific Gas and Electric Company and others to implement this Section. Except as provided above with respect to any electricity services provided by the SFPUC,

Licensee will arrange and pay for all utilities and services furnished to the License Area for use by Licensee, its contractors and agents, including gas, electricity, water, sewage, telephone, and trash collection services, and for all deposits, connection, and installation charges.

Except as otherwise provided in this License, the SFPUC has no responsibility or liability of any kind with respect to any utilities that may be on or about the License Area. Licensee has the sole responsibility to locate any utility facilities within the License Area and protect them from damage resulting from Licensee's use of the License Area.

(c) **Permits, Licenses, and Approvals.** Before beginning any permitted improvement or alteration work in the License Area, Licensee will obtain all permits, licenses, and approvals (collectively, "**Approvals**") of all regulatory agencies and other third parties that are required to commence, complete, and maintain the permitted work. Promptly upon receipt of any Approvals, Licensee will deliver copies of them to the SFPUC. No approval by the SFPUC for purposes of Licensee's work under this License will be deemed to constitute the approval of any federal, state, or other local regulatory authority with jurisdiction, and nothing in this License will limit Licensee's obligation to obtain all regulatory Approvals, at Licensee's sole cost.

(d) **Limits of City's or SFPUC's Consent.** City's or the SFPUC's consent to or approval of any improvements, equipment, or fixtures within the License Area will not relieve Licensee or its engineers, architects, or contractors from any liability for negligence, errors, or omissions associated with the design and construction of any improvements, equipment, or fixtures. In no event will the SFPUC's approval of plans or specifications be deemed to constitute a representation or warranty by City concerning the suitability of the improvements, equipment, or fixtures for Licensee's purposes or that the work called for in the plans and specifications complies with applicable building codes or other applicable Laws (defined in Section 9 [Compliance with Laws] below), or industry standards, nor will the SFPUC's approval release Licensee from its obligation to supply plans and specifications that conform to applicable building codes, other applicable Laws, and industry standards.

(e) **Exercise of Due Care.** Licensee will use and will cause its Agents (defined in Section 19 [Indemnity] below) to use, due care at all times to avoid any damage or harm to City's water system, facilities, or other property and to native vegetation and natural attributes of the License Area and to minimize slope erosion, except to the extent authorized by the Permitted Acts. Except as set forth in the Approved Plans and Specifications, Licensee will not disturb the surface of the License Area or perform any excavation work without City's prior written approval, which City may withhold at its sole discretion. City may condition and/or oversee any permitted excavation work. At its own expense, Licensee will mark the location of City's water pipelines or other facilities within the License Area and will not use any pick, plow, or other sharp tool to remove the two feet of soil around the pipelines or other facilities, provided that Licensee may use hand shovels or pneumatic shovels in compliance with all other terms and conditions of this License. Licensee will immediately inform City of any actual or potential damage to the coating of the pipeline, and any damage will be promptly repaired by Licensee, at its own expense, to City's satisfaction prior to backfilling; provided, at its sole discretion, City may elect upon notification to Licensee to make any necessary repairs itself, at Licensee's sole cost. Upon completion of the repairs, City will send to Licensee an invoice therefor, which Licensee will pay within thirty (30) days following receipt. Under no circumstances will Licensee damage, harm, or take any rare, threatened, or endangered species present on or about the License Area.

(f) **Cooperation with Public Utilities Commission.** Licensee and its Agents will work closely with City personnel to minimize any potential disturbance (even if temporary) of the natural features of the License Area and to avoid disruption (even if temporary) of City facilities, in, under, on, or about the License Area and City uses of its facilities.

(g) **Heavy Equipment.** Licensee will not use any heavy construction equipment over or about City's pipelines, except as otherwise expressly allowed in Section 6(i) [Heavy Equipment and Vehicles] below.

(h) **Work Schedule.** Licensee must diligently perform and complete the Permitted Acts in accordance with the Approved Plans and Specifications provided in the attached **Exhibit D**. At least ten (10) business days prior to the commencement of any maintenance or repair work on the License Area not detailed in the Approved Plans and Specifications, Licensee will notify City's Peninsula and San Francisco Watershed Resource Manager ("**Watershed Manager**"), at (650) 652-3201, of the date the work will commence and the intended work schedule. Notification must also be given to Underground Service Alert at least two (2) days prior to the start of the work. Notwithstanding the approval of Licensee's schedule by the SFPUC, the Watershed Manager will have the right to require Licensee to adjust its schedule from time to time. All work must be performed during regular working hours (Monday through Friday) between 7:00 a.m. and 7:00 p.m., exclusive of City holidays. Any work performed during any other time or day must be preapproved by the SFPUC at least ten (10) business days prior to commencing the work. In connection with its approval, City may charge Licensee additional inspection fees payable prior to the SFPUC's approval of the request. Notwithstanding the work hours set forth above, Licensee will comply with any applicable local ordinance that imposes later start times and/or earlier cessation times for construction activities and will be solely responsible for addressing and resolving any and all complaints from the public or neighboring properties related to the work performed under this Agreement.

(i) **Restoration of License Area.** Promptly following completion of any work permitted under this License, Licensee will remove all debris and any excess dirt, to City's reasonable satisfaction. Licensee will restore any damage caused to existing roads and may be required to restore excavated areas with new vegetation (including irrigation and maintenance until established) and erosion control netting, all as requested by City, and will comply with all applicable regulations of the regulatory agency with jurisdiction.

(j) **Pipeline Depth/Installation of Above-Ground Markers.** Before commencing any excavation work in the License Area, Licensee will measure the depth of City's pipelines, if any, located in the License Area by potholing and forward the information to City. Any potholing authorized by this License will be subject to the requirements of Section 5(m) [Potholing] below. Upon completion of work, Licensee will promptly notify City in writing of the depth of City's pipeline and related facilities in the License Area. Licensee will install above-ground markers identifying the location of any underground facilities installed pursuant to this License. The location, type, and installation of markers and identifying information on the markers will be subject to the SFPUC's prior written approval.

(k) **As-Built Drawings/Reports.** Promptly upon completion of the SFPUC Overflow Facilities, Licensee will furnish the SFPUC with two (2) complete copies of final as-built drawings for the SFPUC Overflow Facilities, which drawings will include sufficient detail so as to allow City to precisely locate the SFPUC Overflow Facilities. If Licensee or any of its Agents or

consultants prepares any environmental, seismic, geophysical, or other written report relating to the License Area and/or any work performed on the License Area, Licensee will furnish to City a complete copy of the report, including any schedules, exhibits, and maps, promptly upon completion of the same.

(l) **Contractors.** Licensee will not accept and release its contractor for work authorized or required by this License before securing the SFPUC's written approval.

(m) **Potholing.** Any potholing authorized by this License will be subject to the direction of City's Watershed Manager. Potholing using the soft dig method (vacuum soil extraction system) is preferred. If Licensee wishes to use any other mechanical method such as digging with a backhoe, Licensee must submit a written request to the SFPUC at least five (5) business days prior to commencing the work and obtain the SFPUC's prior written consent. Notwithstanding the foregoing, the last two feet (2') above the top of the pipe must be dug manually, without the use of any machines.

(n) **Ownership and Operation of SFPUC Overflow Facilities.** The SFPUC Overflow Facilities shall be and shall remain the property of SFPUC. Licensee shall have the right to access and use the SFPUC Overflow Facilities pursuant to the terms of this License. Licensee will be responsible for the operation of the SFPUC Overflow Facilities in accordance with this License and the Lake Management Plan as may be amended during the Term of this License.

6. **Restrictions on Use.** The following uses (by way of example only) of the License Area by Licensee, or any other person claiming by or through Licensee, are inconsistent with the limited purpose of this License and are strictly prohibited as provided below:

(a) **Improvements.** Except as otherwise expressly provided in this License, Licensee will not construct or place any temporary or permanent structures or improvements in, on, under, or about the License Area, nor will Licensee make any alterations or additions to any existing structures or improvements on the License Area, unless Licensee first obtains the SFPUC's prior written consent, which the SFPUC may give or withhold at its sole and absolute discretion. For purposes of this License, the term "improvements" includes asphalt, concrete, and cementitious driveways, sidewalks, and parking areas, shacks, storage facilities, and fences.

(b) **Trees and Other Plantings.** Licensee will not plant any trees or other vegetation in or on the License Area, except as otherwise expressly provided in this License and except in accordance with detailed plans consistent with the SFPUC's Vegetation Management Policy, if applicable, which may be amended from time to time and as approved by the SFPUC in writing in advance.

(c) **Dumping.** Licensee will not cause or permit the dumping or other disposal in, on, under, or about the License Area of landfill, refuse, Hazardous Material (defined in subsection (d) [Hazardous Material] below), or any other materials, including materials that are unsightly or could pose a hazard to the human health or safety, native vegetation or wildlife, or the environment.

(d) **Hazardous Material.** Licensee will not cause, nor will Licensee allow any of its Agents or Invitees (defined in Section 19 [Indemnity] below) to cause, any Hazardous Material to be brought upon, kept, used, stored, generated, released, or disposed of in, on, under, or about the License Area, or transported to, from, or over the License Area. Licensee will immediately notify

City when Licensee learns of or has reason to believe that a release of Hazardous Material has occurred in, on, under, or about any part of the License Area. Licensee will further comply with all applicable Laws requiring notice of releases or threatened releases to governmental agencies and will take all action necessary or desirable to mitigate the release or minimize the spread of contamination. If Licensee or its Agents or Invitees cause a release of Hazardous Material, Licensee will promptly return the License Area to the condition immediately prior to the release, without cost to City, in accordance with all Laws, and using the highest and best technology available. In connection with any remedial action, Licensee will afford City a full opportunity to participate in any discussion or negotiations with governmental agencies and environmental consultants regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise proceeding involving Hazardous Material, and any other abatement or cleanup plan, strategy, and procedure. For purposes of this License, “**Hazardous Material**” means material that, because of its quantity, concentration, or physical or chemical characteristics, is at any time now or hereafter deemed by any applicable federal, state, or local governmental authority to pose a present or potential hazard to public health, welfare, or the environment. Hazardous Material includes the following: any material or substance defined as a “hazardous substance, pollutant or contaminant” pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 *et seq.*, or pursuant to Section 78075 of the California Health & Safety Code or any other applicable federal, state, or local Law; a “hazardous waste” listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos-containing materials whether or not those materials are part of the License Area or are naturally occurring substances in the License Area; and any petroleum, including crude oil or any crude-oil fraction, natural gas, or natural gas liquids, provided, the foregoing will not prohibit Licensee from traversing to, from, and across the License Area in standard motor vehicles that do not exceed the weight limitations set forth below. The term “**release**” or “**threatened release**” when used with respect to Hazardous Material will include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under, or about the License Area.

(e) **Nuisances.** Licensee will not conduct any activities in, on, under, or about the License Area that constitute waste, nuisance, or unreasonable annoyance (including emission of objectionable odors, noises, or lights) to City, to the owners or occupants of neighboring property, or to the public, or that constitute waste or nuisance per se.

(f) **Damage.** Licensee will not do anything in, on, under, or about the License Area that could cause damage to or interference with any pipelines, facilities, or other property located in, on, under, or about the License Area. Licensee will compensate City for all damage caused to the License Area and City facilities resulting from the activities of Licensee and its Agents and Invitees, including damage resulting from defective work.

(g) **Use of Adjoining Land.** Licensee acknowledges that the privilege given under this License will be limited strictly to the License Area. Licensee will not traverse over or otherwise use any adjoining lands of City.

(h) **Ponding; Water Courses.** Licensee will not cause any ponding on the License Area or any flooding on adjacent land. Licensee will not engage in any activity that causes any change, disturbance, fill, alteration, or impairment to the bed, bank, or channel of any natural water course, wetland, or other body of water on, in, under, or about the License Area, nor will Licensee

engage in any activity that could pollute or degrade any surface or subsurface waters or result in the diminution or drainage of such waters.

(i) **Heavy Equipment and Vehicles.** To prevent damage to City's underground pipelines, Licensee's use of vehicles and equipment within twenty feet (20') of each side of the centerline of any City pipeline (measured on the surface) will be subject to the following restrictions:

(i) The depth of soil cover over the tops of City's pipelines must be at least three feet (3') for steel cylinder pipe and four feet (4') for reinforced pre-stressed concrete cylinder pipe to accommodate the loading defined in subsection (ii) below. If any equipment with axle loading exceeds the loads stated in subsection (ii) below or if the depth of soil cover is less than stated above, Licensee will submit to the SFPUC for review and approval, at the SFPUC's sole discretion, engineering calculations prepared by a licensed Professional Engineer licensed in California showing that City's pipelines will not be adversely affected by Licensee's proposed activities. If City's pipelines may be adversely affected, Licensee will submit remedial measures for City's approval to ensure that no adverse effect will occur.

(ii) The effects of vehicle and equipment loads on the pipeline must not exceed the effects of the "AASHTO Standard H-10 Loading." H-10 loading is defined as loading caused by a two-axle truck with a gross weight of ten tons (20,000 lbs.), axles fourteen feet (14') apart, and rear axle carrying eight tons (16,000 lbs.). Licensee will be responsible for providing the SFPUC adequate evidence that its equipment and vehicles meet the foregoing requirements.

(iii) Licensee will not use vibrating compaction equipment without the SFPUC's prior written approval, which approval may be given or withheld at the SFPUC's sole discretion.

(iv) If the depth of the soil cover over the pipeline (determined by potholing or other proof procedure) is less than the minimum stated in subsection (i) above, unless an alternate method is approved by the SFPUC in writing, all excavation and grading over the pipeline must be performed manually. For any machinery or equipment excavation and grading over and/or within twenty feet (20') of each side of the centerline of the pipeline (measured on the surface), Licensee will submit a written proposal together with all supporting calculations and data to the SFPUC for review and approval. In any case, the two feet (2') of soil around the pipeline must be removed manually or by other methods approved by the SFPUC with due care as provided in Section 5(e) [Exercise of Due Care] above.

(j) **Cathodic and Other Protection.** City may adopt from time-to-time rules and regulations with regard to the SFPUC Overflow Facilities, Licensee's prior improvements or alterations, and Licensee's operations under this License as City may determine are necessary or appropriate, at City's sole discretion, to safeguard against corrosion of, or other damage to, City's pipelines and other facilities. Licensee will immediately comply with all rules and regulations upon receipt of a copy of any rules and regulations.

7. License Fee(s).

(a) **Processing Fee.** Licensee will pay to City a one-time non-refundable license fee in the amount of Two Thousand Five Hundred Dollars (\$2,500) to cover City's processing, inspection, and other administrative costs. Such fee is payable at such time as Licensee signs and

delivers this License to City. Payment will be made by good check payable to the City and County of San Francisco and delivered to City in care of the SFPUC Real Estate Director at the address for notices to City specified in Section 31(a) [Notices] below, or such other place as City may designate in writing.

(b) **Use Fee.** In addition, Licensee will pay to City a use fee in consideration of Licensee's use of the License Area. The use fee payable will be in the amount of Two Thousand Two Hundred and Seventy-Eight Dollars (\$2,278) ("**Use Fee**"), as determined by that certain appraisal dated July 23, 2025 by Associated Right of Way Services, Inc. and procured by Licensee. The Use Fee will be paid to City, without prior demand and without any deduction, setoff, or counterclaim whatsoever. If this License is superseded by a new license as contemplated in Section 2(a)(ii), any Use Fee paid by Licensee under this License will be credited against the use fee due and payable under any new license. All sums payable by Licensee to City pursuant to this License will be paid in cash or by good check to the City and County of San Francisco and delivered to City in care of the Customer Service Bureau, Attn: Real Estate Billing, 525 Golden Gate Avenue, 3rd Floor, San Francisco, California, 94102, or such other place as City may designate in writing. **City's acceptance of a third-party check or other payment will not be deemed as City's acceptance or acknowledgement of any assignment of this License and will not be deemed to establish a relationship between City and that third party. Any sum tendered by a third party will be deemed a use fee tendered on behalf of Licensee and not on behalf of the third party regardless of whether it contains a restrictive endorsement.**

(c) **Intentionally Omitted.**

(d) **Intentionally Omitted.**

8. **Required Insurance Coverages.** Licensee's compliance with the provisions of this Section 8 will in no way relieve or decrease Licensee's indemnification or other obligations under this License. Licensee must maintain in force, during the full Term of this License, insurance in the amounts and coverages listed below. In addition, Licensee will cause each Agent (defined in Section 19 [Indemnity] below) performing work on the License Area to procure and keep in effect during the course of any work appropriate amounts of insurance and add City as additional insured for those respective policies.

(a) Commercial General Liability Insurance with limits not less than \$3,000,000 each occurrence for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Independent Contractors, Explosion, Collapse, and Underground (XCU), Broad Form Property Damage and Products, and Completed Operations.

(b) Commercial Automobile Liability Insurance with limits not less than \$2,000,000 each occurrence, "Combined Single Limit" for Bodily Injury and Property Damage, including Owned, Non-Owned, and Hired auto coverage, as applicable.

(c) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness.

(d) Pollution Liability Insurance applicable to Licensee's activities and responsibilities under this License with limits not less than \$1,000,000 each occurrence combined single limit, including coverage for on-site third-party claims for bodily injury and property damage.

(e) **Additional Insured Endorsements.**

(i) The Commercial General Liability and Pollution Liability policies must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(ii) The Commercial Automobile Liability Insurance policy must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(f) **Waiver of Subrogation Endorsements.** The Workers' Compensation policy(ies) and all Liability Policies referenced above will be endorsed with a waiver of subrogation in favor of City for all work performed by Licensee or its Agents.

(g) **Primary Insurance Endorsements.**

(i) The Commercial General Liability policy will provide that the policy is primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this License, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(ii) The Commercial Automobile Liability Insurance policy will provide that the policy is primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this License, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(iii) The Pollution Liability Insurance policy will provide that the policy is primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this License, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(iv) The policies will also provide for severability of interests and that an act or omission of one of the named insureds that would void or otherwise reduce coverage will not reduce or void the coverage as to any other insured and will afford coverage for all claims based on acts, omissions, injury, or damage that occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

(h) **Other Insurance Requirements.**

(i) Thirty (30) days' advance written notice will be provided to City of cancellation, intended non-renewal, or reduction in coverages, except for non-payment for which no less than ten (10) days' notice will be provided to City. Notices will be sent to the City address set forth in Section 31(a) [Notices].

(ii) If any of the required insurance is provided under a claims-made form, Licensee will maintain coverage continuously throughout the Term of this License and, without lapse, for a period of three years beyond the expiration of this License, to the effect that, should occurrences during the License Term give rise to claims made after expiration of the License, those claims will be covered by the claims-made policies.

(iii) If any of the required insurance is provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in the general annual aggregate limit, the general annual aggregate limit must be double the occurrence or claims limits specified above.

(iv) If any required insurance lapses during the Term of this License, requests for payments originating after the lapse will not be processed until City receives satisfactory evidence of reinstated coverage as required by this License, effective as of the lapse date. If insurance is not reinstated, City may, at its sole option, terminate this License effective on the date the insurance lapses.

(v) Prior to the Commencement Date, Licensee will furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Licensee and its contractors will submit or cause their respective insurance brokers to submit requested information through the TenantShield insurance verification program designated by City or any successor program used by City for verification of Licensee and contractor insurance coverage. Approval of the insurance by City will not relieve or decrease Licensee's liability hereunder. If Licensee fails to procure the required insurance, or to deliver policies or certificates, at its option, City may procure the same for the account of Licensee, and Licensee will reimburse City for any costs paid by City within five (5) business days after delivery to Licensee of an invoice therefor.

(vi) If Licensee will use any subcontractor(s) to perform the Permitted Acts, Licensee will require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco, its officers, agents and employees, and the Licensee as additional insureds.

(vii) Upon City's request, Licensee and City will periodically review the limits and types of insurance carried pursuant to this Section. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Licensee for risks comparable to those associated with the License Area, then, at its sole discretion, City may require Licensee to increase the amounts or coverage carried by Licensee hereunder to conform to the general commercial practice.

(i) **Self-Insurance.**

Licensee will have the right to self-insure with respect to any of the insurance requirements required under this License, to the extent permitted by applicable law. If Licensee elects to self-insure with respect to any of the insurance requirements required under this License, before the Commencement Date and upon written request by the SFPUC, within thirty (30) days of the commencement of each year thereafter, Licensee will submit to the SFPUC a certificate of self-insurance signed by a duly authorized representative of Licensee, such certificate evidencing that Licensee's self-insurance program is adequately funded, in full force and effect and in compliance with and subject to all the terms, agreements, covenants, conditions and provisions of this License. If Licensee elects to self-insure, Licensee will give City prompt written notice of any significant change in or the depletion of its self-insurance fund. Notwithstanding the foregoing,

Licensee is also responsible for causing any contractors, subcontractors, and/or Agents to maintain commercially reasonable insurance coverages and coverage limits as required under this License.

Any deductibles or self-insured retentions must be declared. All deductibles and self-insured retentions will be paid by Licensee.

With respect to any claim, loss, or liability that would have been covered by the insurance policies (including the status as an “additional insured” thereunder of City, the SFPUC, and their respective Agents and Employees) required by this License to be maintained by Licensee but within the self-insured retention or deductible amount, Licensee will cover such claim, loss, or liability on the same basis as the insurance arrangements or deductibles on such insurance policies, including such insurance carrier responsibility to protect City, the SFPUC, and their respective Agents and Employees as an “additional insured.”

9. Compliance with Laws. At its expense, Licensee will conduct and cause to be conducted all activities on the License Area permitted by this License in a safe and reasonable manner and in compliance with all laws, statutes, ordinances, rules, regulations, policies, orders, edicts, and the like (collectively, “**Laws**”) of any governmental or other regulatory entity with jurisdiction (including the American with Disabilities Act) and all applicable covenants, restrictions, and provisions of record, whether presently in effect or subsequently adopted and whether or not in the contemplation of the Parties. At its sole expense, Licensee will procure and maintain in force at all times during its use of the License Area all business and other licenses or approvals necessary to conduct the activities allowed by this License. City is entering into this License in its capacity as a property owner with a proprietary interest in the License Area and not as a regulatory agency with police powers. No approval by City for purposes of this License will be deemed to constitute approval of any federal, state, City, or other local regulatory authority with jurisdiction, and nothing in this License will limit Licensee’s obligation to obtain all regulatory approvals at Licensee’s sole cost, or limit in any way City’s exercise of its police powers.

Licensee will keep itself fully informed of City’s Charter, codes, ordinances and regulations and all state and federal laws, rules and regulations affecting the performance of Licensee’s operations pursuant to this License and will at all times comply with those laws and regulations. Licensee agrees to maintain its good standing as a corporation, nonprofit, limited liability company, partnership, joint venture, or similar legal entity at all times during the Term of this License. Licensee’s obligation to maintain good standing includes, without limitation, Licensee’s continued timely submission of all required information and payments when due to the California Secretary of State, Franchise Tax Board, Internal Revenue Service, California Attorney General’s Registry of Charitable Trusts, or any other applicable agency or entity. Licensee will immediately notify City of any voluntary or involuntary change to its good standing status or in its eligibility, rights and privileges as a statutory entity. Upon City’s request, Licensee will provide documentation demonstrating its compliance with all applicable Laws. If Licensee will use any contractors to perform the Permitted Acts, Licensee is responsible for ensuring they comply with all applicable Laws at the time Licensee contracts with those contractors and for the duration of that agreement. Any failure by Licensee or any of its contractors to remain in good standing with applicable Laws will be a material breach of this License.

10. Covenant to Maintain License Area and SFPUC Overflow Facilities. Licensee will be solely responsible for repairing and maintaining the License Area and the SFPUC Overflow Facilities and related improvements or alterations made in or on the License Area, pursuant to this

License, in a good, clean, safe, secure, sanitary, and slightly condition. City will have no duty whatsoever for any repair or maintenance of the License Area or the SFPUC Overflow Facilities, or other Licensee improvements or alterations. Throughout the Term of this License, at its sole cost, Licensee will maintain the License Area at all times in a good, clean, safe, secure, sanitary, and slightly condition. Licensee will notify City in writing not less than five (5) days before performing any repair or maintenance work in the License Area, except in the case of an emergency when Licensee will notify City telephonically and in writing as soon as reasonably possible.

11. Monuments.

(a) By its execution and delivery of this License, Licensee acknowledges that the monuments shown on the attached **Exhibit B**, if any, are in place and in good condition. During the installation of the SFPUC Overflow Facilities and at all times during Licensee's use of the License Area, Licensee will protect and safeguard City's monuments. Licensee will promptly notify City if Licensee becomes aware of any change in the condition of City's monuments, regardless of the cause of the change.

(b) If Licensee damages a monument necessitating resurvey, repair, or replacement, as determined by City at its sole discretion, Licensee will survey, file a land surveyor's map in the Official Records of the County of San Francisco, and install a replacement monument within thirty (30) days of completion of work authorized under this License, all at Licensee's expense and to City's satisfaction. A recorded surveyor's map will be furnished by Licensee to the SFPUC for its records.

(c) During the Term of this License, City may replace missing monuments or install new monuments. When City replaces missing monuments or installs new monuments, City will give Licensee written notice of the replacement or installation. Upon deposit of the notice in the U.S. mail by City, postage prepaid, Licensee will assume the protection and replacement responsibilities set forth in this License.

12. Relocation or Alteration of Facilities or Improvements. Without limiting City's rights under this License, at City's written request, Licensee will promptly alter or relocate the SFPUC Overflow Facilities, as may be necessary to avoid any actual or potential interference with the installation, construction, maintenance, operation, repair, replacement, or removal of any of City's pipelines, power lines, facilities, or other structures now or later constructed or with any other operations or land uses by City. In the request, City may specify reasonable time limits for completion of the work. City will reimburse Licensee for the reasonable documented costs incurred by Licensee directly resulting from such City-requested alterations or relocation. If, after the written notice, Licensee fails to complete the requested work within the prescribed time limits, City may perform the requested work. If City elects to perform the alteration or relocation work, City will provide no less than sixty (60) days' prior written notice to Licensee. In the event of an emergency, at City's sole option, and without notice, City may, alter, relocate, or protect all SFPUC Overflow Facilities, improvements, plantings, or other property installed or placed in, on, under, or about the License Area by Licensee. Upon City's written or oral notice that an emergency exists, Licensee must ensure that the owner of any utility facilities installed in the License Area by or for Licensee's Permitted Use, take immediate action at its sole expense to protect, remove, or relocate the utility facilities as required by City to address the emergency.

13. Intentionally Omitted.

14. Signs. Except for any pipeline markers required by City or any regulatory agency with jurisdiction, Licensee will not place, erect, or maintain any sign, advertisement, banner, or similar object in, on, or about the License Area without City's prior written consent, which City may give or withhold at its sole discretion; provided, however, that, without City's prior written consent, if necessary for Licensee's construction use, Licensee may place in the License Area a temporary sign of less than thirty (30) days' duration that does not penetrate the ground surface.

15. Surrender. Upon the expiration of this License or within ten (10) days after any termination of this License, Licensee will surrender the License Area in substantially the same condition as received excepting any plants or other vegetation removed or planted by Licensee, free from hazards, and clear of all debris. At that time, Licensee will remove all of its property from the License Area and any signs, and, upon City's request, the SFPUC Overflow Facilities and any other structures, improvements, or alterations placed on the License Area during the Term of this License, and will repair, at its cost, any damage to the License Area caused by the removal. Licensee's obligations under this Section will survive any termination of this License.

16. Repair of Damage. If any portion of the License Area or any City property located on or about the License Area is damaged or threatened by any of the activities conducted by Licensee or anyone acting by or through Licensee during the Term, at its sole cost, Licensee will immediately notify City of the damage or threat by **(a)** calling the SFPUC's dispatch operator as specified in Section 31(b) [Emergency Contacts] below, and **(b)** providing written notice in accordance with Section 31(a) [Notices] below. City may, but will not be obligated to, remedy the damage or threat at Licensee's sole cost, or City may elect to observe Licensee's repair work. If City elects not to remedy the damage or threat, Licensee will repair all damage and restore the License Area or property to its previous condition subject to City's inspection, review, and approval. City has no responsibility or liability of any kind with respect to any utilities that may be on, in, or under the License Area. Licensee is solely responsible for the location of any utilities and other existing facilities and their protection from damage. Licensee will be solely responsible to arrange and pay directly for any utilities or services necessary for its Permitted Acts; provided, Licensee will obtain City's prior written approval for the provision of any services or utilities in, on, under, or through the License Area.

17. Default; Remedies. Any of the following shall constitute an event of default ("**Event of Default**") by Licensee under this License:

(a) Use Fee and Other Sums. Any failure to pay the Use Fee or any fee or other sums as and when due, provided Licensee shall have a period of three (3) business days from the date of written notice from City within which to cure any default in the payment of the Use Fee or other sums.

(b) Covenants, Conditions, and Representations. Any failure to perform or comply with any provision or representation made under this License, provided that Licensee shall have a period of thirty (30) business days from the date of written notice from City of such failure ("**Default Notice**") within which to cure such default under this License ("**Cure Period**"), or, if such default is not capable of cure within the Cure Period, Licensee shall have a reasonable period to complete the cure if Licensee promptly undertakes action to cure the default within the Cure Period and thereafter diligently prosecutes the same to completion and Licensee uses its best

efforts to complete the cure within sixty (60) days after the receipt of the Default Notice; provided, however, that upon the occurrence during the Term of three defaults of the same obligation, City shall not be required to provide any notice regarding Licensee's failure to perform such obligation, and any subsequent failure by Licensee after Licensee has received three such notices shall constitute a default by Licensee hereunder without any requirement on the part of City to give Licensee notice of such failure or an opportunity to cure.

(c) **Vacation or Abandonment.** Abandoning the License Area or vacating the License Area for more than fourteen (14) consecutive days without City's consent.

(d) **Bankruptcy.** The appointment of a receiver to take possession of all or substantially all the assets of Licensee, or an assignment by Licensee for the benefit of creditors, or any action taken or suffered by Licensee under any insolvency, bankruptcy, reorganization, moratorium, or other debtor relief act or statute, whether now existing or hereafter amended or enacted, if any such receiver, assignment, or action is not released, discharged, dismissed, or vacated within sixty (60) days.

(e) **City's Right to Cure Defaults by Licensee.** If Licensee fails to perform its obligations under this License or if Licensee defaults in the performance of its other obligations under this License, then, at its sole option, City may remedy the failure for Licensee's account and at Licensee's expense after first providing Licensee with (i) five (5) business days' prior written notice of City's intention to cure the default (except that no prior notice will be required in the event of an emergency as determined by City), and (ii) the opportunity for Licensee to cure the default within the notice period or such other longer period of time agreed upon by City. City's action will not be construed as a waiver of City's rights or remedies under this License, and nothing in this License will imply any duty of City to do any act that Licensee is obligated to perform. Licensee will pay to City upon demand, all costs, damages, expenses, or liabilities incurred by City, including reasonable attorneys', experts', and consultants' fees, in remedying or attempting to remedy the default. Licensee's obligations under this Section will survive the termination of this License.

(f) **Procedure Upon Failure to Maintain or Abandonment of SFPUC Overflow Facilities.** If Licensee abandons or otherwise materially fails to maintain the SFPUC Overflow Facilities, City will provide written notice of such abandonment or failure ("**Notice of Abandonment**") to Licensee. Licensee shall have ninety (90) days following such Notice of Abandonment to remedy the claimed abandonment or maintenance failure or, if such abandonment or maintenance failure cannot be cured within ninety (90) days, Licensee shall have such additional reasonable time as may be necessary to cure, provided that Licensee's work to remedy the abandonment or failure is commenced within ninety (90) days of the Notice of Abandonment and Licensee diligently works to remedy the abandonment or failure as soon as possible. If Licensee elects to remedy or cure such abandonment or maintenance failure, Licensee shall comply with all of the requirements set forth in this License, including but not limited to the requirements set forth in Section 5(a) [Approval of Plans and Specifications]. In the event that Licensee fails to respond to the Notice of Abandonment within ninety (90) days or otherwise fails to remedy the claimed abandonment or maintenance failure, City will revoke this License.

18. Special Administrative Charges.

Without limiting City's other rights and remedies set forth in this License, at law or in equity, if Licensee **(i)** constructs or installs any alteration or improvement without the written approval of City as required by Section 5(a) [Approval of Plans and Specifications] of this License, or **(ii)** fails to make a repair required by this License on a reasonably timely basis, or **(iii)** fails to provide evidence of the required insurance coverage described in Section (8) [Required Insurance Coverages] on a reasonably timely basis, then upon written notice from City of such failure or unauthorized action, Licensee shall pay, as an additional charge, the respective amount specified in the table below in consideration of City's administrative cost and expense in providing notice or performing inspections. If Licensee fails to remove the unauthorized alteration or improvement and restore the License Area or perform the necessary repair or provide the necessary document, as applicable, within the time period set forth in such notice, and City delivers to Licensee additional written notice requesting such document or evidence of such repair, or performs additional inspections to verify compliance, then Licensee shall pay to City, as an additional charge, the respective amount specified in the table below for each additional written notice City delivers to Licensee requesting such corrective action.

<u>Violation</u>	<u>License Article</u>	<u>Initial inspection and/or notice</u>	<u>Follow up inspection and/or notice</u>
Construction of Alterations that are not approved by City	5	\$700.00	\$800.00
Failure to make required repairs	10	\$600.00	\$700.00
Failure to obtain/maintain insurance	8	\$600.00	\$700.00

The Parties agree that the charges set forth in this Section represent a fair and reasonable estimate of the administrative cost and expense that City will incur in connection with providing notices or performing inspections as set forth above, and that City's right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights under this License, at law or in equity.

19. No Costs to City. Licensee will bear all costs or expenses of any kind or nature in connection with its use of the License Area and will keep the License Area free and clear of any liens or claims of lien arising out of or in any way connected with its use of the License Area.

20. Indemnity. Licensee will indemnify, defend, reimburse, and hold harmless City, its officers, agents, employees, and contractors, and each of them, from and against all demands, claims, legal or administrative proceedings, losses, costs, penalties, fines, liens, judgments, damages, and liabilities of any kind ("**Claims**"), arising in any manner out of **(a)** any injury to or death of any person or damage to or destruction of any property occurring in, on, or about any part of the License Area, whether such injury, death, damage, or destruction is caused by the person or property of Licensee, its officers, directors, members, employees, agents, consultants, contractors, or subcontractors (collectively, "**Agents**"), or its invitees, guests, or business visitors (collectively, "**Invitees**"), or third persons, relating to any use or activity under this License, **(b)** any failure by Licensee to faithfully observe or perform any term, covenant, or condition of this License, **(c)** the use of the License Area or any activities conducted on the License Area by Licensee, its Agents,

or Invitees, **(d)** any release or discharge, or threatened release or discharge, of any Hazardous Material caused or allowed by Licensee, its Agents, or Invitees, on, in, under, or about the License Area, any improvements or into the environment, or **(e)** any failure by Licensee to faithfully observe or perform any terms, covenants, or conditions of the Recorded Documents to the extent that the terms, covenants, or conditions relate to or are triggered by the work to be performed or the SFPUC Overflow Facilities or other Licensee improvements or alterations on the License Area; except solely to the extent of Claims resulting directly from the gross negligence or willful misconduct of City or City's authorized representatives. In addition to Licensee's obligation to indemnify City, Licensee has an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnity provision even if the allegation is or may be groundless, fraudulent, or false, which obligation arises at the time the claim is tendered to Licensee by City and continues at all times thereafter. The foregoing indemnity will include reasonable attorneys', experts', and consultants' fees and costs, investigation and remediation costs, and all other reasonable costs and expenses incurred by the indemnified parties, including damages for decrease in the value of the License Area and claims for damages or decreases in the value of adjoining property. Licensee's obligations under this Section will survive the expiration or other termination of this License.

21. Waiver of Claims.

(a) Neither City nor any of its commissions, departments, boards, officers, agents, or employees will be liable for any damage to the property of Licensee, its officers, agents, employees, contractors, or subcontractors, or their employees, or for any bodily injury or death to these persons, resulting or arising from the condition of the License Area or its use by Licensee, or Licensee's Agents or Invitees.

(b) Because this License is freely revocable by City, Licensee expressly assumes the risk of making any expenditure in connection with this License, even if the expenditures are substantial. Without limiting any indemnification obligations of Licensee or other waivers contained in this License and as a material part of the consideration for this License, Licensee fully RELEASES, WAIVES, AND DISCHARGES forever all claims, demands, rights, and causes of action against, and covenants not to sue, City, its departments, commissions, officers, directors, and employees, and all persons acting by, through, or under each of them, under any present or future Laws, including any claim for inverse condemnation or the payment of just compensation under law or equity, if City exercises its right to revoke or terminate this License.

(c) Licensee acknowledges that it will not be a displaced person at the time this License is terminated or revoked or expires by its own terms, and Licensee fully RELEASES, WAIVES, AND DISCHARGES forever all claims, demands, rights, and causes of action against, and covenants not to sue, City, its departments, commissions, officers, directors, and employees, and all persons acting by, through, or under each of them, under any present or future Laws related to displaced persons or relocation assistance, including all claims for relocation benefits or assistance from City under federal and state relocation assistance laws.

(d) The fees payable pursuant to this License do not take into account any potential City liability for any consequential or incidental damages including lost profits and arising out of disruption to or the SFPUC Overflow Facilities or other Licensee improvements or alterations on the License Area; or Licensee's uses of the License Area permitted by this License. City would not be willing to grant this License in the absence of a waiver of liability for consequential or

incidental damages resulting from the acts or omissions of City or its departments, commissions, officers, directors, and employees, and by all persons acting by, through, or under each of them, and Licensee expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Licensee or other waivers contained in this License and as a material part of the consideration for this License, Licensee fully RELEASES, WAIVES, AND DISCHARGES forever all claims, demands, rights, and causes of action against for consequential and incidental damages (including lost profits) and covenants not to sue for consequential or incidental damages City, its departments, commissions, officers, directors, and employees, and all persons acting by, through, or under each of them, arising out of this License or the uses authorized under this License, including any interference with uses conducted by Licensee pursuant to this License, regardless of the cause, and whether or not due to the negligence of City or its departments, commissions, officers, directors, and employees, and all persons acting by, through, or under each of them, except for the gross negligence and willful misconduct of City or its departments, commissions, officers, directors, and employees, and all persons acting by, through, or under each of them.

(e) As part of Licensee's agreement to accept the License Area in its "As Is" condition as provided below, and without limiting its agreement, Licensee, on behalf of itself and its successors and assigns, waives its right to recover from, and forever releases and discharges, City and its officers, agents, and employees, and their respective heirs, successors, administrators, personal representatives, and assigns, from all Claims, whether direct or indirect, known or unknown, foreseen and/or unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the License Area and any related improvements or any applicable Laws or the suitability of the License Area for Licensee's intended use.

(f) In connection with the foregoing releases, Licensee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Licensee acknowledges that the releases contained in this License include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Licensee realizes and acknowledges that it has agreed upon this License in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of California Civil Code Section 1542, or any statute or other similar law now or later in effect. The releases contained in this License will survive any termination of this License.

22. As Is Condition of License Area; Disability Access; Disclaimer of Representations. Licensee accepts the License Area in its "AS IS" condition, without representation or warranty of any kind by City, its departments, commissions, officers, directors, and employees, and all persons acting by, through, or under each of them, and subject to all applicable Laws governing the use of the License Area. Without limiting the foregoing, this License is made subject to all existing and future covenants, conditions, restrictions, easements, encumbrances, and other title matters affecting the License Area, whether foreseen or unforeseen, and whether these matters are of record or would be disclosed by an accurate inspection or survey.

City discloses (a) City has not been issued a disability access inspection certificate as described in California Civil Code Section 55.53(e), (b) pursuant to California Civil Code Section 1938, that City has not ordered, performed, or caused to be performed, a Certified Access Specialist (“CASp”) inspection of the License Area (sometimes referred to as “premises” or “subject premises” for the herein disclosures), and (c) City makes the following statutory disclosure per California Civil Code Section 1938 (the required “CASp Disclosure”):

“A Certified Access Specialist (“CASp”) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties will mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.”

23. No Assignment. This License is personal to Licensee and will not be assigned, conveyed, or otherwise transferred by Licensee under any circumstances. Any attempt to assign, convey, or otherwise transfer this License will be null and void and cause the immediate termination and revocation of this License.

24. Cessation of Use. Licensee will not terminate its activities on and use of the License Area pursuant to this License without prior written approval by City, and only if the Lake Management Plan is amended and no longer requires that Licensee operate and maintain the SFPUC Overflow Facilities.

25. No Joint Ventures or Partnership; No Authorization. This License does not create a partnership or joint venture between City and Licensee as to any activity conducted by Licensee on, in, or relating to the License Area. Licensee is not a state actor with respect to any activity conducted by Licensee on, in, under, or around the License Area. City’s provision of this License does not constitute City’s authorization or approval of any activity conducted by Licensee on, in, around, or relating to the License Area.

26. Intentionally Omitted.

27. Intentionally Omitted.

28. Intentionally Omitted.

29. Notification of Prohibition on Contributions. Licensee acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with City for the selling or leasing of any land or building to or from City whenever the transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (a) the City elective officer, (b) a candidate for the office held by such individual, or (c) a committee controlled by that individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the

termination of negotiations for the contract or twelve months after the date the contract is approved. Licensee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Licensee further acknowledges that **(i)** the prohibition on contributions applies to each Licensee; each member of Licensee's board of directors, and Licensee's chief executive officer, chief financial officer, and chief operating officer, if applicable; any person with an ownership interest of more than ten percent (10%) in Licensee; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Licensee; and **(ii)** within thirty (30) days of the submission of a proposal for the contract, the City department seeking to enter into the contract must notify the Ethics Commission of the parties and any subcontractor to the contract. Additionally, Licensee certifies it has informed each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 by the time it submitted a proposal for the contract to City, and has provided the names of the persons required to be informed to the City department seeking to enter into that contract within thirty (30) days of submitting its contract proposal to the City department receiving that submittal, and acknowledges the City department receiving that submittal was required to notify the Ethics Commission of those persons.

30. Intentionally Omitted.

31. Taxes, Assessments, Licenses, License Fees, and Liens.

(a) Licensee recognizes and understands that this License may create a possessory interest subject to property taxation and that Licensee may be subject to the payment of property taxes levied on that interest. Licensee further recognizes and understands that any transfer or assignment permitted under this License and any exercise of any option to renew or extend this License may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder.

(b) Licensee will pay taxes of any kind, including possessory interest taxes, that may be lawfully assessed on the interest created by this License and will pay all other taxes, excises, licenses, permit charges, and assessments based on Licensee's usage of the License Area that may be imposed upon Licensee by law, all of which will be paid when the same become due and payable and before delinquency.

(c) Licensee will not allow or suffer a lien for any taxes or charges to be imposed upon the License Area or upon any equipment or property located on the License Area without promptly discharging the same, provided that Licensee may contest the validity of the same by paying under protest or posting adequate (at City's sole discretion) security during any contest.

(d) San Francisco Administrative Code Sections 23.38 and 23.39 require that City report certain information relating to this License, and any renewals of this License, to the County Assessor within sixty (60) days after any renewal, and that Licensee report certain information relating to any assignment of or transfer under this License to the County Assessor within sixty (60) days after any assignment or transfer transaction. Licensee will provide this information as may be requested by City to enable City to comply with this requirement.

32. Notices.

(a) Except as otherwise expressly provided in this License, service of notices and demands given under this License will be effective only if in writing and given by delivering the notice in person, by sending it first class mail or certified mail with a return receipt requested, or next-business-day courier, to City or to Licensee, as applicable, at the addresses specified below. Properly addressed notices issued pursuant to this License will be deemed given on the date personal delivery is made or, if sent by a method that provides confirmation of delivery, on the earliest of confirmed delivery or confirmed attempted delivery:

City or the SFPUC: Real Estate Services Division
San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102
Attn: Real Estate Director
Re: Vista Grande Overflow Facilities
License P4715
Telephone No.: (415) 487-5210

Licensee: Department of Water & Wastewater Resources
City of Daly City
153 Lake Merced Blvd
Daly City, CA 94015
Attn: Director of Water and Wastewater Resources
Re: Vista Grande Overflow Facilities
License P4715
Telephone No.: (650) 991-8206
Email: jcosgrove@dalycity.org

Telephone numbers and email addresses are provided for convenience of communication and do not constitute sufficient methods for delivering notices. Each party may change its address for notices from time to time by giving notice to the other in the manner described above.

(b) **Emergency Contacts.** Licensee will immediately notify the San Francisco Water Division by telephone at (415) 550-4900 of any emergency or incident requiring emergency response.

(c) **Day-to-Day Communications.** Day-to-Day Communications that are not intended as a notice or demand under this License may be communicated by email or telephone. City shall designate an individual to be the key contact for day-to-day communications relating to Licensee's use of the License Area under this License.

City's key contact for day-to-day communications is:

San Francisco Public Utilities Commission
Water Resources Division
525 Golden Gate Avenue
San Francisco, CA 94102

Attn: Obi Nzewi, Groundwater Program Manager
Phone: (415) 554-1876
Email: onzewi@sfgwater.org

33. Prohibition of Tobacco Sales and Advertising. No advertising or sale of cigarettes or tobacco products is allowed on the License Area. This advertising prohibition includes the placement of the name of a company producing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product.

34. Prohibition of Alcoholic Beverage Advertising. No advertising of alcoholic beverages is allowed on the License Area. For purposes of this Section, “alcoholic beverage” will be defined as set forth in California Business and Professions Code Section 23004, and will not include cleaning solutions, medical supplies, and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product.

35. Restrictions on the Use of Pesticides. Chapter 3 of the San Francisco Environment Code (the Integrated Pest Management Program Ordinance or “**IPM Ordinance**”) describes an integrated pest management (“**IPM**”) policy to be implemented by all City departments. Licensee will not use or apply or allow the use or application of any pesticides on the License Area or contract with any person or entity to provide pest abatement or control services to the License Area without first receiving City’s written approval of an IPM plan that **(a)** lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Licensee may need to apply to the License Area during the Term of this License, **(b)** describes the steps Licensee will take to meet City’s IPM Policy described in Section 300 of the IPM Ordinance and **(c)** identifies, by name, title, address, and telephone number, an individual to act as the Licensee’s primary IPM contact person with City. Licensee will comply, and will require all of Licensee’s contractors to comply, with the IPM plan approved by City and will comply with the requirements of Sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM Ordinance, as if Licensee were a City department. Among other matters, the provisions of the IPM Ordinance: **(i)** provide for the use of pesticides only as a last resort, **(ii)** prohibit the use or application of pesticides on property owned by City, except for pesticides granted an exemption under Section 303 of the IPM Ordinance (including pesticides included on the most current Reduced Risk Pesticide List compiled by City’s Department of the Environment), **(iii)** impose certain notice requirements, and **(iv)** require Licensee to keep certain records and to report to City all pesticide use at the License Area by Licensee’s staff or contractors.

If Licensee or Licensee’s contractor will apply pesticides to outdoor areas at the License Area, Licensee must first obtain a written recommendation from a person holding a valid Agricultural Pest Control Advisor license issued by the California Department of Pesticide Regulation (“**CDPR**”) and any pesticide application will be made only by or under the supervision of a person holding a valid, CDPR-issued Qualified Applicator certificate or Qualified Applicator license. City’s current Reduced Risk Pesticide List and additional details about pest management on City property can be found at the San Francisco Department of the Environment website, <http://sfenvironment.org/ipm>.

36. Conflict of Interest. Licensee acknowledges that it is familiar with the provisions of Section 15.103 of City’s Charter, Article III, Chapter 2 of City’s Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the California Government Code and certifies that it does not know of any facts that would constitute a violation of said

provisions. If Licensee becomes aware of any fact that would constitute a violation of these provisions during the Term of this License, Licensee will immediately notify City.

37. Disclosure. City's Sunshine Ordinance (San Francisco Administrative Code Chapter 67) and the State Public Records Act (Gov't Code Section 7920.000 et seq.), apply to this License and all records, information, and materials related to this License submitted to City in connection with this License. Accordingly, all records, information, and materials may be subject to public disclosure in accordance with City's Sunshine Ordinance and the State Public Records Act. Licensee authorizes City to disclose any records, information, and materials submitted to City in connection with this License.

38. Intentionally Omitted.

39. Severability. If any provision of this License, or its application to any person, entity, or circumstance, will be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this License, or the application of any provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this License will be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this License without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this License.

40. Cooperative Drafting. This License has been drafted through a cooperative effort of both Parties, and both Parties have had an opportunity to have the License reviewed and revised by legal counsel. No Party will be considered the drafter of this License, and no presumption or rule that an ambiguity will be construed against the Party drafting the clause will apply to the interpretation or enforcement of this License.

41. Intentionally Omitted.

42. San Francisco Packaged Water Ordinance. Licensee will comply with San Francisco Environment Code Chapter 24 ("**Chapter 24**"). Licensee will not sell, provide, or otherwise distribute Packaged Water, as defined in Chapter 24 (including bottled water), in the performance of this License or on City property unless Licensee obtains a waiver from City's Department of the Environment. If Licensee violates this requirement, City may exercise all remedies in this License and the Director of City's Department of the Environment may impose administrative fines as set forth in Chapter 24.

43. General Provisions. (a) This License may be amended or modified only by a writing signed by City and Licensee. (b) No waiver by any Party of any of the provisions of this License will be effective unless in writing and signed by an officer or other authorized representative of such Party, and only to the extent expressly provided in a written waiver. No waiver will be deemed a subsequent or continuing waiver of the same, or any other, provision of this License. (c) The exhibits referenced in and attached hereto are incorporated into this License. (d) This License contains the entire agreement between the Parties regarding the subject matter of this License, and supersedes all prior written or oral negotiations, discussions, understandings, and agreements between the Parties regarding such subject matter. (e) The Section and other headings of this License are for convenience of reference only and will be disregarded in the interpretation of this License. (f) Time is of the essence in all matters relating to this License. (g) This License

will be governed by California law and City's Charter. **(h)** If either Party commences an action against the other or a dispute arises under this License, the prevailing party will be entitled to recover from the other reasonable attorneys' fees and costs. For purposes of this License and the indemnifications set forth in this License, reasonable attorneys' fees of City will be based on the fees regularly charged by private attorneys in San Francisco with comparable experience notwithstanding City's use of its own attorneys. **(i)** If Licensee consists of more than one person then the obligations of each person will be joint and several. **(j)** Licensee may not record this License or any memorandum of this License. **(k)** Subject to the prohibition against assignments or other transfers by Licensee hereunder, this License will be binding upon and inure to the benefit of the Parties and their respective heirs, representatives, successors, and assigns. **(l)** Any sale or conveyance of the property burdened by this License by City will automatically revoke this License. **(m)** Except as expressly provided to the contrary, all approvals, consents, and determinations to be made by City under this License may be made at City's sole and absolute discretion. **(n)** Whenever this License requires City's or the SFPUC's consent or approval, the General Manager of the SFPUC, or their designee, will be authorized to provide such consent or approval, except as otherwise provided by applicable Laws, including City's Charter, or by the SFPUC's Real Estate Guidelines. No consent, approval, election, or option will be effective unless given, made, or exercised in writing. **(o)** This License may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. **(p)** Use of the word "including", or similar words will not be construed to limit any general term, statement, or other matter in this License, whether or not language of non-limitation, such as "without limitation" or similar words, are used. **(q)** Each person executing this License on Licensee's behalf does hereby represent and warrant that Licensee has full right and authority to enter into this License, and that each person signing on behalf of Licensee is duly authorized to bind Licensee to the terms and conditions of this License. Upon City's request, Licensee will provide documentation confirming the foregoing representations and warranties.

[SIGNATURES ON FOLLOWING PAGE]

LICENSEE REPRESENTS AND WARRANTS TO CITY THAT IT HAS READ AND UNDERSTANDS THE CONTENTS OF THIS LICENSE, HAS HAD AN OPPORTUNITY TO REVIEW AND DISCUSS IT WITH COUNSEL OF ITS CHOOSING, AND AGREES TO COMPLY WITH AND BE BOUND BY ALL OF ITS PROVISIONS.

LICENSEE:

CITY OF DALY CITY,
a municipal corporation

By: _____

Its: _____

Date: _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

DENNIS J. HERRERA
General Manager
San Francisco Public Utilities Commission
(authority pursuant to SFPUC Resolution
No. _____ and San Francisco Board of
Supervisors' Resolution No. _____)

Date: _____

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____

Nancy Taylor
Deputy City Attorney

EXHIBIT A-1

Description of the Property

All that certain real property located in the County of San Francisco, California, described as follows:

SFPUC Parcel No. 55 (“**Lake Merced Tract**”), according to SFPUC records and as shown on the drawing attached as **Exhibit A-2** and made a part of this License.

EXHIBIT A-2

Depiction of the Property

[see attached]

EXHIBIT B-1

Legal Description of License Area

[see attached]

EXHIBIT B-2

Depiction of License Area

[see attached]

EXHIBIT C

Deed

[see attached]

EXHIBIT D

Approved Plans and Specifications

[see attached]

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY REPEALING
AND REPLACING CHAPTERS 15.00, 15.08, 15.10, 15.12, 15.14, 15.16, 15.20, 15.22, 15.24,
15.32, 15.60, AND 15.65 OF TITLE 15 OF THE DALY CITY MUNICIPAL CODE

WHEREAS The California Building Standards Commission adopted the 2025 California Building Standards Codes, consisting of the California Building Code, California Residential Code, California Mechanical Code, California Plumbing Code, California Electrical Code, California Fire Code, California Wildland-Urban Interface Code, California Existing Building Code, California Green Building Standards Code, California Energy Code, and California Reference Standards Code; and

WHEREAS California Health & Safety Code §§17958, 17958.5, 17958.7, 18938, and 18941.5 authorize local jurisdictions to adopt the California Building Standards Codes with amendments reasonably necessary because of local climatic, geological, or topographical conditions; and

WHEREAS The City of Daly City finds that amendments to the 2025 California Building Standards Codes are reasonably necessary based on such local conditions, as documented in the City's Finding of Facts Matrix (Attachment B), and that such amendments comply with the Nine-Point Criteria set forth in Health & Safety Code §18930(a); and

WHEREAS The City Council desires to repeal specified chapters of Title 15 of the Daly City Municipal Code and adopt new chapters incorporating the 2025 California Building Standards Codes with local amendments; and

WHEREAS The adoption of the California Building Standards Codes with local amendments is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines §15061(b)(3).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DALY CITY DOES ORDAIN AS FOLLOWS:

SECTION 1. Chapters 15.00, 15.08, 15.10, 15.12, 15.14, 15.16, 15.20, 15.22, 15.24, 15.32, 15.60, and 15.65 of Title 15, "Building and Construction," are hereby repealed in their entirety.

SECTION 2. New Chapters 15.00, 15.08, 15.10, 15.12, 15.14, 15.16, 15.20, 15.22, 15.24, 15.32, 15.33, 15.60, and 15.65 are hereby adopted, incorporating by reference the 2025 California Building Standards Code, Title 24 of the California Code of Regulations, Parts 1 through 12 inclusive, as published by the California Building Standards Commission, together with the City's local amendments as set forth in Exhibits A through M, as though fully set forth herein.

SECTION 3. A copy of the 2025 California Building Standards Code, together with the Daly City local amendments and the Finding of Facts Matrix (Attachment B) Titled "Attachment_B_Daly City Universal Local Amendment Matrix_2025", shall be maintained for public inspection in the office of the City Clerk.

SECTION 4. CEQA. The City Council finds this Ordinance exempt from the California Environmental Quality Act pursuant to CEQA Guidelines §15061(b)(3).

SECTION 5. Effective Date. This Ordinance shall take effect on January 1, 2026, consistent with the effective date established by the California Building Standards Commission for the 2025 California Building Standards Codes.

SECTION 6. Publication/Summary. Pursuant to the provisions of Government Code Section 36933, a summary of this ordinance shall be prepared by the City Attorney. At least five (5) days prior to the Council meeting at which this ordinance is scheduled to be adopted, the City Clerk shall (1) publish the summary, and (2) post in the City Clerk's office a certified copy of this ordinance. Within fifteen (15) days after the adoption of this ordinance, the City Clerk shall (1) publish the summary, and (2) post in the City Clerk's office a certified copy of the full text of this ordinance along with the names of those City Council members voting for and against this ordinance or otherwise voting.

Introduced this 10th day of November, 2025.

Passed and adopted as an Ordinance of the City of Daly City at a regular meeting of the City Council of the City of Daly City held on the _____ day of _____ 2025, by the following vote:

AYES, Councilmembers _____

NOES, Councilmembers _____

ABSENT, Councilmembers: _____

CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

MAYOR OF THE CITY OF DALY CITY

EXHIBIT A - CHAPTER 15.00 -GENERAL REGULATIONS

Sections:

15.00.010	Administrative Authority – Terms Explained
15.00.020	Fees
15.00.030	Time Limitation of Application, Permit Expiration, and Extensions
15.00.040	Procedure of Appeals
15.00.050	Cooperation of Other Officials and Officers
15.00.060	Emergency Access
15.00.070	Construction Drawing Format
15.00.080	Qualifications for Permit
15.00.090	Workmanship
15.00.100	Stormwater Best Management Practices (BMP)
15.00.110	Effects of Code in Past Actions and Obligations

15.00.010 Administrative Authority – Terms Explained

Terms Explained:

- A. Whenever the term “authority having jurisdiction,” “administrative authority,” or “code official” is used, it shall mean the Building Official or their authorized representative. For purposes of this section, “authorized representative” refers to personnel assigned to the Building Division and acting under the direction of the Building Official, unless otherwise specified.
- B. Where reference is made to governing authority, it shall mean the City Council.
- C. Where reference is made to private sewage disposal systems, public sewers, and/or the waste department, the term “administrative authority” shall include the North San Mateo County Sanitation District, the Bayshore Sanitation District, the San Mateo County Health Department, and any other public agencies responsible for sewage or sewage disposal.
- D. Where reference is made to storm sewers and the water main distribution, the term “administrative authority” shall include the City Engineer or their designated representative.
- E. Where reference is made to fire protection systems, fire sprinklers, fire alarms, fire department access, or any provision of the California Fire Code, the term “authority having jurisdiction” or “administrative authority” shall include the North County Fire Authority or their authorized representative.
- F. Whenever the term “Assistant to Code Official” is used, it shall mean the Code Enforcement Officer.
- G. Whenever the term “Chief Appointing Authority” is used, it shall mean the City Manager.

15.00.020 Fees

Plan review fees, permit fees, investigation fees, penalty and violation fees, and other charges required under this Title shall be as prescribed in the City’s Master Fee Schedule, as established and amended by ordinance of the City Council.

15.00.030 Time Limitation of Application, Permit Expiration, and Extensions

A. Time Limitation of Application – General.

Except as provided in subsection B, every application for a permit under this Title for any proposed work for which no permit has been issued within one hundred eighty (180) calendar days from the date of receipt of the application shall expire by limitation. The Building Official may extend the time for action by the applicant for a period not exceeding one hundred eighty (180) calendar days upon written request by the applicant demonstrating circumstances beyond the applicant's control that have prevented action from being taken. No application under this subsection shall be extended more than twice, except that additional extensions may be granted upon written request showing substantial hardship or other extenuating circumstances, at the sole discretion of the Building Official. For purposes of renewal after expiration, the applicant shall resubmit plans in compliance with the applicable code in effect at the time of resubmittal and pay all applicable plan review fees. The Building Official may grant an additional extension of up to three hundred sixty (360) calendar days when necessitated by an official California major disaster declaration issued by FEMA.

B. Time Limitation of Application – Code Enforcement Permits.

If a permit application is filed in order to bring an unpermitted structure, or other unlawful, substandard, or hazardous condition into compliance with applicable law, ordinance, rule, or regulation, and no permit has been issued within ninety (90) calendar days from the date of receipt of the application, the application shall expire by limitation. The Building Official may extend the time for action by the applicant for a period not exceeding ninety (90) calendar days upon written request demonstrating circumstances beyond the applicant's control that have prevented action from being taken. No application under this subsection shall be extended more than once.

C. Permit Expiration – General.

Except as provided in subsections D and E, every permit issued under this Title shall expire by limitation and become null and void if the work authorized by the permit is not commenced within one (1) year from the date of issuance, or if the work authorized by the permit is suspended or abandoned at any time after commencement for a period of one (1) year. "Suspended or abandoned" shall mean the permittee has failed to make substantial progress toward completion of the work, as determined by the Building Official. Failure to schedule and pass a required interim or final inspection for a period of one (1) year from the date of issuance, or since the most recent inspection, may be deemed a failure to make substantial progress.

Required inspections include, but are not limited to: footing/foundation, concrete slab or under-floor, framing, lath or gypsum board, fire-resistant penetrations, energy efficiency, any required special inspections, final inspections, and any other inspections required by the Building Official. The Building Official may extend a permit upon written demonstration of justifiable delay or a good-faith effort toward code-compliant completion.

D. Permit Extensions – General.

Any permittee holding an unexpired permit may request in writing an extension of time when unable to commence or continue work within the time required by this section. The Building Official may grant one or more extensions of not more than one hundred eighty (180) calendar days each, provided a good-faith effort to complete the work is demonstrated and the delay is due to circumstances beyond the permittee's control. No more than three extensions shall be granted

under this subsection, except that additional extensions may be considered upon written request showing substantial hardship or extenuating circumstances, at the sole discretion of the Building Official. The Building Official may grant an additional extension of up to three hundred sixty (360) calendar days when necessitated by an official California major disaster declaration issued by FEMA.

E. Reactivation After Expiration.

If a permit has expired and the work has not been suspended or abandoned for more than one (1) year from the date of the last required inspection, the Building Official may approve reactivation, provided no changes have been or will be made to the original plans and specifications. If the work was suspended or abandoned for more than one (1) year from the last required inspection, reactivation shall not be approved unless the project is reviewed and brought into compliance with the code in effect at the time of reactivation. The Building Official may deny reactivation if the permittee has not made a good-faith effort to complete the work. A written report on the current status of construction, including a proposed completion timeframe, shall be required for consideration of renewal.

F. Expiration – Code Enforcement Demolition Permits and Code Enforcement Quick Permits.

A code enforcement demolition permit or code enforcement quick permit issued to address an unpermitted structure, or other unlawful, substandard, or hazardous condition, shall expire ninety (90) calendar days after the date of issuance. The Building Official may grant one or more extensions of not more than ninety (90) calendar days each, upon written request demonstrating a good-faith effort to complete the work and circumstances beyond the permittee's control.

G. Expiration – Building Maintenance Permits.

A building maintenance permit shall expire one hundred eighty (180) calendar days after the date of issuance. The Building Official may grant one or more extensions of not more than one hundred eighty (180) calendar days each, upon written request demonstrating justifiable cause.

15.00.040 Procedure for Appeals and Hearings

Any person aggrieved by a decision or subject to a hearing under this Title shall have the right to appeal to the City Council of the City. The appeal shall be in writing and submitted to the City Clerk within ten (10) calendar days of the date of the decision or hearing outcome being appealed.

Upon receipt of a timely appeal, the City Council, at its next regular meeting, shall set a time for hearing the appeal. The hearing date shall be not less than fourteen (14) nor more than forty-five (45) calendar days from the date of that regular meeting. A copy of the notice of hearing shall be mailed to the appellant not less than ten (10) calendar days before the date of the hearing by the City Clerk.

The hearing may be continued at the request of the appellant, subject to approval by the City Council, for a period not to exceed sixty (60) calendar days from the date originally set. The decision of the City Council shall be final.

Notice of the City Council's decision shall be delivered to the appellant personally or sent by certified mail—return receipt requested. The effective date of the decision shall be the date of mailing of the notice or the date it is personally delivered to the appellant.

Failure to file an appeal in accordance with this section shall constitute a waiver of any right to an administrative hearing and adjudication of the matter being appealed.

15.00.050 Cooperation of Other Officials and Officers

The building official may request, and shall receive, the assistance and cooperation of other officials of this jurisdiction so far as is required in the discharge of the duties required by this code or other pertinent law or ordinance.

15.00.060 Emergency Access

When entry is refused or not obtained, the Building Official may pursue any inspection warrant or other remedy authorized by law (Code of Civil Procedure §§ 1822.50–1822.57). It is unlawful to violate a lawful order or warrant issued under this Title.

15.00.070 Construction Drawing Format

Construction drawings required under this Title shall be drawn upon a suitable material with a minimum sheet size of 11 inches by 17 inches (279 mm by 432 mm) or larger. All text on construction drawings shall be in a font size equivalent to at least 10-point type, with a printed character height of not less than 1/8 inch (3.2 mm) on the submitted plans, and shall be clearly readable. This section does not apply to supporting documents such as calculations, reports, or specifications. Electronic plans (PDF) are accepted; digital sheet sizes shall be equivalent to the minimums herein.

15.00.080 Qualifications for Permit

A. Licensed Contractor - A permit may be issued to a person holding a valid contractor's license in the appropriate classification issued by the Contractors State License Board and a valid Daly City business license.

B. Owner-Builder (Single-Family) - A bona fide owner of a single-family dwelling may obtain a permit as provided in Business and Professions Code §7044, and must either personally perform the work or hire licensed subcontractors where required by law. Eligibility is determined by the Building Official or authorized representative.

C. Property Management Firm or Corporation - A permit may be issued to a firm or corporation that (1) regularly employs qualified tradespersons to perform alteration or repair work on buildings it owns or operates, and (2) maintains workers' compensation insurance for those tradespersons. Work requiring licensure shall be performed by state-licensed contractors unless exempt by law.

D. Administrative Authority - Issuance of a permit or approval of plans does not prevent the Building Official or authorized representative from requiring corrections, issuing stop-work orders, or suspending/revoking any permit or approval issued in error or based on incorrect, inaccurate, or incomplete information.

E. State Law Reference - Nothing in this section creates an exemption from contractor licensure. Minor-work thresholds and related exemptions shall be applied per Business and Professions Code §7048.

15.00.090 Workmanship

All design, construction, and installation shall comply with the California Building Standards Code (Title 24) as adopted by this Title, referenced standards, approved plans, and manufacturers' installation instructions and listings. Where requirements conflict, the most restrictive shall govern.

15.00.100 Stormwater Best Management Practices

All work undertaken in conformance with this code shall adhere to best management practices, guidelines, or requirements adopted by the City for any activity, operation, or facility that may cause or contribute to stormwater pollution or contamination, illicit discharges, and/or the discharge of non-stormwater to the stormwater system. Every person undertaking such activity or operation under this code shall comply with such guidelines or requirements as may be identified by the Building Official or designee.

On and after January 1, 2026, the installation of copper metal roofing, copper gutters, copper downspouts, and asphalt shingles containing copper granules shall be prohibited for any residential, commercial, or industrial building requiring a building permit. Copper flashing used under tiles or slates, and small copper ornaments, are exempt. Any request for exemption based on historic status shall be reviewed and determined by the Planning Division. This section is adopted to reduce copper discharge into stormwater and protect water quality.

Note: This amendment is adopted to address local stormwater quality concerns in coordination with the San Mateo Countywide Water Pollution Prevention Program requirements and NPDES municipal stormwater permit obligations.

15.00.110 Effects of Code in Past Actions and Obligations

The adoption of title 15 of the Daly City Municipal Code does not affect any civil lawsuits instituted or filed, or prosecutions for ordinance violations committed on or prior to the effective date of the said Code and does not affect the validity of any bonds or cash deposits posted, filed, or deposited pursuant to the requirement of any ordinance.

EXHIBIT B - CHAPTER 15.08 - BUILDING CODE

Sections:

15.08.010	California Building Code – Adoption – Where Filed
15.08.020	Reserved
15.08.030	Chapter 2 Definitions – Amended
15.08.040	Section 406.3.4 Additional Residential Gypsum Board Requirements – Amended
15.08.050	Section 501.2 Address Identification – Amended
15.08.060	Section 903 Automatic Sprinkler System – Amended
15.08.070	Reserved
15.08.080	Table 1505.1 Minimum Roof Covering Classifications for Types of Construction, Amended
15.08.090	Section 1705.3 Concrete Construction Exception 1 – Amended
15.08.100	Chapter 23, Sections 2306 and 2308 – Amended
15.08.110	Section 2113.9.2.1 Spark Arrestors for Reroofing Projects – Amended

15.08.010 Building Code – Adoption – Where Filed

The City adopts the California Building Code, 2025 Edition, as adopted by the California Building Standards Commission and applicable state agencies, together with the amendments set forth in this chapter. The code shall apply only to projects within the jurisdiction of the City and enforceable by the Building Official. One copy is on file and available for public inspection in the Building Division. From the effective date of the ordinance codified in this chapter, the provisions of the California Building Code, 2025 Edition, as amended, shall be controlling within the City. This adoption is effective January 1, 2026, the effective date of the 2025 California Building Standards Code; applications deemed complete before that date may proceed under the code in effect on the deemed-complete date.

15.08.020 Reserved

15.08.030 Chapter 2 Definitions – Amended

Chapter 2 of the California Building Code, 2025 Edition, is amended by adding the following definitions:

DECK, ATTACHED. An exterior floor system supported on at least one side by the exterior wall of the adjoining structure and supported on the opposing side by posts, piers, or other support methods.

SLEEPING ROOM. A minimum of seventy square feet and shall be not less than seven feet in any direction. A study, sewing room, sitting room, office, den, or similar room shall be considered a room designed for sleeping purposes if it contains a closet, alcove, indentation, or wing wall which creates an area greater than twelve inches in depth.

15.08.040 Section 406.3.4 Additional Residential Gypsum Board Requirements – Amended

Section 406.3 of the California Building Code, 2025 Edition, is amended by adding section 406.3.4 to read as follows:

406.3.4 Private garage separation requirements for alterations

When existing unconditioned space is converted to conditioned space for non-sprinklered R-3 occupancies of Type V construction, the private garage shall comply with section 406.3.

15.08.050 Section 502.1 – Amended

Section 502.1 of the California Building Code, 2025 Edition, is amended by adding the following sentence:

For projects that add habitable space, address identification shall be illuminated, either internally or externally, and contrast with the background.

15.08.060 Section 903 Automatic Sprinkler System – Amended

Section 903 of the California Building Code, 2025 Edition, is amended to read as follows:

Automatic fire sprinkler system requirements shall be as provided in Daly City Municipal Code §15.00.010(E) and Chapter 15.32 (Fire Code). Administration, plan review, permitting, and inspections are under the authority of the North County Fire Authority.

15.08.070 Reserved

15.08.080 Table 1505.1 Minimum Roof Covering Classifications for Types of Construction – Amended

Table 1505.1 of the California Building Code, 2025 Edition, is amended to read as follows:

Table 1505.1 Minimum Roof Covering Classification for Types of Construction ^{a, b}

IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
B	B	B	B	B	B	B	B	B

- a. Unless otherwise required in accordance with Chapter 7A
- b. The entire roof covering of every existing structure where more than 50 percent of the total roof area is replaced within any one-year period, the entire roof covering of every new structure, and any roof covering applied in the alteration, repair, or replacement of the roof of every existing structure shall be a fire-resistant roof covering that is at least Class B.

15.08.090 Section 1705.3 Concrete Construction Exception 1 – Amended

Section 1705.3 Concrete construction of the California Building Code, 2025 Edition is amended to read as follows:

Exception 1: Isolated spread concrete footings for buildings three stories or less above grade plane, fully supported on earth or rock, where the structural design of the footing is based on *f*'*c* not more than 2,500 psi (17.2 MPa), regardless of the compressive strength specified in the approved construction documents or used in the footing construction.

15.08.100 Chapter 23, Sections 2306 and 2308 – Amended

In the California Building Code, 2025 Edition, Sections 2306 and 2308 are amended to read as follows:

In Tables 2306.3(3) and 2308.6.3(1), the following materials and methods are not approved and are deleted: (1) expanded metal or woven wire lath and Portland cement plaster, (2) gypsum lath, plain or perforated, (3) gypsum sheathing, and (4) gypsum board, gypsum veneer base, or water-resistant gypsum backing board.

15.08.110 Section 2113.9.2.1 Spark Arrestors for Reroofing Projects – Amended

Section 2113.9 of the California Building Code, 2025 Edition, is amended to add subsection 2113.9.2.1 to read as follows:

2113.9.2.1 Spark Arrestors for Reroofing Projects – At the time of any reroofing project, where a masonry chimney is present, the chimney shall be equipped with an approved spark arrestor meeting the requirements of Section 2113.9.2.

EXHIBIT C - CHAPTER 15.10 - RESIDENTIAL CODE

Sections:

15.10.010	California Residential Code – Adoption – Where Filed
15.10.020	Reserved
15.10.030	Section R202 Definitions – Amended
15.10.040	Section R302.6.1, R302.6.1.1 and R302.6.1.2 Fire Protection Retrofits – Amended
15.10.050	Section R302.1 Exterior Walls – Amended
15.10.060	Section R309 and R317.5 - Automatic Fire-Sprinkler System Requirements – Amended
15.10.070	Reserved
15.10.080	Section R319 Site Address – Amended
15.10.090	Section R328 Energy Storage Systems – Amended
15.10.100	Section R602.10 Wall Bracing – Amended
15.10.110	Section R902.1 All Roof Coverings – Amended

15.10.010 California Residential Code – Adoption – Where Filed

The City adopts the California Residential Code, 2025 Edition, as adopted by the California Building Standards Commission and applicable to the City, together with the amendments set forth in this chapter. One copy is on file and available for public inspection in the Building Division. From the effective date of the ordinance codified in this chapter, the provisions of the California Residential Code, 2025 Edition, as amended, shall be controlling within the City. This adoption is effective January 1, 2026, the effective date of the 2025 California Building Standards Code; applications deemed complete before that date may proceed under the code in effect on the deemed-complete date.

15.10.020 Reserved

15.10.030 Section R202 Definitions – Amended

Section R202 of the California Residential Code, 2025 Edition, is amended by adding the following definitions:

DECK, ATTACHED. An exterior floor system supported on at least one side by the exterior wall of the adjoining structure and on the opposite side by posts, piers, or other supports.

SLEEPING ROOM. A room with a minimum floor area of 70 square feet and not less than 7 feet in any direction. A study, sewing room, sitting room, office, den, or similar room shall be considered a sleeping room if it contains a closet, alcove, indentation, or wing wall creating an area greater than 12 inches in depth.

15.10.040 Section R302.6.1 Fire Protection Retrofits – Amended

Section R302.6 of the California Residential Code, 2025 Edition, is amended by adding subsection R302.6.1 to read as follows:

R302.6.1 Dwelling alterations-separation Requirements. When existing unconditioned space is converted to conditioned space in non-sprinklered buildings, the private garage shall comply with R302.6.

15.10.050 Section R302.1 Exterior Walls – Amended

Section R302.1 of the California Residential Code, 2025 Edition, is amended by adding the following:

For the purposes of this section, attached decks not exempt from permitting under Section R105.2 shall be considered projections. Exterior wall construction, projections, openings, and penetrations of dwellings and accessory buildings shall comply with Table R302.1(1), or with Table R302.1(2) where the building is equipped throughout with an automatic sprinkler system installed in accordance with Section R313. Where multiple detached dwellings are located on a single lot, each dwelling shall comply independently with the applicable table. *Exceptions and tables of this section remain unchanged.*

15.10.060 Section R309 and R317.5 - Automatic Fire-Sprinkler System Requirements – Amended

Sections R309 (Automatic Sprinklers) and R317.5 (Fire Sprinklers – Location on Property), including all subsections, of the California Residential Code, 2025 Edition, are deleted in their entirety. All automatic fire sprinkler requirements referenced in these sections or elsewhere in the Residential Code shall be governed by Daly City Municipal Code Chapter 15.32 and the California Fire Code, 2025 Edition. Plan review, permitting, and inspections shall be under the authority of the North County Fire Authority.

15.10.070 Reserved

15.10.080 Section R319 Address Identification – Amended

Section R319 of the California Residential Code, 2025 Edition, is amended by adding the following:

For projects adding habitable space, address identification shall be illuminated, either internally or externally, and shall contrast with the background.

15.10.090 Section R328 Energy Storage Systems – Amended

Section R328 of the California Residential Code, 2025 Edition, is amended by adding section R328.3.2 to read as follows:

R328.3.2 Disconnection Means. A disconnecting means shall be provided for all ungrounded conductors to and from an ESS. The disconnecting means shall be located in a readily accessible location on the exterior of the building. Location and installation shall also comply with CEC Article 706 and any applicable serving-utility standards.

15.10.100 Section 602.10 Wall Bracing – Amended

Section R602.10 of the California Residential Code, 2025 Edition, is amended by adding the following:

The following wall bracing methods are prohibited: GB (gypsum wall board), LIB (let-in bracing), DBW (diagonal wood board), SFB (structural fiberboard sheathing), PBS (particleboard sheathing), PCP (Portland cement plaster), and HPS (hardboard panel siding). Materials used for shear walls shall comply with Daly City Municipal Code §15.08.100.

15.10.110 Section R902.1.4 All Roof Coverings – Amended

Section R902.1 of the California Residential Code, 2025 Edition, is amended by adding subsection R902.1.4 to read as follows:

R902.1.4 All Roof Coverings. All roof coverings shall be a minimum Class B, tested in accordance with ASTM E108 or UL 790. The entire roof covering of every existing structure where more than 50 percent of the total roof area is replaced within any one-year period, the entire roof covering of every new structure, and any roof covering applied in the alteration, repair, or replacement of an existing structure, shall be fire-retardant and at least Class B.

15.10.120 Section R1003.9.2.1 Spark Arrestors for Reroofing Projects – Amended

Section R1003.9 of the California Residential Code, 2025 Edition, is amended by adding subsection R1003.9.2.1 to read as follows:

R1003.9.2.1 Spark Arrestors for Reroofing Projects. At the time of any residential reroofing project where a masonry chimney is present, the chimney shall be equipped with an approved spark arrestor meeting the requirements of Section R1003.9.2.

EXHIBIT D -CHAPTER 15.12 - CALIFORNIA REFERENCE STANDARDS CODE

Sections:

15.12.010 California Reference Standards Code – Adoption by reference - Where Filed

15.12.010 California Reference Standards Code – Adoption by reference– Where Filed

There is adopted by the City that certain code known as the California Reference Standards Code, 2025 Edition, published by the International Code Council, except as hereinafter amended. One copy is on file and available for public inspection in the Building Division. From and after the effective date of the ordinance codified in this chapter, and effective January 1, 2026 consistent with the 2025 California Building Standards Code, the provisions of the California Reference Standards Code, 2025 Edition, as amended, shall be controlling within the City. Applications deemed complete before that date may proceed under the code in effect on the deemed-complete date.

EXHIBIT E - CHAPTER 15.14 - PROPERTY MAINTENANCE CODE

Sections:

- 15.14.010 International Property Maintenance Code– Adoption – Where Filed
- 15.14.020 Section [A] 102.3 Application of Other Codes – Amended
- 15.14.030 Section [A] 107.3 Failure to Obey Order – Amended
- 15.14.040 Section 110.5.1 Cost Recovery for Authorized Emergency Abatement of Immediate Life, Health, and Safety Hazards – Added
- 15.14.050 Section 110.6 Hearing, Amended
- 15.14.060 Section 106 Means of Appeal, Amended

15.14.010 International Property Maintenance Code– Adoption – Where Filed

The City adopts the International Property Maintenance Code, 2024 Edition, together with the amendments set forth in this chapter, for the purpose of prescribing regulations for the health and safety of its inhabitants. One copy is on file and available for public inspection in the Building Division. From the effective date of the ordinance codified in this chapter, the provisions of the International Property Maintenance Code, 2024 Edition, as amended, shall be controlling within the City. The International Property Maintenance Code is adopted as a local property-maintenance ordinance for existing structures and premises. It is not a building standard within HSC §18909 and shall not authorize work contrary to the California Building Standards Code (Title 24) or State Housing Law regulations (Title 25). Where conflicts occur, Title 24/Title 25 govern.

15.14.020 Section [A] 102.3 Application of Other Codes – Amended

Section [A] 102.3 of the International Property Maintenance Code, 2024 Edition, is amended to read as follows:

Repairs, additions, alterations, and changes of occupancy shall comply with the California Building Standards Code (Title 24), including the California Existing Building Code, 2025 Edition, as adopted by this Title. Permits, plan review, and inspections for such work shall be administered pursuant to the California Building Standards Code as adopted by the City.

15.14.030 Section 107.3 Failure to Obey Order – Amended

Section [A] 107.3 of the International Property Maintenance Code, 2024 Edition, is retitled “Failure to Obey Order” and amended to read as follows:

Any person who fails to comply with a notice of violation or order, after service in accordance with Section 107 and the expiration or final determination of any appeal under Section 111, commits a violation of this Code. Enforcement may proceed through the remedies provided in the Daly City Municipal Code, including administrative citations, civil action, or criminal enforcement as authorized by law. Each day of noncompliance constitutes a separate violation.

15.14.040 Section 110.5 Cost Recovery for Emergency Abatement – Amended

Section 110.5 of the International Property Maintenance Code, 2024 Edition, is amended by adding subsection 110.5.1 to read:

110.5.1 Cost Recovery. The City may recover all reasonable costs incurred for emergency abatement of immediate life, health, or safety hazards under this chapter. Costs shall be billed to the property owner. Unpaid amounts may be collected as a personal obligation and/or by lien or special assessment pursuant to Government Code §§ 38773, 38773.1, and 38773.5, after notice

and hearing and City Council confirmation. The City Manager or designee is authorized to implement this section.

15.14.050 Section 110.6 Hearing, Amended

Section 110.6 of the International Property Maintenance Code, 2024 Edition is deleted and substituted by Daly City Municipal Code section 15.00.050.

15.14.060 Section 106 Means of Appeal, Amended

Section 106 of the International Property Maintenance Code, 2024 Edition is deleted and substituted by Daly City Municipal Code Section 15.00.050.

EXHIBIT F - CHAPTER 15.16 -MECHANICAL CODE

Sections:

15.16.010 California Mechanical Code – Adoption – Where Filed

15.16.010 California Mechanical Code – Adoption – Where Filed

The City adopts the California Mechanical Code, 2025 Edition, as published by the International Association of Plumbing and Mechanical Officials, together with the amendments set forth in this chapter. One copy is on file and available for public inspection in the Building Division. From the effective date of the ordinance codified in this chapter, the provisions of the California Mechanical Code, 2025 Edition, as amended, shall be controlling within the City. This adoption is effective January 1, 2026, the effective date of the 2025 California Building Standards Code; applications deemed complete before that date may proceed under the code in effect on the deemed-complete date.

EXHIBIT G - CHAPTER 15.20 - CALIFORNIA PLUMBING CODE

Sections:

- 15.20.010 California Plumbing Code – Adoption – Where Filed
- 15.20.160 Section 602.5 Unlawful Connections – Added
- 15.20.200 Section 612.0 Residential Fire Sprinkler Systems – Amended
- 15.20.210 Reserved
- 15.20.230 Section 103.1.1 Administrative Authority Relating to Building Sewer, Added

15.20.010 California Plumbing Code – Adoption – Where Filed

The City adopts the California Plumbing Code, 2025 Edition, as published by the International Association of Plumbing and Mechanical Officials, together with the amendments set forth in this chapter. One copy is on file and available for public inspection in the Building Division. From the effective date of the ordinance codified in this chapter, the provisions of the California Plumbing Code, 2025 Edition, as amended, shall be controlling within the City. This adoption is effective January 1, 2026, the effective date of the 2025 California Building Standards Code; applications deemed complete before that date may proceed under the code in effect on the deemed-complete date.

15.20.160 Section 602.5 Unlawful Connections – Amended

Section 602.0 of the California Plumbing Code, 2025 Edition, is amended by adding subsection 602.5 to read as follows:

602.5 Other Unlawful Connections. Potable water supply piping shall not be installed or designed to create dead ends incapable of being circulated, except for domestic fire sprinkler systems connected directly to the domestic service piping. An approved backflow prevention device shall be installed at the point of connection between the domestic and sprinkler piping.

15.20.200 Section 612.0 Residential Fire Sprinkler Systems – Amended

Section 612.0 of the California Plumbing Code, 2025 Edition, is deleted in its entirety and is replaced with Daly City Municipal Code Section 15.32 and the 2025 California Fire Code. Fire Sprinkler System requirements, plan review, and inspection shall be determined by the North County Fire Authority.

15.20.210 Reserved

15.20.230 Section 103.1.1 Administrative Authority for Building Sewer Design – Amended

Section 103.1.1 is added to the California Plumbing Code, 2025 Edition, to read as follows:

103.1.1 Administrative authority for building sewer design. The administrative authority for the review, approval, and inspection of building sewer systems located outside the building envelope shall be as specified in Section 15.00.010(C) of the Daly City Municipal Code. Such authority includes the enforcement of requirements related to design standards, pipe materials, sizes, alignments, connection points, and applicable fees, as established by each agency through its adopted rules, ordinances, or standard specifications

EXHIBIT H - CHAPTER 15.22 - CALIFORNIA GREEN BUILDING STANDARDS CODE

Sections:

15.22.010 California Green Building Standards Code – Adoption – Where Filed

15.22.010 California Green Building Standards Code – Adoption – Where Filed

The City adopts the California Green Building Standards Code, 2025 Edition, as published by the International Code Council, together with the amendments set forth in this chapter. One copy is on file and available for public inspection in the Building Division. From the effective date of the ordinance codified in this chapter, the provisions of the California Green Building Standards Code, 2025 Edition, as amended, shall be controlling within the City. This adoption is effective January 1, 2026, the effective date of the 2025 California Building Standards Code; applications deemed complete before that date may proceed under the code in effect on the deemed-complete date.

EXHIBIT I - CHAPTER 15.24 - ELECTRICAL CODE

Sections:

15.24.010 California Electrical Code – Adoption – Where Filed

15.24.020 Article 230.70(A) (1) Location of Disconnecting Means – Amended

15.24.010 California Electrical Code – Adoption – Where Filed

The City adopts the California Electrical Code, 2025 Edition, as published by the National Fire Protection Association, together with the amendments set forth in this chapter. One copy is on file and available for public inspection in the Building Division. From the effective date of the ordinance codified in this chapter, the provisions of the California Electrical Code, 2025 Edition, as amended, shall be controlling within the City. This adoption is effective January 1, 2026, the effective date of the 2025 California Building Standards Code; applications deemed complete before that date may proceed under the code in effect on the deemed-complete date.

15.24.020 Article 230-70(A) (1). Location of Disconnecting Means – Amended

Article 230.70(A)(1) of the California Electrical Code, 2025 Edition, is amended to read as follows:

230.70(A)(1) Location. The main service disconnecting means and associated utility meter(s) shall be located in spaces that are readily accessible for examination, reading, replacement, or necessary maintenance. Electrical meters and disconnecting means shall generally be installed on the exterior of the building.

EXHIBIT J - CHAPTER 15.60 -ENERGY CODE

Sections:

15.60.010 California Energy Code – Adoption – Where Filed

15.60.010 California Energy Code – Adoption – Where Filed

The City adopts the California Energy Code, 2025 Edition, as published by the International Code Council, together with the amendments set forth in this chapter. One copy is on file and available for public inspection in the Building Division. From the effective date of the ordinance codified in this chapter, the provisions of the California Energy Code, 2025 Edition, as amended, shall be controlling within the City. This adoption is effective January 1, 2026, the effective date of the 2025 California Building Standards Code; applications deemed complete before that date may proceed under the code in effect on the deemed-complete date.

EXHIBIT K - CHAPTER 15.65 - CALIFORNIA EXISTING BUILDING CODE

Sections:

15.65.010 California Existing Building Code – Adoption – Where Filed

15.65.010 California Existing Building Code – Adoption – Where Filed

The City adopts those portions of the California Existing Building Code, 2025 Edition, published by the International Code Council, that are identified in the Matrix Adoption Table at the beginning of each chapter under HCD 1 and HCD 2, together with the amendments set forth in this chapter. One copy is on file and available for public inspection in the Building Division. From the effective date of the ordinance codified in this chapter, the provisions of the California Existing Building Code, 2025 Edition, as adopted by the State of California for HCD 1 and HCD 2 occupancies, as amended, shall be controlling within the City. This adoption is effective January 1, 2026, the effective date of the 2025 California Building Standards Code; applications deemed complete before that date may proceed under the code in effect on the deemed-complete date.

EXHIBIT L - CHAPTER 15.32 - FIRE CODE

Sections:

- 15.32.010 2025 California Fire Code, Title 24, Part 9 and 2021 International Fire Code adopted - Adoption – Where Filed
- 15.32.020 Bureau of fire prevention—Established—Enforcement duties.
- 15.32.030 New materials, processes, or occupancies which may require permits.
- 15.32.040 Section 105 - Amended
- 15.32.050 Section 107 - Amended
- 15.32.060 Section 111 - Amended
- 15.32.070 Section 505.1 - Amended
- 15.32.080 Section 507.5.1 - Amended.
- 15.32.090 Section 509.1.2 – Added
- 15.32.100 Section 903.2 - Amended.
- 15.32.110 Section 903.2.22 - Added Automatic Sprinkler systems
- 15.32.120 Section 903.4 - Sprinkler System Supervision and Alarms
- 15.32.130 Section 904.13.6 - Added.
- 15.32.140 Section 907.7.3. - Amended
- 15.32.150 Section 907.8.4 - Amended
- 15.32.160 Section 914.3.9 - Added
- 15.32.170 Section 5608.1 - Amended
- 15.32.180 Section 5608.1.2 - Amended
- 15.32.190 Violation – Penalty - Added
- 15.32.200 Authority to Cite -Added
- 15.32.210 Appendix D Section D101.2 - Added
- 15.32.220 Appendix D Section D102 - Added
- 15.32.230 Appendix D—Fire Apparatus Access Roads. D102.2 - Added
- 15.32.240 Amendment Appendix D Section D102.3 - Added
- 15.32.250 Appendix D Section D102.4 - Added
- 15.32.260 Vegetation Management Program for the Southern Hills Area - Added

15.32.010 2025 California Fire Code, Title 24, Part 9 and 2024 International Fire Code adopted.

There is hereby adopted by the City of Daly City, for the purpose of prescribing regulations governing conditions hazardous to the life and property and for protection from fire or explosion, those non-building standards contained within the International Fire Code and Building Standards contained within the California Fire Code, 2025 Edition [California Code of Regulations, Title 24, Part 9], published by the International Code Council, amended by the State of California and as adopted and/or amended by the Office of the State Fire Marshal, and the whole thereof, including Appendix B ("Fire-Flow Requirements for Buildings"), Appendix C ("Fire Hydrant Locations and Distributions") Appendix D (Fire Apparatus Access Roads"), Appendix F ("Hazard Ranking"), and Appendix L ("Requirements for Fire Fighter Air Replenishment Systems save and except such portions as are hereinafter deleted, modified or amended by this chapter, of which code and standards not less than one copy has been and is now filed in the office of the city clerk of the city

and the same is adopted and incorporated as fully set out at length in this chapter, and from the date on which the ordinance codified in this chapter shall take effect, the provisions thereof shall be controlling within the limits of the city.

15.32.020 Bureau of fire prevention—Established—Enforcement duties.

- A. This code shall be enforced by the fire prevention serviced bureau in the fire department which is established, and which shall be operated under the supervision of the chief of the fire department.
- B. The fire marshal in charge of the fire prevention services bureau shall be appointed by the city manager on the basis of examination to determine his/her qualifications.

15.32.030 New materials, processes, or occupancies which may require permits.

The city manager, or designated representative, the chief and the fire marshal of the fire prevention services bureau, shall act as a committee to determine and specify, after giving affected persons the opportunity to be heard, any new materials, processes, or occupancies which shall require permits, in addition to those now encumbered in the code. The fire marshal of the fire prevention services bureau shall post such list in a conspicuous place in his/her office, and distribute copies thereof to interested persons.

15.32.040 Section 105 - Amended.

Section 105 of this code is amended by adding the following required permits:

105.5 Required operational permits. The fire code official is authorized to issue operational permits for the operations set forth in Sections 105.5.1 through 105.5.63.

105.5.60 Christmas Tree Lot. To operate a Christmas tree lot for the seasonal sale of Christmas trees.

105.5.61 Fire Alarm. To operate a manually or automatically actuated fire alarm in any building. Exception: smoke detectors in one and two-family dwellings.

105.5.62 Institutions and day care. To operate any and all occupancies that are set forth under Group I Occupancies, and Group E Occupancy of Title 24 of the California Code of Regulations, each accommodating more than six people.

105.5.63 Residential care facility. To operate a residential care/assisted living facility as set forth under Group R, Division 4 Occupancies.

15.32.050 Section 108 -Amended.

Section 108 is amended by adding the following paragraph at the end of the section:

The city council of the City of Daly City may if it so desires, establish by resolution permit fees in connection with any permit required or authorized to be issued by the fire chief or any other authorized representative of the fire department.

15.32.060 Section 112 – Amended.

Section 112 of this code is deleted in its entirety and replaced by the following sections to read as follows:

Section 112 Appeals

- A. If a person is aggrieved by the decision of the fire chief or fire marshal, he/she shall have the right to appeal said decision to the city council.
- B. Said appeal shall be in writing and shall be submitted to the city council within ten days of the decision of the fire chief or fire marshal. The city council shall, thereafter, at the next regular meeting of the city council after receipt of notice of appeal, set a time for hearing on

said appeal, which time shall be not less than fourteen nor more than forty-five days from the date of the regular meeting.

- C. A copy of the notice of hearing shall be mailed to the appellant not less than ten days before the date of hearing by the city clerk.
- D. The time of hearing may be continued at the request of the party aggrieved at any time, which continuance shall not exceed a maximum of sixty days from the date originally set for hearing.
- E. Said right of continuance shall be subject to approval by the city council and the decision of the city council shall be final.
- F. Notice of the decision of the city council shall be delivered to appellant personally, or sent by certified mail, return receipt requested.
- G. The effective date of such decision shall be the date of mailing of such notice of the decision, or the date the same is personally delivered to the appellant.
- H. Failure of any person to file an appeal in accordance with the provisions of this code shall constitute a waiver of his/her right to an administrative hearing an adjudication of the notice and order, or to any portion thereof.

15.32.070 Section 505.1 - Amended.

Section 505.1 is amended by adding the following at the end of the section:

Said numbers shall be internally or externally illuminated in all new construction, or when alterations or repairs of existing construction occur. The size and location of address numbers for multi-family dwellings and all other occupancies shall be as designated by the fire marshal. Buildings shall be placarded in accordance with NFPA 704. The locations and size of placards shall be as required by the fire marshal.

15.32.080 Section 507.5.1 - Amended.

Section 507.5.1 of this code is amended to read as follows:

Section 507.5.1 Where a portion of the facility or building hereafter constructed or moved into or within the jurisdiction is more than 150 feet from a hydrant on a fire apparatus access road, as measured by an approved route around the exterior of the facility or building, on-site fire hydrants and mains shall be provided where required by the fire code official.

Exceptions: For group R-3 and U occupancies, the distance requirements shall be 250 feet.

15.32.090 Section 509.1.2. - Added

Section 509.1.2 is added to this code to read as follows:

Section 509.1.2 Multi-Family tenant buildings. All gas and electric utility services in multi-family tenant buildings shall be visibly and legibly marked with the unit identification.

15.32.100 Section 903.2. - Amended

Section 903.2 of this code is deleted in its entirety and is replaced with the following:

Section 903.2 Where Required.

A fire extinguishing system shall be installed in all occupancies and locations as set forth in this section.

- A. All Occupancies. All occupancies shall be protected throughout by an automatic fire sprinkler system installed in accordance with NFPA 13.
Exceptions: Detached garages less than 400 square feet in size. Detached carports and greenhouses. Sheds and auxiliary structures under 200 square feet in size and not used for human habitation.
- B. Existing Occupancies. When an existing building undergoes any alteration, renovation, addition, or repair which exceeds 50% of the building's original gross area within any five (5)

year period, the entire building shall be protected by an automatic fire sprinkler system. Gross area shall be the area included within surrounding exterior walls.

Exceptions: Work involving exterior surfaces only, such as the replacement of roofing or siding, or the addition or replacement of windows or doors, or the addition of a porch or deck.

- C. For purposes of this section, an addition, alteration or repair is defined as any change to a building that requires a permit other than only a mechanical, electrical or plumbing permit.
- D. Other Areas. An automatic fire sprinkler system shall be installed in all garbage compartments, rubbish and linen chutes, linen rooms, incinerator compartments, dumb waiter shafts, and storage rooms when located in all occupancies except Group R, Division 3. An accessible indicating shut off valve shall be installed.
- E. Condominium Conversions. An automatic fire sprinkler system shall be installed for all condominium conversions.

15.32.110 Automatic sprinkler systems – Added.

Add Sections 903.2.22

Purpose: To establish requirements for sprinkler protection of car stackers not specifically addressed in NFPA 13.

Parking garage areas containing car stackers shall be protected by an automatic wet-pipe sprinkler system designed to Extra Hazard Group 2. In addition, non-extended coverage standard sidewall sprinklers listed for Ordinary Hazard shall be provided under each parking level, including the bottom level if the stacker is provided with a pit. Each sidewall sprinkler shall cover an area of 80 sq. ft. or less.

The area of application may be reduced from the required 2500 sq. ft. to as low as 1500 sq. ft. if:

1. 1-hour fire rated walls are provided to separate the car stacker areas from the standard parking stalls,
2. The car stacker areas are divided up into 1500 sq. ft. areas via 1-hour fire rated walls, and
3. One-hour fire rated walls are provided to separate the car stacker areas from any other areas in the garage.

One-hour fire rated walls are not required in the driveway areas. For the hydraulic calculation, flow from all sprinklers, upright or pendent sprinklers at ceiling and all sidewall sprinklers at all levels, located in the area of application shall be included in the calculation.

15.32.120 Section 903.4 Sprinkler System Supervision and Alarms.

Section 903.4.3 is amended by added the following to the end of the paragraph:

In addition to the audible device(s) required by this section, an approved strobe light shall be located on the exterior of the building in an approved location.

15.32.130 Section 904.14.6 – Added.

Section 904.14.6 Floor Markings.

The location(s) of all cooking appliances that are protected by an approved automatic fire extinguishing system shall be permanently identified either by a wall mounted “approved” appliance floor plan or marked on the floor in a manner approved by the Fire Marshal.

15.32.140 Section 907.7.3 – Amended.

Section 907.7.3 of this code is amended by adding the following paragraph:

Each fire alarm system shall have posted at the main control panel instructions for silencing and resetting the system, the day and night phone numbers of the person responsible for the property, and the company or individual providing maintenance services for the alarm system.

15.32.150 Section 907.8.4. - Amended

Section 907.8.4 of this code is amended by adding the following paragraph:

Each operator of a fire alarm system is required to have a maintenance/inspection contract with a company or individual licensed by the California Department of Consumer Affairs to perform work on a fire alarm system. Individuals performing maintenance or inspection services must be appropriately licensed or directly employed by an appropriately licensed contractor. A current copy of the maintenance/inspection contract shall be submitted to the fire department each year before the issuance of an annual fire alarm permit. This contract shall provide for inspections and service in accordance with NFPA 72.

15.32.160 Section 914.3.9 - Added.

Section 914.3.9 is added to this code and shall read as follows:

Section 914.3.9 Multistoried. High-rise Safety Requirements.

All Group B and Group R occupancies, each having floors used for human occupancy located more than seventy-five feet (75') above the lowest level of fire department vehicular access, shall be equipped with an approved Firefighter Breathing Air Replenishment System, as outlined in Appendix L. Such a system shall provide an adequate pressurized fresh air supply through a permanent piping system for the replenishment of portable life sustaining air equipment carried by fire department, rescue, and other personnel in the performance of their duties. Location and specifications of access stations to, and the installation of, such air replenishment systems shall be made in accordance with the requirements of the fire chief.

15.32.170 Section 5608.1. - Amended

Section 5608.1 of this code is amended by adding the following paragraph:

The sale and discharge of fireworks is permitted only as provided in Title 8, Chapter 8.24 et seq., of the Daly City Municipal Code.

15.32.180 Section 5608 – Amended.

Section 5608 of this code is amended by adding Section 5608.1.2 as follows:

Section 5608.1.2. The foregoing provisions of Chapter 56 shall be subject to the provisions of Title 8, Chapter 8.24 of the Daly City Municipal Code whenever same are in conflict therewith.

15.32.190 Violation—Penalty - Added.

Any person who shall violate any provision of this code adopted by this chapter, or fail to comply therewith, or who shall build in violation of any detailed statement of specifications or plans submitted and approved hereunder, and from which no appeal has been taken, or shall fail to comply with such and order as affirmed or modified by the city council or by a court of competent jurisdiction, within the time fixed therein, shall severally for each and every such violation and non compliance respectively, be guilty of a misdemeanor, punishable as set forth in section 1.12.020 of the Daly City Municipal Code. The imposition of one penalty for any violation shall not excuse the violation or permit it to continue; and all such persons shall be required to correct

or remedy such violations or defects within a reasonable time; and when not otherwise specified, each ten days that prohibited conditions are maintained shall constitute a separate offense.

15.32.200 Authority to cite - Added.

The fire chief and/or fire marshal may, pursuant to section 836.5 of the Penal Code, and subject to the provisions thereof, cite a person whenever he/she has reasonable cause to believe that the person to be cited has committed a misdemeanor in his/her presence which is a violation of the International/California Fire Code adopted by the city and any amendments thereto, which the fire chief and/or fire marshal have duty to enforce.

15.32.210 Appendix D - Section D101.2 - Added.

Section D101.2 is added to read as follows:

D101.2—Definition—Fire Apparatus Access Road. A road that provides fire apparatus access from a fire station to a facility, building or portion thereof. This is a general term inclusive of all other terms such as fire lane, public street, private street, parking lot lane, access road way and drive way.

15.32.220 Appendix D Section D102.1 - Added.

An Exception to Appendix D102.1 is added to read as follows:

Exception: When a fire department access road cannot be installed due to location on the property, topography, waterways, non-negotiable grades, or other similar conditions the AHJ shall be authorized to require fire protection features in addition to those already required.

15.32.230 Appendix D—Section D102.2 Fire Apparatus Access Roads - Added.

Section D102.2 is added to read as follows:

Section D102.2—Fire department access shall extend to within 50 feet (15 m) of at least one exterior door that can be opened from the outside and that provides access to the interior of the building.

Exception: one- or two-family dwellings or townhouses protected with 13D or 13R may be permitted to be increased to 150 ft (46 m).

15.32.240 Appendix D Section D102.3 - Added.

Section D102.3 is added to read as follows:

Large Buildings—Fire department access roads shall be provided such that any portion of the facility or any portion of an exterior wall of the first story of the building is located not more than 150 ft. (46 m) from fire department access roads as measured by an approved route around the exterior of the building or facility.

15.32.250 Appendix D Section D102.4 - Added.

Section D102.4 is added to read as follows:

Fire department access roads shall have an unobstructed vertical clearance of not less than 13 ft 6 in. (4.1 m).

15.32.260 Vegetation Management Program for the Southern Hills Area.

Part I—Purpose and Applicability

A. Purpose and Intent. The purpose and intent of these regulations is to identify areas which present a fire hazard due to the accumulation of gorse plants near residential areas so that

- public officials are able to identify measures that will retard the rate of spread and reduce the potential intensity of uncontrolled fires that threaten to destroy resources, life, or property.
- B. Designation of Vegetation Management Program Areas. Areas identified by the fire chief shall be deemed a fire hazard and it is the duty and responsibility of property owners within such area(s) to maintain such designated property in accordance with this section.
- C. Authority to Designate and Designation of Vegetation Management Program Areas.
- a. The Daly City fire chief is authorized to designate area(s) within the boundaries of the city, as area(s) meeting the criteria governed section B.
 - b. The Daly City fire chief has designated the following area as an area meeting the criteria governed by section B:
 - i. Southern Hills: located in the northeast portion of Daly City north and east of Crocker Avenue including but not limited to South Hill Boulevard, Alta Vista Way, Oakridge Street and surrounding areas abutting San Bruno Mountain County Park which lies to the south. An exact area is delineated upon a map attached to the ordinance codified in this section as Appendix 1. An original map of the area is located within the administrative offices of the Daly City fire department.
- D. General Requirements as to Dwellings or Structures In, Upon or Adjoining Specified Areas or Lands Within an Area(s) Meeting Criteria Governed by section B—Maintenance.
- a. Any person who owns, leases, controls, operates, or maintains any land within an area meeting criteria governed by Section B and designated by the fire chief pursuant to this section shall at all times do all of the following:
 - i. All properties shall be entirely cleared of all flammable vegetation including but not limited to gorse, grass, weeds, and brush. This subdivision does not apply to single specimens of trees, ornamental shrubbery, or similar plants that are used as groundcover, if they do not form a means of rapidly transmitting fire from native growth to any dwelling or structure; grass and other vegetation less than twelve inches in height above the ground may be maintained to stabilize the soil and prevent erosion;
 - ii. Remove that portion of any trees that extend within ten feet of the outlet of any chimney or stovepipe;
 - iii. Provide and maintain at all times a screen over the outlet of every chimney or stovepipe that is attached to any fireplace, stove, or other device that burns any solid or liquid fuel. The screen shall be constructed of nonflammable material with openings of not more than one-half inch in size;
 - iv. Maintain any tree adjacent to or overhanging any building free of dead or dying wood; and
 - v. Maintain the roof of any structure free of leaves, needles, or other dead vegetative growth.
 - b. A person is not required under this section to maintain a clearing on any land if that person does not the have legal right to maintain the clearing, nor is any person required to enter upon or damage property that is owned by any other person without the consent of the owner of the property.
- E. Application of Maintenance Standards to Specified Land or Water Areas.
- a. This section shall not apply to any land or water area acquired or managed for one or more of the following purposes or uses:
 - i. Habitat for endangered or threatened species, or any species that is a candidate for listing as an endangered or threatened species by the state or federal government;
 - ii. Lands kept in a predominately natural state as habitat for wildlife, plant or animal communities; and
 - iii. Open space lands that are environmentally sensitive parklands.

- b. This exemption applies whether the land or water area is held in fee title or any lesser interest. This exemption applies to any public agency, any private entity that had dedicated the land or water areas to one or more of those purposes or uses, or any combination of public agencies, and private entities making that decision.

F. Enforcement.

- a. The provisions for Section 1507 and any subsequent subsections or local amendments to Section 1507 (roof coverings) of the latest edition of the California (International) Building Code as adopted by the city, shall apply in all areas so designated in the city. The building official shall enforce the provisions of Section 1507 in all areas so designated by the fire chief and as locally amended.
- b. The Daly City fire department shall have authority to enforce all requirements in this section as well as the enabling statutes. Violations of this section, or of the enabling state statutes may be prosecuted under Sections 51185 through 51187 of the Government Code, or alternatively under the general penalty provisions of Chapter 1.12 of this code, or under this section as specified below.
 - i. Notification of Violation. Whenever the fire department determines that any property within the city is being maintained contrary to one or more of the provisions of this section, (s)he shall give written notice to the owners and/or tenant of the property stating the sections being violated.
 - ii. Referral to City Attorney. In the event an owner shall fail, neglect, or refuse to comply with the notice to correct a violation, the fire department may refer the violation to the city attorney for legal action, including the institution of a civil or criminal proceeding to achieve compliance, as an alternative to the administrative appeal committee process set out in the sections below.
 - iii. Referral to Administrative Appeal Committee. In the event an owner shall fail, neglect or refuse to comply with the notification, the fire department may seek compliance through the administrative appeal committee process as set forth in Part II of this section, in addition to, or as an alternative to any other remedy allowed by law or by this section.
 - iv. Referral to City Council for Abatement. In the event an owner shall fail, neglect, or refuse to comply with this notification, the fire department may seek compliance through abatement or physical security of the property as set forth in Part III of this section in addition to, or as an alternative to any other remedy allowed by law or by this section.

Part II—Administrative Appeals, Hearings, Orders, Penalties, and Costs

A. Applicability of Administrative Appeal Process.

- a. This subsection provides for administrative remedies, which are in addition to all other legal remedies, criminal or civil, which may be pursued by the city to address any violation of this section.
- b. Use of this subsection shall be at the sole discretion of the city in general, and of the fire department in particular.

B. Purpose of Administrative Appeal Process.

- a. The administrative appeal process serves to provide the full opportunity of a person subject to a notification of violation to object to the determination that a violation has occurred and/or that the violation has continued to exist. The failure of any person subject to a notification of violation, pursuant to this section, to appear at the hearing shall constitute a failure to exhaust administrative remedies.
- b. In the absence of an appeal, the administrative appeal process is provided to review the facts of any issued notification of violation, where necessary, and upon review of such facts the administrative appeal board may:

- i. Discharge the notification of violation;
 - ii. Re-issue the notification of violation; or
 - iii. Without further hearing, declare such property to be a violation, and order abatement, issue administrative orders, impose administrative penalties, and recover administrative costs pursuant to the provisions of this section.
 - c. In appropriate cases, the administrative appeals board may decide or order the direct abatement of the subject property, subject to the property owner's right to timely appeal that decision to the Daly City Council.
- C. Administrative Appeal Committee.
- a. The administrative appeal committee shall be the body designated to conduct an administrative hearing to ascertain whether the violation exists, the abatement of which is appropriate under the police powers of the city.
 - b. The membership of the administrative appeal committee shall consist of one or more city employees appointed by the city manager or his or her designated representative, with sufficient supervisory, professional or practical experience to review the matters brought before the administrative appeals committee.
- D. Notices.
- a. Notice of administrative appeal committee hearing, or other actions shall be served upon the owner in accordance with the provisions of this section, and shall be served upon the property owner not less than fourteen days before the time fixed for the hearing.
 - b. Notice shall be given by delivering a written notice personally to the owner(s) of the property upon which the violation is located, or by depositing such notice in the United States mail, postage prepaid, and addressed to the owner(s) thereof at his or her last known address as the same appears on the last equalized assessment roll of the county. In the event a notice is given to the person(s) in apparent possession or control of the property, such notice shall be given in either manner specified in this section and may be addressed to "occupant" or "to whom it may concern", if the name of such person(s) is unknown.
 - c. Notice of hearing before the administrative appeal committee or notice of an action by the administrative appeal committee shall substantially contain the information as set forth below:
 - i. The date and location of the violation;
 - ii. The section of this code, the adopted International codes, state law or regulations or other such statutes violated and a description of the violation;
 - iii. The actions required to correct the violation;
 - iv. The time period after which administrative penalties will begin to accrue if compliance with the notification has not been achieved;
 - v. Either a copy of this section or an explanation of the consequences of noncompliance with this section and a description of the hearing procedure and appeals process; or
 - vi. The fact that this matter will be sent to the city attorney's office to seek compliance if the matter poses an immediate threat or danger.
 - d. The failure of any owner or other person to receive such notice shall not affect in any manner the validity of any proceedings taken under this section of this section.
- E. Hearing—Findings and Order.
- a. At the place and time set forth in the notice set out above, the administrative appeal board shall conduct a hearing on the notification of violation issued pursuant to this section.
 - b. The board shall consider any written or oral evidence consistent with its rules and procedures regarding the violation and compliance by the violator or by the real property owner.
 - c. Within a reasonable time following the conclusion of the hearing, the board shall make findings and issue its determination regarding:

- i. The existence of the violation;
 - ii. The failure of the violator/owner to take required corrective action within the required time period.
- d. The board shall issue written findings. The findings shall be supported by evidence received at the hearing.
- e. If the board finds by a preponderance of the evidence that a violation has occurred and that the violation was not corrected within the time period specified in the notification of violation, the board shall issue an administrative order. Such administrative order may direct abatement by the city.
- f. If the board finds that no violation has occurred or that the violation was corrected within the time period specified in the notification of violation, the board shall issue a finding of those facts.
- F. Administrative Order. If the administrative appeal board determines that a violation occurred which was not corrected within the time period specified in the notification of violation, the board shall issue an administrative order which imposes any or all of the following:
 - a. An order to correct, including a schedule for correction where appropriate;
 - b. An order to abate, by city forces or contract, with allowance for timely appeal to the city council, and cost recovery for the costs of abatement;
 - c. Administrative penalties provided below;
 - d. Administrative costs as provided below.
- G. Administrative Penalties.
 - a. The administrative appeal board may impose administrative penalties for the violation of any provision of this code in an amount not to exceed a maximum of two thousand five-hundred dollars per day for each ongoing violation, except that the total administrative penalty shall not exceed ten thousand dollars exclusive of administrative costs, interest and restitution for compliance inspections, for any related series of violations.
 - b. In determining the amount of the administrative penalty, the board may take any and all of the following factors into consideration:
 - i. The duration of the violation;
 - ii. The good-faith efforts of the violator to come into compliance;
 - iii. The economic impact of the penalty on the violator;
 - iv. The impact of the violation on the community;
 - v. Such other factors as justice may require.
 - c. Administrative penalties imposed by the board shall accrue from the date specified in the notification of violation and shall cease to accrue on the date the violation is corrected as determined by the fire department or the board.
 - d. The board, in its discretion, may suspend the imposition of applicable penalties for any period of time during which the violator had made good-faith efforts to achieve compliance.
 - e. Administrative penalties assessed by the board shall be due by the date specified in the administrative order.
 - f. Administrative penalties assessed by the board are a debt owed to the city, and, in addition to all other means of enforcement, may be enforced by means of a lien against the real property on which the violation occurred.
 - g. If the violation is not corrected as specified in the board's administrative order, administrative penalties shall continue to accrue on a daily basis until the violation is corrected, subject to the maximum amount set forth.
 - h. If the violator gives written notice to the fire department that the violation has been corrected and if the fire department finds that compliance has been achieved, the city shall deem the date the written notice was postmarked or personally delivered to the fire

department or the date of the city's site inspection, whichever first occurred, to be the date the violation was corrected. If no written notice is provided, the violation will be deemed corrected on the date of the city's site inspection.

H. Administrative Costs.

- a. The administrative appeal board may assess administrative costs against the violator when it finds that a violation has occurred, and that compliance has not been achieved within the time specified in the notification of violation.
- b. The administrative costs may include any and all costs incurred by the city in connection with the matter before the administrative appeal board, including but not limited to costs of investigation, staffing costs incurred in the preparation for the hearing and for the hearing itself, and costs for all re-inspections necessary to enforce the notification of violation.

I. Failure to Comply with Administrative Compliance Order. Failure to pay the assessed administrative penalties and administrative costs specified in the administrative order of the administrative appeals board may be enforced as:

- a. A personal obligation of the violator; and/or
- b. A lien upon the real property. The lien shall remain in effect until all of the administrative penalties, interest and administrative costs are paid in full.

J. Right to City Council Review. Any person aggrieved by an administrative order or determination following a hearing by the administrative appeal board on a compliance dispute, may obtain review of the administrative order with the Daly City council as set out below.

K. Recovery of Abatement Costs and/or Administrative Civil Penalties. The City may collect abatement costs and/or the assessed administrative penalties and administrative costs by use of all available means, including recordation of a lien.

L. Compliance Dispute.

- a. If a violator believes that compliance has been achieved but not agreed to or accepted as complete by the fire department, he or she may request a compliance hearing before the administrative appeal board by filing a request for a hearing with the fire department.
- b. The hearing shall be noticed and conducted in the same manner as a hearing on a notification of violation as provided in earlier subsections of the section. The board shall determine if compliance has been achieved and, if so, when it was achieved.

Part III—Appeals to City Council and Abatement

A. Appeals Procedure—Hearing by City Council.

- a. The owner receiving an abatement order, administrative order, or an order of the administrative appeal board following a compliance hearing, may request a hearing before the city council ("council") by filing its request with the city clerk within ten calendar days of the date of service of the administrative order or an order of the administrative appeal board following a compliance hearing. The request shall contain:
 - i. A specific identification of the subject property;
 - ii. The names and addresses of all legal parties requesting the hearing;
 - iii. A statement of the parties legal interest in the subject property;
 - iv. A statement in ordinary and concise language of the specific order or action protested and the grounds for the hearing, together with all material facts in support thereof;
 - v. The date and signatures of all requesting parties;
 - vi. The verification of at least one party as to the truth of the matters stated in the request.
- b. As soon as practical after receiving the request, the city clerk shall set a date for the council to hear the matter which date shall not be less than ten calendar days nor more than thirty calendar days from the date the appeal was filed. The city clerk shall give each party written notice of the time and place of the hearing, either by causing a copy of such notice to be

delivered to the party personally or by mailing a copy thereof, postage prepaid, addressed to the appellant at his or her address shown on the request. Continuances of the hearing may be granted by the council on the council's own motion.

- c. For each appeal to the city council, there shall be assessed a fee at the time of the filing of the appeal of one hundred dollars, which fee will be refunded should the person prevail in the appeal.
- d. Property owners who have not availed themselves of the administrative appeal process of the previous section of this ordinance shall not have right to appeal to the council the issues concerning the notification of violation, any administrative orders, administrative penalties, administrative costs, compliance matters or other issues provided for in the previous section of this section.
- B. Decision by City Council. Upon conclusion of the hearing, the council shall determine whether the property or any part thereof, as maintained, constitutes a violation. If the council so finds, the council shall adopt a resolution declaring such property to be in violation, setting forth its findings and ordering or confirming the abatement of the violation. The decision and order of the council shall be final.
- C. Service of Order to Abate. A copy of the resolution of the council shall be served upon the owner(s) of the property in accordance with the provisions of this section. Upon abatement or compliance in full by the owner, the proceedings hereunder shall terminate.
- D. Abatement by the City.
 - a. If such violation is not abated as ordered by the administrative appeals board or by the city council, the fire chief, or his/her designee shall cause the same to be abated by city employees or private contract. The city manager or his/her designee is expressly authorized to enter upon the property for such purposes. The cost, including incidental expenses, of abating the violation shall be billed to the owner and shall become due and payable thirty days thereafter. The term "incidental expenses" shall include, but not be limited to, personnel costs incurred in documenting the violation, the actual expenses and cost of the city in preparation of notices, specifications and contracts, and in inspecting the work, and the costs of printing and mailing required hereunder.
 - b. A person shall not obstruct, impede or interfere with the fire chief, or his/her designee, or his/her representative, or with any person who owns, or holds any interest or estate in, any property in the performance of any necessary act, preliminary to or incidental to, carrying out an abatement order issued pursuant to this section.
- E. Filing of Judicial Action. Any action appealing the council's decision and order shall be commenced within thirty calendar days of the date of service of the decision.
- F. Recording Cost of Abatement. The fire chief or his/her designee shall keep an account of the cost, including incidental expenses, of abating such violation on such private lot or parcel of land where the work of abatement is done by the city or under private contract, and shall render an itemized statement showing the cost of abatement. The cost accounting of abatement, including expenses, shall be provided to any person liable to be assessed for the cost of abatement.
- G. Protests and Objection to Cost Report. Any person liable to be assessed for the cost of an abatement action may file written protest or objection to the fire chief's statement with the city clerk within fourteen days following mailing of such cost to the assessee. The city clerk shall endorse each protest or objection received and shall present such protest or objections to the city council at the time set forth for the hearing upon the imposition of a lien, in accordance with the lien and cost recovery procedures of Part IV of this section. No other protests or objections shall be considered.

Part IV—Liens and Cost Recovery

A. Lien Procedure.

- a. Whenever:
 - i. The amount of any administrative penalty and/or administrative cost is imposed by the administrative appeal board pursuant to this section in connection with real property has not been satisfied in full within ninety days and/or has not been successfully challenged by a timely appeal to the city council; or
 - ii. Any cost of abatement and/or costs imposed by means of the administrative appeals board or the city council as a result of the abatement proceedings have not been satisfied in full within ninety days of issuance of a cost report by the city clerk for such abatement proceedings; then these obligations may constitute a lien against the real property on which the violation occurred.
- b. The lien provided herein shall have no force and effect until recorded with the county recorder. Once recorded, the administrative order or abatement cost report shall have the force and effect and priority of a judgment lien governed by the provisions of Section 697.340 of the Code of Civil Procedure and may be extended as provided in Sections 683.110 and 683.220, inclusive, of the Code of Civil Procedure.
- c. Interest shall accrue on the principle amount of the judgment remaining unsatisfied pursuant to law.
- d. Prior to recording any such lien, city staff shall prepare and file with the city clerk, a report stating the amounts due and owing.
- e. The city clerk shall fix a time, date and place for hearing the cost report and any protests or objections thereto by the city council.
- f. The fire chief or his/her designee shall cause the written notice to be served on the property owner not less than ten days prior to the time set for the hearing.
- B. Public Hearing and Protests.
 - a. Any person whose real property is subject to a lien pursuant to this section may file a written protest with the city clerk and/or may protest orally with the city clerk and/or may protest orally at the city council meeting.
 - b. Each written protest or objection must contain a description of the property in which the protesting party is interested and the grounds for such protest or objection.
 - c. The City Council, after the hearing, shall adopt a resolution confirming, discharging, or modifying the amount of the lien.
- C. Recording of Lien. Thirty days following the adoption of a resolution or other determination imposing a lien, the city clerk shall file the same as a judgment lien in the office of the county recorder of San Mateo County, California. The lien may carry such additional administrative charges as set forth herein.
- D. Satisfaction of Lien. Once payment in full is received by the city for outstanding penalties and costs the city shall either record a notice of satisfaction or provide the property owner or financial institution with the notice of satisfaction so they may record this notice with the office of the county recorder. Such notice of satisfaction shall cancel the city's lien.
- E. Abatement Proceedings Costs—Collections. All costs associated with abatement proceedings or as a result of the administrative appeal process either before the administrative appeals board or the city council which are not satisfied through the procedures of the above sections shall be collected on behalf of the city by the city attorney using the appropriate legal remedies.

Part V—Criminal Enforcement

A. Alternative Actions Available.

- a. Nothing in this section shall be deemed to prevent the administrative appeals board or the city council from ordering the commencement of alternative civil or criminal proceedings to abate or otherwise address a violation in conjunction with the proceedings set forth in this section.

- B. Violation and Penalties.
 - a. Violation of this section shall constitute a misdemeanor; however, any city official with citation authority may prosecute such violations as infractions wherein each infraction may be punishable by a fine not exceeding one hundred dollars for a first violation, two hundred and fifty dollars for a second violation within one year and five hundred dollars for each additional violation within one year.
 - b. Every day that any such violation continues shall constitute a separate offense.
 - c. Each violation shall be re-inspected until compliance with this section is completed. A cost of not less than one hundred dollars may be assessed for each inspection of the property beginning with the third inspection.
- C. Criminal Enforcement Authority.
 - a. The City Council authorizes the fire department to issue citations (notice to appear) for any violation of:
 - i. This ordinance of the City of Daly City;
 - ii. The adopted and amended fire code(s), and/or any appendices or standards of such code(s).
 - b. This ordinance may be enforced by the sworn personnel of the Daly City Police Department.
 - c. The Daly City city manager may further designate any Daly City employee with the full or limited authority to issue criminal citations for any violations of this section.
 - d. The Daly City city attorney's office is authorized to criminally prosecute and/or civilly enforce any violations of this section.
- D. Liability for Damage. The expenses for fighting fires which result from a violation of this section shall be a charge against the person whose violation caused and/or contributed to the fire. Damages caused by such fires shall constitute a debt of such person and are collectable by the city in the same manner as in the case of an obligation under contract, expressed or implied.

EXHIBIT M - CHAPTER 15.33 - CALIFORNIA WILDLAND-URBAN INTERFACE CODE

Sections:

15.33.010 California Wildland-Urban Interface Code – Adoption – Where Filed

15.33.010 California Wildland-Urban Interface Code – Adoption – Where Filed

The City of Daly City hereby adopts the California Wildland-Urban Interface Code, 2025 Edition [California Code of Regulations, Title 24, Part 7], as published by the International Code Council and adopted by the California Building Standards Commission and the Office of the State Fire Marshal, together with any amendments set forth in this chapter. One copy of said code is on file and available for public inspection in the Building Division. From the effective date of the ordinance codified in this chapter, the provisions of the California Wildland-Urban Interface Code, 2025 Edition, as amended, shall be controlling within the City of Daly City for all areas designated as Wildland-Urban Interface Fire Areas. This adoption is effective January 1, 2026, the effective date of the 2025 California Building Standards Code. Applications deemed complete before that date may proceed under the code in effect on the deemed-complete date.