

1 [Transfer of Personal Property - Energy Center San Francisco, LLC - Steam Loop Emergency
2 Repair - Not To Exceed \$3,100,000]

3 **Resolution approving and authorizing the Director of Property to execute a transfer**
4 **agreement for the purchase and sale of the steam distribution infrastructure facilities**
5 **which run along McAllister Street, Larkin Street, Grove Street and Dr. Carlton B.**
6 **Goodlett Street to Energy Center San Francisco, LLC, as buyer, for the transfer of**
7 **ownership and operational responsibility for the Steam Loop; for two easements to**
8 **allow Buyer to operate and maintain the Steam Loop on property owned by City; for**
9 **City to reimburse Buyer for certain emergency repairs in an amount not to exceed**
10 **\$3,100,000; for the City to continue to buy steam from Buyer for five years following the**
11 **transfer date; affirming the Planning Department’s determination under the California**
12 **Environmental Quality Act, and adopting the Planning Department’s findings of**
13 **consistency with the General Plan, and the eight priority policies of the Planning Code,**
14 **Section 101.1; and authorizing the Director of Property to execute any amendments,**
15 **make certain modifications and take certain actions that do not materially increase the**
16 **obligations or liabilities to the City, do not materially decrease the benefits to the City**
17 **and are necessary or advisable to effectuate the purposes of the transfer agreement,**
18 **the easements or this Resolution.**

19
20 WHEREAS, City (“Seller”) owns steam distribution infrastructure facilities (“Steam
21 Loop”) encircling Civic Center which runs along McAllister Street, Larkin Street, Grove Street
22 and Dr. Carlton B. Goodlett Street.

23 WHEREAS, The Steam Loop carries steam and steam condensate necessary for
24 comfort heating and hot water to the Bill Graham Civic Auditorium, 101 Grove Street, City Hall
25 and the San Francisco County Civil Courthouse (“Steam Loop Buildings”) and consists of

1 approximately 3,100 feet of steam and condensate piping, 17 utility vaults and laterals to the
2 Steam Loop Buildings (“Steam Piping”).

3 WHEREAS, Pursuant to the Steam Franchise authorized by the Board of Supervisor’s
4 under Ordinance No. 124-93 (“Franchise”), Energy Center San Francisco, LLC (“ECSF”) owns
5 and operates 12 miles of heating steam distribution and condensate return piping in San
6 Francisco that delivers steam utilities to approximately 180 San Francisco steam customers.

7 WHEREAS, The Steam Piping is connected to ECSF’s distribution network and
8 conveys steam City purchases from ECSF to the Steam Loop Buildings; and

9 WHEREAS, The California Public Utility Commission regulates and approves ECSF
10 tariffs which sets the rates and terms and conditions upon which ECSF sells and City
11 purchases steam utilities; and

12 WHEREAS, The City desires to transfer the ownership and operational responsibility,
13 including but not limited to liability, maintenance, repairs and replacements for the Steam
14 Piping to ECSF (“Transfer”); and

15 WHEREAS, Following the Transfer, ECSF will need two easements to access, operate
16 and maintain the Steam Loop because portions of the Steam Piping are located outside the
17 public right of way (“ROW”) and on City property; and

18 WHEREAS, ECSF will take all necessary steps, if any, to incorporate the sections of
19 the Steam Loop located in the ROW into its Franchise; and

20 WHEREAS, Pursuant to the Transfer Agreement, the City would make a one-time
21 payment to ECSF in an amount not to exceed \$3,100,000 for emergency repairs to the Steam
22 Loop to bring it into operational condition; and

23 WHEREAS, After the Transfer ECSF will own the Steam Piping and be solely
24 responsible for any future liability replacements, repairs, and maintenance of the Steam Loop
25 at ECSF’s expense; and

1 WHEREAS, Steam utilities will continue to be provided by ECSF for at least five years
2 following the Transfer closing date; and

3 WHEREAS, The Planning Department, through a letter dated June 28,2023,
4 determined that the transfer of the Steam Loop is consistent with the General Plan, and the
5 eight priority policies of Planning Code, Section 101.1 (“General Plan Findings”); a copy of the
6 General Plan Findings letter is on file with the Clerk of the Board of Supervisors in File
7 No. 240272; now, therefore, be it

8 RESOLVED, That the Board of Supervisors authorizes the transfer of the Steam Loop
9 to ECSF; and, be it

10 FURTHER RESOLVED, That in accordance with the recommendation of the Director
11 of Property, the Board of Supervisors approves the Transfer Agreement and the two
12 Easement Agreements (collectively the “Transfer Documents”) a copy of which are on file with
13 the Clerk of the Board of Supervisors in File No. 240272; and authorizes the Director of
14 Property to take all actions necessary to enter into, record and perform the City’s obligations
15 under the Transfer Documents; and, be it

16 FURTHER RESOLVED, That pursuant to the Transfer Agreement, the Board of
17 Supervisors authorizes a one-time payment to ECSF in an amount not to exceed \$3,100,000
18 pursuant to the Transfer Agreement and as a condition precedent to closing for emergency
19 repairs to the Steam Loop to bring it into operational condition; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
21 Property to enter into any amendments to the Transfer Documents that the Director of
22 Property determines, in consultation with the City Attorney, are in the best interest of the City,
23 do not materially increase the obligations or liabilities of the City, do not materially decrease
24 the benefits to the City, or are necessary or advisable to effectuate the purposes of this
25 Resolution, and are in compliance with all applicable laws; and, be it

