



Edwin M. Lee, Mayor  
Naomi M. Kelly, City Administrator



John Updike  
Director of Real Estate

February 24<sup>th</sup> 2017

Through Naomi Kelly,  
City Administrator

Honorable Board of Supervisors  
City & County of San Francisco  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 224  
San Francisco, CA 94102

**Subject: PG&E Easement 1975 Galvez Street Assessors Block No. 5250 Lot No. 016**

Dear Board Members:

Attached for your consideration is a Resolution approving and authorizing the Director of Property to execute an easement agreement with Pacific Gas and Electric Company, a California corporation LLC., for the proposed easement of approximately 3,660 square feet of land running east to west along the northern border of 1975 Galvez Street, 10' in width for approximately 290', increasing to a width of 15' for approximately 31', to include PG&E equipment on the northeastern area of the property. This is a relocation of existing poles and equipment, currently located within a former street area that was vacated by the City and sold to a private party in 1969. The existing location interferes with the City's proposed development of the site for the Central Shops Relocation Project. The nominal fee of only \$1.00 reflects the fact that this is an exchange of property rights and relocation of poles and supporting equipment.

If approved, Real Estate will work with the Department of Public Works and Public Utilities Commission, to execute the terms and conditions of this Easement Agreement.

### **Background**

The City, through its Real Estate Division and as authorized by Resolution No. 525-15, purchased the property located at 1975 Galvez (Assessors Block 5250, Lot 016) for \$5,000,000 with the jurisdiction assigned to the San Francisco Public Utilities Commission in March of 2016. The Office of Contract Administration, Real Estate Division and SFPUC entered into a memorandum of understanding for the purpose of constructing and improving the Galvez Property as part of the relocation of the City's Central Shops which is currently located at 1800 Jerrold Street and has been conditionally transferred by Ordinance No. 8-16 from OCA to SFPUC's Wasterwater enterprise, upon completion of the relocation project. The project involves the demolition of all existing improvements and the new construction of an approximately 54,000 square foot building.

### **Pacific Gas and Electric Existing Facilities**

Pacific Gas and Electric Company maintains electrical facilities and appurtenances, located on a former street that was vacated and sold to a private party in 1969. The location of these facilities interfere with the construction and operation of the proposed Project. The City has requested that PG&E relocate the existing facilities from their current location to one which will not interfere with the Project.

### **New Easement**

To accommodate the City's request to relocate the existing facilities to a new location, City staff have negotiated an easement agreement with PG&E that would require PG&E to remove the existing equipment and provide an easement over a portion of the Galvez Property as previously noted. The entire easement will be approximately 3,660 square feet. The Director of Property has reviewed the existing facilities as well as the easement area and determined that the granting of this easement may be considered an exchange of like kind, of equal value. It was further determined by the Director of Property that offering the easement by competitive bidding process or auction would be impractical because the easement only serves one particular entity's distribution system and is not capable of independent development.

### **Planning Compliance GPR and CEQA**

In November of 2015, the City Planning Department issued their recommendation, finding the Project, on balance with the General Plan and the eight priority policies of Planning Code Section 101.1, in case No. 2015-013598 GPR, SFPUC Central Shops Relocation and land Transfer Project (1975 Galvez Avenue, 555 Selby Street, 450 Toland). Further, the Planning Departments CEQA coordinator Timothy Johnston issued a notice that this project was categorically exempt under the California Environmental Quality Act, Guidelines Section 15332 (infill Development, Class 32).

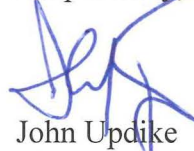
### **Approval of this Lease**

Upon approval of the Easement Agreement, PG&E shall remove the existing facilities and construct new facilities, including poles, vaults, and related equipment to support the Project, development and improvements of the Central Shops.

The Department of Public Works, The San Francisco Public Utilities Commission and the Real Estate Division recommend approval of this Resolution.

If you have questions regarding this project, please do not hesitate to contact me at 415-554-9850.

Respectfully,



John Updike  
Director of Property