

1 [Easement Agreement - Pacific Gas and Electric Company - Northern Border of 1975 Galvez
2 Street - \$1.00]

3 **Resolution approving an Easement Agreement between the City and County of San**
4 **Francisco and the Pacific Gas and Electric Company, consisting of 3,660 square feet of**
5 **land running east to west along the northern border of 1975 Galvez Street for \$1.00;**
6 **making findings of consistency with the General Plan, and the eight priority policies of**
7 **Planning Code, Section 101.1; and authorizing the Director of Property to execute**
8 **documents, make certain modifications, and take certain actions in furtherance of this**
9 **Resolution, as defined herein.**

10
11 WHEREAS, By Resolution No. 525-15, effective December 22, 2015, this Board
12 authorized the execution and acceptance of a Purchase and Sale Agreement by and between
13 the City and W.Y.L. Five Star Service Industries, Inc., a California corporation (“Galvez
14 Agreement”) on file with the Clerk of the Board of Supervisors under File No. 151215, for the
15 real property located at 1975 Galvez Avenue, San Francisco, known as Assessor’s Parcel
16 Block No. 5250, Lot No. 016, (the “Galvez Property”) for \$5,000,000, with jurisdiction assigned
17 to the San Francisco Public Utilities Commission (“SFPUC”); and

18 WHEREAS, The Galvez Property was acquired upon close of escrow in March 2016;
19 and

20 WHEREAS, The City’s General Services Administration, Office of Contract
21 Administration (“OCA”), Real Estate Department (“RED”), and SFPUC entered into a
22 memorandum of understanding which is on file with the Clerk of the Board of Supervisors
23 under File No. 151226 (the “MOU”) for the purpose of constructing and improving the Galvez
24 Property, and additional acquired and leased property, to accommodate the relocation of

25

1 City's Central Shops (the "Project") from its current location at 1800 Jerrold Street ("1800
2 Jerrold Street"); and

3 WHEREAS, By Ordinance No. 8-16, this Board approved the jurisdictional transfer
4 of 1800 Jerrold Street from OCA to SFPUC's Wastewater Enterprise, and the Galvez Property
5 from SFPUC to OCA, subject to the terms and conditions of the MOU, and the Galvez
6 Property is now under OCA's jurisdiction; and

7 WHEREAS, Conceptual designs for the Project involve the demolition of all existing
8 improvements and new construction of an approximately 54,000 square foot building; and

9 WHEREAS, Pacific Gas and Electric Company ("PG&E") maintains electrical facilities
10 and appurtenances ("Existing Facilities") along the north eastern boundary of the Galvez
11 Property; and

12 WHEREAS, The Existing Facilities are located within a former street area that was
13 vacated by the City and sold to a private party in 1969; and

14 WHEREAS, The location of the Existing Facilities will interfere with the construction
15 and operation of the Project as designed; and

16 WHEREAS, The City has requested that PG&E relocate the Existing Facilities from
17 their current location and install replacement electrical facilities in a location that will not
18 interfere with the Project, and City and PG&E have agreed upon a location for the
19 replacement facilities; and

20 WHEREAS, In order to accommodate the relocation of the Existing Facilities to the new
21 location, City staff has negotiated an easement agreement with PG&E that would require
22 PG&E to remove or relocate the Existing Facilities within the Galvez Property, and would
23 provide PG&E an easement over a portion of the Galvez Property comprised of a strip of land
24 along the Northern border for approximately 290 feet in length by 10 feet in width,
25 becoming 15 feet in width for approximately 31 feet at the Easterly end of the length, (the

1 “Easement Area”), and on the terms and conditions set forth in an agreement, a copy of which
2 is on file with the Clerk of the Board of Supervisors in File No. 170199 (the “Easement
3 Agreement”); and

4 WHEREAS, The City’s Director of Property reviewed the location of the Existing
5 Facilities and the relocation of them to the Easement Area, and has determined relocation of
6 the Existing Facilities to the Easement Area and grant of the easement may be considered an
7 exchange of like for like kind which is of equal value; and

8 WHEREAS, On November 5, 2015, the City Planning Department issued their
9 recommendation, finding the Project, on balance, in conformity with the General Plan, and the
10 eight priority policies of Planning Code, Section 101.1, in case No. 2015-013598 GPR,
11 SFPUC Central Shops Relocation and Land Transfer Project (1975 Galvez Avenue, 555
12 Selby Street, 450 Toland); and

13 WHEREAS, A copy of such letter is on file with the Clerk of the Board of Supervisors in
14 File No. 170199 and is incorporated by reference as though fully set forth herein; and

15 WHEREAS, On October 28, 2015, the Planning Department’s CEQA Coordinator
16 Timothy Johnston issued a notice that this Project is categorically exempt under the California
17 Environmental Quality Act (“CEQA”) Guidelines Section 15332 (Infill Development, Class 32),
18 on file with the Clerk of the Board of Supervisors File No. 170199; and

19 WHEREAS, For purposes of this Resolution, the Board relies on such findings; and

20 WHEREAS, Offering the easement by competitive bidding process or auction would be
21 impractical because the easement only serves one particular entity’s distribution system and
22 is not capable of independent development; now, therefore, be it

23 RESOLVED, That the Board of Supervisors hereby finds that the conveyance of the
24 easement pursuant to the Easement Agreement is consistent with the General Plan, and with
25 the eight priority policies of Planning Code, Section 101.1 for the same reasons as set forth in

1 the November 5, 2015 letter from the City Planning Department, and hereby incorporates
2 such findings by reference as though fully set forth in this Resolution; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors finds that the public interest or
4 necessity will not be inconvenienced by the conveyance of the easement, because the City
5 does not need the Easement Area for any uses that are incompatible with the easement and
6 because conveyance of the easement will enable PG&E to timely relocate their Existing
7 Facilities to accommodate the Project; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors finds that an auction or
9 competitive bidding process would be impractical, because the easement will be conveyed in
10 order to relocate the Existing Facilities and to accommodate the Project and is not capable of
11 independent development given its location and configuration; and, be it

12 FURTHER RESOLVED, That in accordance with the recommendation of the Director
13 of Property, the Board of Supervisors hereby approves the granting of the easement for One
14 Dollar in accordance with the terms and conditions of the Easement Agreement in
15 substantially the form of the Easement Agreement presented to the Board, and authorizes the
16 Director of Property, in the name and on behalf of the City and County, to execute the
17 Easement Agreement; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
19 Property to enter into any amendments or modifications to the Easement Agreement
20 (including, without limitation, the attached exhibits) that the Director of Property determines, in
21 consultation with the City Attorney, are in the best interest of the City, do not otherwise
22 materially diminish the benefits to the City or increase the obligations or liabilities of the City,
23 are necessary or advisable to effectuate the purposes of the Easement Agreement and are in
24 compliance with all applicable laws, including City's Charter; and, be it

25

1 FURTHER RESOLVED, That the Director of Property is hereby authorized and urged,
2 in the name and on behalf of the City and County, to take any and all steps (including, but not
3 limited to, the execution and delivery of any and all certificates, agreements, notices,
4 consents, escrow instructions, closing documents and other instruments or documents) as the
5 Director of Property deems necessary or appropriate in order to consummate the conveyance
6 of the easement pursuant to the Easement Agreement, or to otherwise effectuate the purpose
7 and intent of this resolution, such determination to be conclusively evidenced by the execution
8 and delivery by the Director of Property of any such documents.

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Recommended:

General Services Agency
Office of Contract Administration

Director of Property