Resolution approving and authorizing the sale of an easement on the City and County of San Francisco's property, consisting of approximately 7,800 square feet of watershed lands in unincorporated San Mateo County, near Edgewood Road, by the Public Utilities Commission, for the price of $2,200; adopting findings under the California Environmental Quality Act; adopting findings that the conveyance is consistent with the General Plan and the priority policies of Planning Code, Section 101.1; and authorizing the Director of Property to execute documents, make certain modifications, and take certain actions in furtherance of this Resolution.

WHEREAS, The mission of the San Francisco Public Utilities Commission (SFPUC) is to provide SFPUC customers with high quality, efficient and reliable water, power and sewer services, while sustaining our precious resources; and

WHEREAS, The SFPUC owns and operates dams and reservoirs on the San Francisco Peninsula (the Peninsula Watershed) to fulfill this mission; and,

WHEREAS, The Pacific Gas and Electric Company (PG&E), the supplier of gas and electric utilities to most of Northern California, has multiple easements within the Peninsula Watershed lands for natural gas transmission pipelines; and

WHEREAS, Pursuant to certain California Public Utilities Commission mandates, PG&E is required to upgrade the operational and seismic safety of its pipeline infrastructure by this summer; and

WHEREAS, To complete the safety upgrades, PG&E is required to install automated valves, remote-monitoring equipment, and in-line inspection technologies on its existing gas...
lines, and PG&E requires additional space to install this equipment near Edgewood Road in a
secured and fenced valve lot (Edgewood Valve Lot or Easement Area); and

WHEREAS, Pursuant to Charter Section 8B.121(a), the SFPUC has exclusive charge
of the real property assets under its jurisdiction; and

WHEREAS, The SFPUC recommends selling PG&E the Easement for the Edgewood
Valve Lot, because SFPUC has found the Easement Area to be surplus to SFPUC’s utilities
needs and because enhanced natural gas pipeline safety within the Peninsula Watershed is
important to protecting SFPUC’s watershed and water system; and

WHEREAS, A third party appraiser assessed the Easement as having a fair market
value of $2,200 in January of 2013 (Appraisal), and the City’s Director of Property reviewed
and approved the Appraisal; and

WHEREAS, PG&E has agreed to update the language of its existing pipeline easement
at this location to grant the SFPUC indemnity and insurance protections it did not have before;
and

WHEREAS, SFPUC staff and PG&E have negotiated proposed terms and conditions of
the Easement, set forth in the form of Easement Agreement that is part of the record before
this Board, including a purchase price of $2,200 and the reservation to the City of rights to use
the Easement Area for uses that are compatible with PG&E’s valve station and pipelines; and

WHEREAS, On August 30, 2012, the City Planning Department issued a Certificate of
Determination (COD) under the California Environmental Quality Act (CEQA), a copy of which
is part of the record before this Board, and determined that this proposed conveyance of an
easement to PG&E would fall under a Class 1 Categorical Exemption (CEQA Guidelines
Section 15301) for minor alterations of existing facilities to provide natural gas service
involving negligible expansion of use, and would not have a significant effect on the
environment; and
WHEREAS, On January 7, 2013, the SFPUC's Bureau of Environmental Management concurred with the City Planning Department's COD under CEQA by memorandum; and

WHEREAS, Offering the Easement by competitive bidding process or auction would be impractical because the Easement is located on top of and immediately adjacent to PG&E's existing easement containing a major subsurface gas transmission pipeline and surface valve lot equipment; and

WHEREAS, On April 9, 2013, the SFPUC Commission approved the sale of the Easement and the form of the Easement Agreement, by Resolution No. 13-0052, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 130359; and

WHEREAS, The Director of the Planning Department, by letter dated May 7, 2013, found that this sale of the Easement is consistent with the City's General Plan and with the Eight Priority Policies of City Planning Code Section 101.1, and is categorically exempt from Environmental Review, a copy of which findings is on file with the Clerk of the Board of Supervisors under File No. 130359 and is incorporated herein by reference; now, therefore, be it

RESOLVED, That the Board of Supervisors of the City and County of San Francisco hereby finds that the Easement is consistent with the General Plan and with the Eight Priority Policies of City Planning Code Section 101.1, and is categorically exempt from Environmental Review for the same reasons as set forth in the letter of the Director of Planning dated May 7, 2013, and the COD dated August 30, 2012; and, be it

FURTHER RESOLVED, That the Board of Supervisors finds that the public interest or necessity will not be inconvenienced by the conveyance of the Easement, because SFPUC does not need the Easement Area for utility facilities and because conveyance of the Easement will enable PG&E to enhance the safety of its gas pipeline facilities in the Peninsula Watershed; and, be it
FURTHER RESOLVED, That the Board of Supervisors finds that an auction or competitive bidding process would be impractical, because the subject real property is not capable of independent development given its location over and adjacent to an existing PG&E gas transmission pipeline and valve equipment; and, be it

FURTHER RESOLVED, That in accordance with the recommendation of the General Manager of the SFPUC and Director of Property, the Board of Supervisors hereby approves the sale of the Easement for the appraised value of $2,200, and the terms and conditions of the Easement in substantially the form of the Easement Agreement presented to the Board and authorizes the Director of Property or the SFPUC General Manager, in the name and on behalf of the City and County, to execute the Easement Agreement; and, be it

FURTHER RESOLVED, That all actions heretofore taken by any employee or official of the City with respect to this acquisition are hereby approved, confirmed and ratified; and, be it

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

FURTHER RESOLVED, That the Director of Property or the SFPUC General Manager is hereby authorized and urged, in the name and on behalf of the City and County, to take any and all steps (including, but not limited to, the execution and delivery of any and all

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certificates, agreements, notices, consents, escrow instructions, closing documents and other instruments or documents) as the Director of Property deems necessary or appropriate in order to consummate the conveyance of the Easement pursuant to the Easement Agreement, or to otherwise effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by the Director of Property of any such documents.

Recommended:

[Signature]
General Manager
San Francisco Public Utilities Commission

[Signature]
Director of Property
Resolution approving and authorizing the sale of an easement on the City and County of San Francisco's property, consisting of approximately 7,800 square feet of watershed lands in unincorporated San Mateo County, near Edgewood Road, by the Public Utilities Commission, for the price of $2,200; adopting findings under the California Environmental Quality Act; adopting findings that the conveyance is consistent with the General Plan and the priority policies of Planning Code, Section 101.1; and authorizing the Director of Property to execute documents, make certain modifications, and take certain actions in furtherance of this Resolution.

May 20, 2013 Land Use and Economic Development Committee - RECOMMENDED.

June 04, 2013 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 6/4/2013 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

6/13/13
Date Approved