

Docket: P.21-07-012  
Exhibit No.: CCSF-003  
Date Served: April 20, 2026 (Errata May 21, 2026)  
ALJ: R. Lirag  
Witness: T. Runde

**PREPARED DIRECT TESTIMONY**

**OF**

**TIMOTHY P. RUNDE**

**ON BEHALF OF**

**THE CITY AND COUNTY OF SAN FRANCISCO**

[PUBLIC VERSION]

**APRIL 20, 2026**

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1 **I. INTRODUCTION AND SUMMARY**

2 This testimony summarizes the appraisal and valuation of real property at Pacific  
3 Gas & Electric Company’s (PG&E) electrical transmission and distribution grid that  
4 serves the City and County of San Francisco, California. This valuation analysis pertains  
5 to the real property (land and improvements, as well as other property interests held by  
6 PG&E, including easements, rights-of-way, lease agreements, and other land-related  
7 agreements necessary to provide electric service in San Francisco). The value conclusion  
8 excludes the transmission and distribution equipment, fixtures, and any non-real property  
9 components, as well as any gas-related assets owned by PG&E that are not a part of the  
10 electrical grid and not part of the proposed acquisition. Based on my analysis, the Fair  
11 Market Value of the fee simple interest in the Subject Properties, in their as-is condition,  
12 and including any and all appurtenant easements and other property interests necessary  
13 for the operation of the existing electrical grid within San Francisco, as of July 27, 2021,  
14 is **\$606,300,000**. This testimony summarizes and references my Fair Market Value  
15 Appraisal Report (Appraisal Report), which is attached hereto as **Appendix II**.

16 **Q. Please state your name, occupation, and business address.**

17 A. My name is Timothy P. Runde. I am the President of Runde & Partners, Inc. My business  
18 address is One Sansome Street, Suite 1400, San Francisco, California, 94104.

19 **Q. Please summarize your educational and professional background.**

20 A. I am the President and Founding Partner of Runde & Partners, Inc., a full-service real  
21 estate appraisal and consulting company headquartered in San Francisco, California.  
22 Prior to forming Runde & Partners, I was a Partner with Carneghi and Partners. I have  
23 over 35 years of commercial real estate appraisal experience encompassing a wide range  
24 of property types, including commercial office, industrial, retail and multi-family  
25 assignments. I also have developed expertise in advanced practice areas including  
26 condemnation and providing expert testimony across a variety of forums. I received a  
27 Master of Science degree in Real Estate Appraisal and Investment Analysis and am  
28 licensed as a Certified General Real Estate Appraiser in the State of California. I also  
29 hold the MAI designation from the Appraisal Institute. My qualifications are attached  
30 hereto as **Appendix I**.

1 **Q. On whose behalf are you submitting testimony?**

2 A. I submit this testimony and the attached Appendix II containing the Appraisal Report on  
3 behalf of the City and County of San Francisco (City).

4 **Q. What is the purpose of your testimony?**

5 A. The purpose of my direct testimony is to provide an estimate of the as-is, **Ffair Mmarket**  
6 **Vvalue** for the real property component of PG&E's electrical transmission and  
7 distribution grid that the City intends to acquire to serve San Francisco. The real property  
8 that I appraised consists of 33 properties (Subject Properties), as well as any and all  
9 appurtenant easements and other property interests necessary for the operation of the  
10 existing electrical grid within San Francisco, California. On April 6, 2026, the City sent  
11 PG&E exhibits identifying the real property interests the City intends to acquire (which  
12 are identified in Table A-1 and Attachment D of my Appraisal Report).

13 **Q. What is your recommended estimate of Fair Market Value for the Subject**  
14 **Properties?**

15 A. Based on the research and analysis contained in my Appraisal Report, I determined the  
16 Fair Market Value of the fee simple interest in the Subject Properties, in their as-is  
17 condition, and including any and all appurtenant easements and other property interests  
18 necessary for the operation of the existing electrical grid within San Francisco, as of July  
19 27, 2021, is estimated to be **\$606,300,000**.<sup>1</sup>

20 **Q. How did you arrive at your recommended **Ffair Mmarket Vvalue**?**

21 A. As further described in my Appraisal Report and summarized below, I determined these  
22 recommended values based on the Cost Approach (specifically, Replacement Cost New  
23 Less Depreciation), which first values the land by comparison to recent, comparable land  
24 sales. The depreciated replacement cost of any existing functional structural and site  
25 improvements is then added, providing a market value for the property.<sup>2</sup>

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<sup>1</sup> Appendix II – Appraisal Report, p. 3.

<sup>2</sup> *Id.* at 61.

1 **II. VALUATION STANDARDS**

2 **Q. Please define the property terms “fee simple interest” and “easement,” as well as**  
3 **any other property terms as used in your Appraisal Report.**

4 A. The following property terms are defined in my Appraisal Report as follows:

- 5 • Fee Simple Interest: Absolute ownership unencumbered by any other interest or  
6 estate, subject only to the limitations imposed by the governmental powers of  
7 taxation, eminent domain, police power, and escheat.<sup>3</sup>
- 8 • Easement: The legal right to use another’s land for a stated purpose.<sup>4</sup>
- 9 • Lease: A contract in which the rights to use and occupy land, space, or structures  
10 are transferred by the owner to another for a specified period of time in return for  
11 a specified rent.<sup>5</sup>
- 12 • License: For real property, a personal, unassignable, and typically revocable  
13 privilege or permit to perform some activity on another land without obtaining an  
14 interest in the property. It can also mean a formal agreement from a lawful source  
15 that allows a business or profession to be conducted, e.g., a franchise. It can also  
16 refer to government permission to conduct an activity.<sup>6</sup>
- 17 • Right of way: A right to pass over land in some particular path; a strip of land  
18 used as a transportation corridor, such as streets and roads, railways, and utility  
19 and fiber optic lines, and for other private or public transportation uses.<sup>7</sup>

20 **Q. How do you define Fair Market Value in your appraisal of the Subject Properties?**

21 A. The definition of Fair Market Value is derived from the California Code of Civil  
22 Procedure as follows:<sup>8</sup>

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<sup>3</sup> *The Dictionary of Real Estate Appraisal*, 7th Edition, 2022, p. 105.

<sup>4</sup> *Id.* at 58.

<sup>5</sup> *Id.* at 105.

<sup>6</sup> *Id.* at 108.

<sup>7</sup> *Id.* at 89.

<sup>8</sup> California Code of Civil Procedure Section 1263.320.

1 a. The fair market value of the property taken is the highest price on the date of  
2 valuation that would be agreed to by a seller, being willing to sell but under no  
3 particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being  
4 ready, willing and able to buy but under no particular necessity for so doing, each  
5 dealing with the other with full knowledge of all the uses and purposes for which  
6 the property is reasonably adaptable and available.  
7

8 b. The fair-market value of property taken for which there is no relevant comparable  
9 market is its value on the date of valuation as determined by any method of valuation  
10 that is just and equitable.

11 **Q. What date of valuation did you use in your appraisal?**

12 A. I determined the Fair Market Value of the Subject Properties as of July 27, 2021, which is  
13 the date of the filing of the instant petition for valuation of PG&E's assets in Petition (P.)  
14 21-07-012 before the California Public Utilities Commission.

15 **Q. What is your understanding of the term "Highest and Best Use" as the term is used  
16 in the definition of Fair Market Value?**

17 A. I applied the "highest and best use" as defined by the *Dictionary of Real Estate Appraisal*  
18 as follows:<sup>9</sup>

19 The reasonably probable use of property that results in the highest value. The four  
20 criteria that the highest and best use must meet are legal permissibility, physical  
21 possibility, financial feasibility, and maximum productivity.

22 Determination of the highest and best use for a property is essential in order to select the  
23 proper comparables, which must have a similar highest and best use.

24 **Q. What did you determine is the highest and best use of the Subject Properties?**

25 A. The highest and best use of the Subject Properties is the current use as the real  
26 property component supporting the electrical grid serving San Francisco. Redevelopment  
27 of the individual sites for alternate uses would not be practical, as the grid functionality  
28 would be adversely affected. Further, as shown in the Appraisal Report, the sites  
29 improved with enclosed substations, as identified in Table A-2, add significant value to  
30 the underlying land and should be retained. Finally, most of the older structures are  
31 historically protected such that demolition and redevelopment would not be permitted.<sup>10</sup>

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<sup>9</sup> The Dictionary of Real Estate Appraisal at 89.

<sup>10</sup> Appendix II at Attachment A: Table A-2 (Structural Improvement Summary).

1 **Q. Did you make any general assumptions or consider general limiting conditions in**  
2 **your appraisal of the Subject Properties?**

3 A. Yes. General assumptions and limiting conditions are discussed in detail in Section I.H of  
4 my Appraisal Report.<sup>11</sup>

5 **Q. Did you make any extraordinary assumptions or consider hypothetical conditions in**  
6 **your appraisal of the Subject Properties?**

7 A. Yes, extraordinary assumptions and hypothetical conditions are discussed in detail in  
8 Section I.H of my Appraisal Report.<sup>12</sup> These include, but are not limited to the following:

9 (i) The Subject Properties were inspected between September 2022 and  
10 September 2023 and I assumed that the condition of those properties has remained  
11 essentially unchanged between the effective date of value (July 1, 2021) and the  
12 inspection dates.

13 (ii) The appraisal addresses the fee simple interest in the Subject Properties. The  
14 Subject Properties have clear and marketable title with no adverse easements that would  
15 adversely affect the utility or marketability of title to the subject. The Subject Properties  
16 are also assumed clean of contamination, except where specifically noted.

17 (iii) The site area measurement for Subject Property 31 (Martin) is based on aerial  
18 imagery using Google Earth's measuring tool. Similarly, the easement measurements for  
19 gas transmission (GT) pipelines located at Subject Property ~~No.~~ 2 (Potrero) and Subject  
20 Property ~~No.~~ 31 (Martin) are based on Google Earth's measuring tool and aerial maps  
21 provided by PG&E.

22 (iv) The specific language of the GT pipeline easements are based on my  
23 understanding of the property rights to be retained by PG&E to safely and productively  
24 utilize the existing GT pipelines that encumber Subject Property ~~No.~~ 2 (Potrero) and  
25 Subject Property ~~No.~~ 31 (Martin) post-acquisition, and in light of market expectations  
26 and practice for this type of easement.

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<sup>11</sup> *Id.* at 5-6.

<sup>12</sup> *Id.* at 3-4.

(v) The value conclusion represents the aggregate retail market value of the sites and no adjustment has been made for time and expense required to realize the retail value of each property in an orderly sell-out. The value conclusion for the partial acquisition of Subject Property ~~No.~~2 (Potrero) assumes a legally transferrable parcel and any required lot line adjustments and/or subdivision have been completed.

### III. SUBJECT PROPERTIES

#### Q. Please generally describe the Subject Properties appraised in your Appraisal Report.

A. The Subject Properties appraised are the real property component of PG&E's electrical transmission and distribution grid that serves the City. My appraisal values the real property, including land, structural improvements, appurtenant easements, and other property interests. I did not appraise transmission and distribution equipment, fixtures, or any non-real property components.

Properties 1 through 30, 32, and 33 are located within the City and County of San Francisco, California, while Property 31 (Martin Substation) is located within the City of Brisbane, San Mateo County, California. These ~~S~~subject ~~P~~properties are geographically depicted on a map in Attachment A of my Appraisal Report.<sup>13</sup>

The Subject Properties consist of 33 individual sites, 12 of which are improved with special-purpose industrial buildings that house electrical equipment (Properties 1, 2, 4, 5, 6, 7, 8, 9, 11, 12, 31, and 33).<sup>14</sup> Property 31 is the Martin substation site. The remaining 20 sites consist of unenclosed distribution substations (and one vacant site with an underground electrical transmission line) that either lack building improvements entirely or include functionally obsolete buildings that are vacant and unused (Properties 15 and 24).<sup>15</sup> All the subject sites are fully improved urban parcels.<sup>16</sup>

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<sup>13</sup> *Id.* ~~at~~ Attachment A: Subject Property Identification Map.

<sup>14</sup> *Id.* at 46.~~3~~ Attachment A: Table A-2 (Structural Improvement Summary).

<sup>15</sup> *Id.* at 46.

<sup>16</sup> *See id.* at Attachment A: State Board of Equalization Maps (Confidential). Note that site improvements (which are situated on the site) are distinct from a fully improved parcel that has all off-site urban improvements in place (e.g., street frontages are improved by concrete curbs, gutters, and sidewalks,

1 **Q. Did you personally inspect any of the Subject Properties?**

2 A. Yes, I made a personal inspection of each and every Subject Property. I inspected the  
3 interior and exterior of Subject Properties 1, 2, 4, 5, 6, 7, 8, 9, 11, and 12 with PG&E's  
4 representatives on February 1, 2023. I personally inspected the remaining Subject  
5 Properties from the public street (exterior only) between September 14, 2022, and  
6 February 21, 2023.

7 **Q. What sources of information or data informed your appraisal of the Subject**  
8 **Properties?**

9 A. In addition to personally conducting on-site inspections of the Ssubject Properties, I  
10 derived site areas from my review of State Board of Equalization (SBE) Maps,  
11 Assessor's Maps, and aerial measurements from satellite imagery using Google Earth's  
12 measuring tool. I derived building areas from a combination of field measurements  
13 during the inspection, aerial measurements from satellite imagery, building plans, and  
14 recorded documentation in the public record. I also reviewed public record documents  
15 made available through the San Francisco Planning Department for historical ratings of  
16 buildings on the Subject Properties, as well as environmental documents in EnviroStor  
17 maintained by the California Department of Toxic Substances and Control (DTSC).

18 **Q. What characteristics of the Subject Properties informed your appraisal of the Subject**  
19 **Properties?**

20 A. For land valuation of the Subject Properties, I considered location, size, condition, use,  
21 topography, site improvements, and land use restrictions, including zoning, historical  
22 designations, and environmental conditions. The physical characteristics of the  
23 improvements and condition of the Subject Properties are discussed in detail in Section  
24 III.F, as well as Tables A-1 and A-2 of Attachment A to the Appraisal Report.<sup>17</sup>

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and the properties are served by urban utilities). For a more in-depth description of these improvements, *see id.* at 10.

<sup>17</sup> *Id.* at Attachment A: Table A-1 (Subject Property Identification), Table A-2 (Structural Improvement Summary).

1 **Q. What is the significance of identifying historic resources on the Subject Properties in**  
2 **the context of your valuation analysis?**

3 A. Once a property is designated as a historic resource, its historical contribution becomes a  
4 factor to be considered in any approvals of proposed modifications to the improvements.  
5 Structures that are identified as historic resources cannot practically be significantly  
6 modified, which typically limits the potential uses to the existing use or a similar use that  
7 can be accommodated by the existing improvements. As a practical matter, historical  
8 ratings can severely constrain the ability to modify the exterior of the structure, and  
9 demolition is typically not permitted. In some cases, expansion may be allowed but is  
10 subject to strict review. Any historic ratings on Subject Properties represent an additional  
11 constraint limiting alternate uses of the sites and is considered in my highest and best use  
12 analysis.

13 **Q. Please summarize your findings on any historical designations found on the Subject**  
14 **Properties.**

15 A. I found that several properties (Properties 5, 7, 9, 11, 12, and 33) include structures that  
16 have received historical ratings and/or are within a historic district. There are also  
17 properties that have not been rated but are eligible for a historic rating once evaluated  
18 (Properties 1, 6 and 8). Further discussion relating to historic designation of the Subject  
19 Properties is presented in my Appraisal Report.<sup>18</sup>

20 **Q. What is the significance of environmental conditions of a sSubject pProperty for**  
21 **purposes of determining a fair market valuation?**

22 A. Environmental conditions relate to any existing or historic environmental contamination  
23 or hazards known for the subject property. Land use restrictions in place due to  
24 contamination prohibit certain uses for a subject property (*e.g.*, residential, hospital,  
25 schools) and can restrict or reduce the potential uses of a subject property. In the case of  
26 the Subject Properties, any existing contamination restricts the highest and best use to  
27 industrial or similar uses, which informs the selection and analysis of the comparable  
28 land sales used to value the site.

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<sup>18</sup> *Id.* at 13-14.

1 **Q. Did you observe any environmental conditions affecting the Subject Properties?**

2 A. My review considered the contaminated status of Property 2 (Potrero), Property 3  
3 (Hunters Point), Property 10 (Marina), and Property 31 (Martin).<sup>19</sup> I made these  
4 observations based on my research of public information made available on the  
5 EnviroStor website.

6 **Q. Are there any easements burdening the Subject Properties?**

7 A. Preliminary title reports were not provided for review. ~~We-I~~ assumed clear and  
8 marketable title, with no adverse easements that would adversely affect the utility or  
9 marketability of title to the subject, unless noted in the ~~Appraisal R~~report. I have been  
10 informed that GT pipelines traverse the substations at Property 2 (Potrero) and Property  
11 31 (Martin) and considered this impact in the valuation of those properties by deducting  
12 for the easement rights that will need to be retained by PG&E.<sup>20</sup>

13 **Q. Please describe the appurtenant easements, leases, licenses, and other property**  
14 **interests you reviewed in your valuation of the Subject Properties.**

15 A. The Subject Properties include appurtenant easements, licenses, permits, agreements, and  
16 similar rights held by PG&E to use property owned in fee by others.<sup>21</sup> ~~These~~ interests ~~the~~  
17 ~~City seeks to acquire~~ are listed in Attachment D to the Appraisal Report.<sup>22</sup> The vast  
18 majority of easements were granted without consideration, including easements granted  
19 as a condition of providing electrical service.<sup>23</sup> The value of the majority of these

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<sup>19</sup> *Id.* at 10-11.

<sup>20</sup> *Id.* at 18-20, 38-40.

<sup>21</sup> Appendix III, PG&E Response to CCSF Data Request Set 12, Questions 1-6 (Jan. 30, 2023), (Supp. 01: Feb. 2, 2023), (Supp. 02: May 15, 2023) (providing a list of approximately 3,000 appurtenant easements, licenses, permits, agreements, and similar rights to use property owned in fee by others that are reported by PG&E to be part of the electrical grid serving the City of San Francisco, California).

<sup>22</sup> See Appendix II at Attachment D (the City will only acquire those easements where an asset used by PG&E to provide transmission or distribution electric service to customers in the City is actually present in the identified area, when the easement or other non-fee property interest has not expired. The City will not acquire easements or other non-fee property interests that the City granted to PG&E).

<sup>23</sup> Appendix III at PG&E Response to CCSF Data Request Set 12, Question 3 (“PG&E does not typically pay land owners for easements related to providing new service on those owners’ property. It is a requirement of an applicant under PG&E’s tariff Rule 16 that land rights be given to PG&E at no cost”).

1 easements for which consideration was paid, as well as the majority of the easements  
2 where no consideration was paid, is subsumed in the market value conclusion of the land  
3 sale comparables.<sup>24</sup> Each of the comparables reflects a site serviced with electricity,  
4 which enhances its value. Since electrical service requires a functioning electrical grid for  
5 which these various easements are an integral part, the land value based on comparable  
6 land sales necessarily includes the contributory value of these easements. This avoids  
7 double-counting the benefit conferred by the various easements.<sup>25</sup>

8 Many of the identified easements, licenses, permits, leases, and other agreements  
9 are general and authorize installation of water, gas, and electrical equipment. It is my  
10 understanding that the City will only acquire those interests where an asset used by  
11 PG&E to provide transmission or distribution electric service to customers in the City is  
12 actually present in the identified area, when the easement or other non-fee property  
13 interest has not expired. Further, the City will not acquire any easements or other non-fee  
14 property interest granted to PG&E by the City.

15 **Q. Are there any zoning restrictions burdening the Subject Properties?**

16 A. Table A-1 in Attachment A to the Appraisal Report identifies the zoning designation of  
17 each Subject Property.<sup>26</sup> The subject utility use is permitted by right or with conditional  
18 use authorization in the zoning for all of the Subject Properties except Properties 1, 5, 9,  
19 11, 13, 15, 19, 21, 23, 26, 28, and 32, all of which are zoned for residential use. These  
20 properties represent legal, non-conforming uses, which may predate the current zoning.

21 **IV. VALUATION METHODOLOGY**

22 **Q. Please describe the valuation approaches applied in determining the Fair Market**  
23 **Value of the Subject Properties.**

24 A. The valuation of any parcel of real estate is typically derived through three primary  
25 approaches to the market value – (i) cost, (ii) sales comparison, and (iii) income.<sup>27</sup> The

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24 [Appendix II#](#) at 44.

25 *Id.* at 44.

26 *Id.* at Attachment A, Table A-1.

27 *See id.* at 45-46 (providing definitions of the market value approaches).

1 *Cost Approach* is based on the premise that except in the most unusual circumstances, the  
2 value of a property cannot exceed the cost of acquiring a similarly functional site and  
3 constructing similar building improvements. The *Cost Approach* begins with an  
4 estimation of land value as if vacant. The replacement cost of the improvements is then  
5 estimated, and includes deductions for estimated depreciation (such as physical  
6 deterioration, functional obsolescence and economic obsolescence). The *Sales*  
7 *Comparison Approach* is based on the principle of substitution, where the value of a  
8 property is governed by the prices generally obtained for similar properties. Lastly, the  
9 *Income Approach* is based on the property's ability to produce a net annual income.

10 The Subject Properties represent special purpose, limited market properties, for  
11 which the *Cost Approach* is the most reliable method of valuing the real property (land  
12 and improvements). The *Sales Comparison Approach* is not applicable to valuing the real  
13 property due to the unique nature of the improvements, and the paucity of comparable  
14 sales transactions involving real property only. While the *Income Approach* is a reliable  
15 method for valuing the operating enterprise, it is unreliable for valuing the real estate  
16 component only, because the buyer of such property would be unable to look to the  
17 market to determine the income such properties can generate in light of the regulatory  
18 constraints placed on such special purpose properties. Therefore, I did not use the *Sales*  
19 *Comparison* and *Income Approach* in my appraisal to value the real property. Thus, I  
20 valued the Subject Properties using the *Cost Approach*, specifically, Replacement Cost  
21 New Less Depreciation (RCNLD).

22 **Q. What indicators of value did you develop under the Cost Approach you used?**

23 A. Under the Cost Approach, I estimated the value of each Subject Property site assuming  
24 the site is unimproved, vacant land. Land values for each Subject Property were based on  
25 a comparison with recent sales of land in the surrounding area and considering the  
26 planned use of the comparable property.<sup>28</sup> The comparable land sales are shown in

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<sup>28</sup> *Id.* at 47-48.

1 tabular form in Attachment B to my Appraisal Report and the keyed to maps that follow  
2 the tables.<sup>29</sup>

3 Next, I estimated the Replacement Cost New (RCN)<sup>30</sup> for any existing,  
4 functional site and/or structural building improvements.<sup>31</sup> I then deducted all forms of  
5 depreciation from the RCN estimate, resulting in a depreciated replacement cost, or  
6 Replacement Cost New Less Depreciation (RCNLD).<sup>32</sup> The calculations of RCN,  
7 depreciation, and RCNLD for each Subject Property are shown in Tables C-1 and C-2  
8 in Attachment C of the Appraisal Report.

9 Finally, I ~~then~~ added the land value to the RCNLD resulting in a market value  
10 estimate for each Subject Property.<sup>33</sup> The value conclusions for each Subject Property  
11 are shown in Table C-3 in Attachment C of the Appraisal Report.<sup>34</sup>

12 **Q. What is your recommended total Fair Market Value for the Subject Properties?**

13 A. The total Fair Market Value for the Subject Properties is estimated to be:

14 **SIX HUNDRED SIX MILLION THREE HUNDRED THOUSAND DOLLARS**

15  
16 **(\$606,300,000)**

17 **Q. Does that conclude your testimony?**

18 A. Yes.

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<sup>29</sup> *Id.* at Attachment B (Comparable Data).

<sup>30</sup> “Replacement Cost New” is the cost of replacing an existing property with a property of equivalent utility as of a particular date.

<sup>31</sup> *Id.* at 61 (providing analysis of the RCN for the Subject Properties).

<sup>32</sup> *Id.* at 61.

<sup>33</sup> *Id.* at 61.

<sup>34</sup> *Id.* at Attachment C, Table C-3 (Valuation Summary).

## **APPENDIX I**

### **Witness Qualifications**

## Education

### **Master of Science in Real Estate Appraisal & Investment Analysis**

*University of Wisconsin - Madison*

### **Bachelor of Science in Zoology**

*University of Wisconsin - Milwaukee*



## Experience

Tim Runde, MAI, LEED AP, is the President of Runde & Partners, a full-service real estate appraisal and consulting company headquartered in San Francisco, California. Prior to forming Runde & Partners, Tim was a Partner with Carneghi and Partners. Tim has over 30 years of commercial real estate appraisal experience encompassing a wide range of property types, including commercial office, industrial, retail and multi-family assignments. In addition, he has developed expertise in advanced practice areas including sports and entertainment venue valuation, condemnation, intangibles, leaseholds, and sustainable, green and high-performance buildings. He regularly provides expert testimony and litigation support and has served as an expert witness in a variety of settings including California Superior Court, U.S. Bankruptcy Court, arbitration, mediation and ad valorem tax appeal proceedings. Tim received a Master of Science in Real Estate Appraisal and an Investment Analysis degree from the University of Wisconsin under the direction of Dr. James Graaskamp. While studying there, he was awarded a Hollander Fellowship with the Wisconsin Housing and Economic Development Authority and worked as a project manager with a national real estate developer.

## Professional Affiliations & Certifications

- MAI Designation: Appraisal Institute
- State of California Certified General Real Estate Appraiser No. AG011358
- LEED AP BD+C, United States Green Building Council (USGBC)
- Appraisal Institute Professional Development Programs
  - *Valuation of the Components of a Business Enterprise*
  - *Valuation of Sustainable Buildings*
  - *Litigation*

## Publications

- *The Valuation of Green Commercial Real Estate* (textbook), The Appraisal Institute, Chicago; 2017
- *The Appraisal Journal*, Summer 2017, *The Role of Incentives in Green Building Valuation*
- *Real Property Insights*, Volume 22, No. 2, 2015, *Linking Sustainable Improvements to Retail Real Estate Value*
- *The Appraisal Journal*, Spring 2015, *Net Zero Energy Buildings: An Introduction for Valuation Professionals*
- *The Journal of Sustainable Real Estate (JOSRE)*, Volume 2, No. 1, 2010, *Integrating Sustainability and Green Building into the Appraisal Process*

## Teaching & Speaking

### Teaching

- Appraisal Institute Instructor
- Appraisal Institute Course Developer
- Appraisal Institute Course Reviewer

### Speaking

*Appraisal Institute National Conference: 2019, 2018, 2016, 2015, 2014, 2012*

*Appraisal Institute NorCal Chapter Fall Conference: 2019 through 2010*

#### *Greenbuild International Conference*

- 2015: Washington DC, An Insider's Guide to Optimizing the Value of NZE Properties
- 2012: San Francisco, Valuing LEED Buildings: Making the Most of What Matters

*International Right of Way Association (IRWA) Spring Conference, San Jose, 2016*

- Eminent Domain Issues for High-Performance Properties

*International Living Future Institute (ILFI), Seattle, 2015*

- Real Estate Finance and Appraisal

*Appraisal Institute Webinars, 2015*

- Benchmarking Building Performance
- Valuing Net Zero Energy Buildings

*Institute for Professionals in Taxation (IPT), Nashville, 2012*

- Case Studies in Highest and Best Use Analysis of Health Care Properties
- Fundamentals of Highest and Best Use, Economic Life and Depreciation for Health Care Properties

*Buildings New York Conference*

- 2011: New York City, Effectively Valuing and Marketing Green Real Estate
- 

## Awards & Service

**Body of Knowledge Committee Member | 2024 - present**

*Appraisal Institute National Organization*

**Outstanding Service Award | 2018**

*Appraisal Institute National Conference*

**Textbook Reviewer | 2018**

*Appraisal in Litigation*

**Article Peer Reviewer | 2013 - present**

*The Appraisal Journal and International Journal of Strategic Property Management*

**Appraisal Institute Region 1 Representative 2017-2020**

**Board Member | 2016 -2018**

*Appraisal Institute Northern California Chapter*

**Planning Committee Member – Appraisal Institute Fall Conference | 2009 –2018**

*Appraisal Institute Northern California Chapter*

**Conference Chair – Appraisal Institute Fall Conference | 2014**

*Appraisal Institute Northern California Chapter*

**Task Force Member, Residential Energy Conservation Ordinance | 2014 -2015**

*City of San Francisco Department of the Environment*

**Mentoring, University of Wisconsin-Madison - Wisconsin Real Estate Mentorship Program | 2013 -2014**

**Subject Matter Expert: Valuation of Green Buildings – Background Competence | 2012-2013**  
*The Appraisal Foundation*

**Expert Panelist, Department of Energy, Building America Experts Meeting | 2011**

**APPENDIX II**

Fair Market Value Appraisal Report of Runde & Partners, Inc.

**APPRAISAL OF**

PG&E ELECTRICAL GRID REAL PROPERTY  
SAN FRANCISCO, CALIFORNIA

AS OF JULY 27, 2021

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**PREPARED FOR**

OFFICE OF THE CITY ATTORNEY  
OF THE  
CITY & COUNTY OF SAN FRANCISCO  
SAN FRANCISCO, CALIFORNIA

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APRIL 2026  
22-139.1



April 13, 2026

Mr. Chris Chou  
Deputy City Attorney  
Office of the City Attorney of the  
City & County of San Francisco  
1 Dr. Carleton B. Goodlett Place  
San Francisco, CA 94102

**Re: 22-139.1, Appraisal  
Fair Market Value  
PG&E Electrical Grid Real Property  
San Francisco, California**

Dear Mr. Chou:

At your request and authorization, Runde & Partners, Inc. has prepared an appraisal of the above-referenced property. The subject property appraised consists of the real property component of Pacific Gas & Electric Company's (PG&E) electrical transmission and distribution grid that serves the city of San Francisco, California. This report addresses the real property land and improvements, as well as other property interests held by PG&E, including easements, rights-of-way, lease agreements, and other land-related agreements necessary to provide electric service in San Francisco. The value conclusion of this report specifically excludes the transmission and distribution equipment, fixtures, and any non-real property components of the acquisition, which is to be valued by others. We have also excluded any gas-related assets owned by PG&E that are not a part of the electrical grid and are not part of the proposed acquisition.

The purpose of this appraisal is to estimate the as-is, fair market value of the subject property as of July 27, 2021. The intended use is for assistance with estimating the acquisition price for the operating enterprise. The intended users of this appraisal are the City and County of San Francisco and its authorized representatives for the purpose of establishing the acquisition price for the subject property in the California Public Utilities Commission proceeding P.21-07-012, Petition of the City and County of San Francisco for a Valuation of Certain PG&E Company Property Pursuant to Public Utilities Code Sections 1401-1421. There are no other intended users/uses of this report. This report should not be used or relied upon by any other parties for any reason.

## VALUE CONCLUSION

Based on the research and analyses contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraiser that the fair market value of the fee simple interest in the subject real property land and improvements, as well as other property interests held by PG&E, including easements, rights-of-way, lease agreements, and other land-related agreements necessary to provide electric service in San Francisco, California, in its as-is condition, as of July 27, 2021, is estimated to be:

**SIX HUNDRED SIX MILLION THREE HUNDRED THOUSAND DOLLARS**

**(\$606,300,000)**

This letter must remain attached to the appraisal report, which is identified on the footer of each page as 22-139 plus related exhibits, in order for the opinion of value set forth to be considered valid.

## CERTIFICATION OF THE APPRAISER

We, the undersigned, hereby certify that, to the best of our knowledge and belief: the statements of fact contained in this report are true and correct; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions; we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved; we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; our engagement in this assignment was not contingent upon developing or reporting predetermined results, our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal; the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan; the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, as well as USPAP; we have made a personal inspection of the property that is the subject of this report; no one provided significant real property appraisal assistance to the persons signing this report. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Timothy P. Runde has completed the continuing education program for Designated Members of the Appraisal Institute. In accordance with the Competency Provision in the USPAP, we certify that our education, experience, and knowledge are sufficient to appraise the type of property being valued in this report. We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

We are pleased to have had this opportunity to be of service. Please contact us if there are any questions regarding this appraisal.

Sincerely,

RUNDE & PARTNERS, INC.

Timothy P. Runde, MAI, LEED AP BD+C  
Certified General Real Estate Appraiser  
State of California No. AG011358

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## **ATTACHMENTS**

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**A – SUBJECT PROPERTY INFORMATION**

**B – COMPARABLE DATA**

**C – VALUATION**

**D – LIST OF EASEMENTS, RIGHTS-OF-WAY, LEASE AGREEMENTS, AND OTHER  
PROPERTY INTERESTS**

**E – QUALIFICATIONS OF APPRAISER**



## I. REPORT SUMMARY

### A. Property Appraised

The subject property appraised consists of the real property component of Pacific Gas & Electric Company's (PG&E) electrical transmission and distribution grid that serves the city of San Francisco, California. This report addresses the real property land and improvements, as well as other property interests held by PG&E, including easements, rights-of-way, lease agreements, and other land-related agreements necessary to provide electric service in San Francisco. The value conclusion of this report specifically excludes the transmission and distribution equipment, fixtures, and any non-real property components of the acquisition, which is to be valued by others. We have also excluded any gas-related assets owned by PG&E that are not a part of the electrical grid and are not part of the proposed acquisition.

The individual parcels appraised are identified in Table A-1 in Attachment A of this report and are geographically depicted on the map following Table A-2. Table A-2 in Attachment A summarizes the structural improvements situated on the sites with enclosed substations. The State Board of Equalization (SBE) maps for each individual property follow the table and location map in Attachment A. The SBE maps provide a spatial configuration of each of the subject sites.

### B. Client, Purpose, Intended Use, and Intended User

The client for this appraisal is the Office of the City Attorney for the City and County of San Francisco. The purpose of this appraisal is to estimate the as-is, fair market value of the subject property as of July 27, 2021. The intended use is for assistance with estimating the acquisition price for the operating enterprise. The intended users of this appraisal are the City and County of San Francisco and its authorized representatives for the purpose of establishing the acquisition price for the subject property in the California Public Utilities Commission proceeding P.21-07-012, Petition of the City and County of San Francisco for a Valuation of Certain PG&E Company Property Pursuant to Public Utilities Code Sections 1401-1421. There are no other intended users/uses of this report. This report should not be used or relied upon by any other parties for any reason.

### C. Scope of Work

The scope of work for this appraisal assignment report is to utilize the appropriate approach(es) to value in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) to arrive at a market value conclusion. Specific steps undertaken include the inspection of the subject property and the research, verification, and analysis of comparable market data leading to the value indications as reported herein. This assignment incorporated the cost approach, specifically Replacement Cost New Less Depreciation (RCNLD) plus land value. The sales comparison and income approaches are

not reliable for this type of property due to the specialized use and limited market nature of the improvements and are therefore not used in this appraisal.

#### **D. Reporting Format**

This is a narrative appraisal report.

#### **E. Date of Appraisal and Date of Report**

The effective date of the as-is value is July 27, 2021.

The date of this appraisal report is April 13, 2026.

#### **F. Definition of Terms**

##### **1. Definition of Fair Market Value (*California Code of Civil Procedure Section 1263.320*)**

The measure of “just compensation” is “market value.” Section 1263.320 of the Code of Civil Procedure defines market value as:

“a. The fair-market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

b. The fair market value of property taken for which there is no relevant comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.”

##### **2. Fee Simple Interest (*The Dictionary of Real Estate, 7th Edition, 2022, p. 105*)**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

##### **3. Easement (*The Dictionary of Real Estate Appraisal, 7th Edition, 2022, p. 58*)**

The right to use another’s land for a stated purpose.

**4. Lease (The Dictionary of Real Estate, 7th Edition, 2022, p. 105)**

A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

**5. License (The Dictionary of Real Estate, 7th Edition, 2022, p. 108)**

For real property, a personal, unassignable, and typically revocable privilege or permit to perform some activity on another land without obtaining an interest in the property.

A formal agreement from a lawful source that allows a business or profession to be conducted, e.g., a franchise.

Government permission to conduct an activity.

**6. Right of Way (The Dictionary of Real Estate, 7th Edition, 2022, p. 167)**

A right to pass over land in some particular path; a strip of land used as a transportation corridor, such as streets and roads, railways, and utility and fiber optic lines, and for other private or public transportation uses.

**G. Value Conclusion**

Based on the research and analyses contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraiser that the fair market value of the fee simple interest in the subject real property land and improvements, as well as other property interests held by PG&E, including easements, rights-of-way, lease agreements, and other land-related agreements necessary to provide electric service in San Francisco, California, in its as-is condition, as of July 27, 2021, is estimated to be:

**SIX HUNDRED SIX MILLION THREE HUNDRED THOUSAND DOLLARS**

**(\$606,300,000)**

**H. Assumptions and Limiting Conditions*****Extraordinary Assumptions & Hypothetical Conditions***

1. The subject properties were inspected at various points in time between September 14, 2022 and September 1, 2023. We have assumed the condition of the subject properties remained essentially unchanged between the effective date of value (July 27, 2021) and the inspection dates.

2. Preliminary title reports were requested from the client but were not available for review in connection with this assignment. Except as noted in this report, we have assumed clear and marketable title, with no adverse easements that would adversely affect the utility or marketability of title to the subject.
3. Except as noted in this report, the subject properties are assumed clean of contamination.
4. The value conclusions of this report represent the aggregate retail market value of the sites, which is appropriate considering the intended use of this report. No adjustment has been made for the time and expense required to realize the retail value of each property in an orderly sell-out.
5. The value conclusion for the partial acquisition of Property 2 (Potrero) assumes that this partially acquired site is a legally transferrable parcel and that any required lot line adjustments and/or subdivision have been completed.
6. This appraisal addresses the fee simple interest in the subject properties. We are not aware of any arm's length leases encumbering the subject properties.
7. The site area measurement for the Martin substation (Property 31) is based on aerial imagery using the Google Earth measuring tool, since the site size was not available from the public record and no survey or other professional site measurement was available to the appraiser.
8. As of the effective date of value, two of the subject properties to be acquired (Potrero and Martin substations) were encumbered by subterranean gas transmission (GT) lines that are not part of the electrical grid but will remain in place post-acquisition. Therefore, easements encumbering these two properties will need to be executed to preserve the property interest of PG&E to operate these gas assets on electrical grid real property once the acquisition is complete. As of the date of this report, easement maps for the gas transmission (GT) pipeline easements affecting the Potrero (2) and Martin (31) substations were not available for review. The affected areas reportedly will extend 25 feet in either direction of the pipeline centerline, and we have used the Google Earth aerial measuring tool and the GT pipeline aerial maps provided by PG&E and reproduced in this report in order to estimate the area of the prospective easements.
9. The specific language of the gas transmission (GT) pipeline easements that will need to be created to accommodate the existing GT pipelines currently encumbering the Potrero (Property 2) and Martin (Property 31) substations has not been finalized. We have modeled the easement property rights to be retained by PG&E based on our understanding of the property rights that will be required to be

retained by PG&E in order to safely and productively utilize the existing GT pipeline that will encumber these two subject properties post-acquisition, in light of market expectations and practice for this type of easement.

*The use of one or more extraordinary assumptions and/or hypothetical conditions may have affected the assignment results.*

### ***General Assumptions and Limiting Conditions***

10. It is the client's responsibility to read this report and to inform the appraiser of any errors or omissions of which he/she is aware prior to utilizing this report or making it available to any third party.
11. No responsibility is assumed for legal matters. It is assumed that title of the property is marketable, and it is free and clear of liens, encumbrances, and special assessments other than as stated in this report.
12. Plot plans and maps are included to assist the reader in visualizing the property. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraiser is assumed by the appraiser.
13. All information has been checked where possible and is believed to be correct, but is not guaranteed as such.
14. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. It is assumed that no additional soil contamination exists, other than as outlined herein, as a result of chemical drainage or leakage in connection with any production operations on or near the property.
15. In this assignment, the existence (if any) of potentially hazardous materials used in the construction or maintenance of the improvements or disposed of on the site has not been considered. These materials may include (but are not limited to) the existence of formaldehyde foam insulation, asbestos insulation, or toxic wastes. The appraiser is not qualified to detect such substances. The client is advised to retain an expert in this field.
16. Any projections of income and expenses in this report are not predictions of the future. Rather, they are an estimate of current market thinking of what future income and expenses will be. No warranty or representation is made that these projections will materialize.

17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification, only in its entirety, and only for the contracted intended use as stated herein.
18. The zoning designations of the subject and comparable land sales were researched via publicly available information, but this report should not be relied upon to provide definitive zoning determinations regarding permitted and not-permitted uses for the subject or comparable properties used in this report. Information regarding the interpretation of zoning regulations is considered a specialized skill beyond the scope of this appraisal and outside the scope of services provided in this appraisal assignment. No responsibility is assumed by the appraiser for misinterpretation in the reporting or description of the zoning designations of the subject or comparable properties. The reader is advised to procure the services of a specialist in zoning and land use issues for more detailed or definitive analysis.
19. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales, or other media without the written consent and approval of the appraiser, particularly as to the valuation conclusions, the identity of the appraiser, or any reference to the Appraisal Institute or the MAI designation.

## II. AREA DESCRIPTION & MARKET OVERVIEW

### A. San Francisco and the Bay Area

Despite its relatively small geographic area, San Francisco is the economic and cultural center of the nine-county Bay Area, which is the fifth largest metropolitan area in the United States. The Bay Area population has increased over the past two decades from approximately 6.8 million in 2000 to over 7.6 million as of 2021. The diversified economic base of the Bay Area has traditionally been weighted to finance, technology, as well as manufacturing and transportation. The Bay Area has emerged, particularly over the past 20 years, as a worldwide leader in innovation and so-called knowledge industries. The Bay Area has a highly educated population, ranking second in the nation with nearly 58% of adults holding a college degree based on the US Census' American Community Survey data from 2012 and 2017.

The pandemic had a negative impact on population growth in 2020 and 2021 in San Francisco, and to a lesser extent, in California. The population within San Francisco as of January 1, 2021, was reported at 875,010 by the California Department of Finance (DOF), a 1.7% decrease over the prior year. Statewide, the population declined 0.5% in 2021. The decrease since 2020 was more pronounced in San Francisco compared to the overall state population.

These negative growth rates reflect the impact of the COVID-19 pandemic. However, even prior to the pandemic, the statewide population growth rate had slowed to its lowest level in history, driven by a significant decline in births coupled with an upward trend in the death rate as the Baby Boomer generation continues to age. Since the start of 2021, there appears to be a return to San Francisco of at least some of the residents who relocated during the pandemic. Indirect indicators such as apartment occupancy levels and rental rates, indicate a return of local residents. However, other indicators, such as a 2021 American Housing Survey conducted by the Census Bureau suggest that the local population may not rebound in the near term. That study reported that approximately 8% of San Francisco metropolitan area residents plan on moving to another city. It should be noted that this data point does not distinguish whether these planned moves would be within the San Francisco metro area, such as a move from San Francisco to Berkeley, or indicated a larger exodus out of the Bay Area.

According to the U.S. Census American Community Survey 2012-2016 5-Year Estimates, San Francisco's mean household income was \$127,625. Employment in San Francisco is dominated by the service industries, which include financial services, professional services, and retail and wholesale trade. Until the onset of the COVID-19 pandemic, the state and local economies had been enjoying a long period of strong, steady employment growth with record low unemployment. However, the mandatory state and local business closures and shelter-in-place orders imposed at the onset of the pandemic resulted in a sharp increase in unemployment to unprecedented levels.

The unemployment rate in San Francisco at the beginning of 2020 was at a historic low of 2.3% through January and February of 2020. This followed a multi-year downward trend. However, it began to sharply increase as the pandemic restrictions were put in place in March 2020. The unemployment rate peaked in May 2020 at 12.7%, and it generally declined since then. The unemployment rate as of July 2021 was 5.2%.

The initial negative economic impact of the high unemployment level was initially muted to a large extent by the \$600 per week federal unemployment supplement. Additional funding was subsequently approved after this initial funding expired. The generally successful vaccine roll-out allowed the relaxation of restrictions on business, which fueled a more rapid economic recovery than initially anticipated. However, concerns about inflation as well as the hyper-contagious Delta and Omicron variants and vaccine hesitancy and viral variants that are better able to circumvent vaccine protections slowed global growth. The recent surge in inflation and the ongoing war in Ukraine has further dampened the economic outlook for the regional, national, and international economies.

Against this backdrop, many of the workers in information services, tech and financial services sectors successfully transitioned to remote-work arrangements. Initially, employers signaled a return to the office only to have those plans repeatedly delayed when the Delta and Omicron variants emerged in 2021. There remained resistance from workers to return to the office, which is a concern not just for the commercial office sector, but also for the myriad support services that rely on daytime office workers, as well as local residents.

As of the effective date of value, it appeared that the future of office could involve a hybrid remote/in-person model, the impact of which on the commercial real estate sector was as yet uncertain. The high level of high-skill, knowledge workers that historically dominate San Francisco employment, and the region in general, have historically made San Francisco and the Bay Area region more to adverse economic impacts than other areas. However, San Francisco's historically vibrant tourist and convention sectors have been particularly impacted, as has the city's dining and entertainment sector.

## **B. Industrial Market Conditions as of July 27, 2021**

For the second quarter 2021, Cushman & Wakefield reports a base inventory of 21,647,969 square feet of industrial space in San Francisco. The overall vacancy rate was reported at 8.4%, up from 7.5% one year prior. There was 1,822,777 square feet of available space as of the second quarter 2021. This amount includes 97,513 square feet of sublease space, or 0.5% of total inventory, and 5.3% of total available space.

For the quarter, there was 54,208 square feet of positive net absorption in existing product, and 187,000 square feet of new construction absorbed, for a total of 219,059 square feet. Due to negative absorption of 144,804 square feet in the first quarter of 2021, year-to-date net absorption was positive 74,255 square feet. No new construction was underway in the second quarter 2021, according to Cushman & Wakefield.

The average asking rent was \$1.99 per square foot per month, triple net, down from \$2.05 in the first quarter, and \$2.10 per square foot one year prior. The average asking rate in the fourth quarter 2019 (pre-pandemic) was \$2.14 per square foot. This reflects a 7.5% decline in asking rents since the onset of the pandemic.

Statistics for the second quarter 2021 for the San Francisco industrial market indicate that the market was relatively stable. Limited inventory remained and demand from developers and users for available redevelopment opportunities continues to put pressure on supply. The pandemic discount for industrial rents was less notable than in the office market.

As of the effective date of value, demand was expected to remain stable for the foreseeable future as buildable land is extremely scarce. New light industrial/PDR (Production, Distribution Repair is a Planning Code designation for certain industrial uses) space was planned for construction such as the newly proposed project for over 112,000 square feet of PDR space in a six-story building at 300 Kansas Street. However, the combination of PDR zoning requirements and continued demand for residential and office space may result in “maker” space being developed ancillary to office and/or residential space, as is planned for the site at 900 Pennsylvania Avenue and the recently completed 100 Hooper Street. Overall, the outlook for the industrial market in San Francisco was stable as of the effective date of value, despite near-term uncertainty due to the ongoing pandemic, which appeared to be affecting the industrial market far less than other sectors.

## C. Conclusions

At the time of the appraisal, COVID-19 was having widespread health and economic impacts. The effects of COVID-19 on the real estate market in San Francisco was not yet fully measurable based on reliable data. Most market participants expressed uncertainty as to the near-term depth and duration of the effect of the pandemic on the Bay Area, national, and global economies.

The underlying fundamentals in the San Francisco Bay Area, including strong demand and high barriers to development, were expected to help the Bay Area perform better than other parts of the country over the long term. However, the near-term outlook was characterized by elevated uncertainty as of the effective date of value.

### III. PROPERTY IDENTIFICATION AND DESCRIPTION

#### A. Site Descriptions

The individual parcels comprising the subject property are identified in Table A-1 in Attachment A. Photographs of each site are also included in Attachment A. All of the subject sites are fully improved urban parcels with all off-site improvements in place. The configuration of each parcel is shown in the SBE maps reproduced in Attachment A. The street frontages are improved with concrete curbs, gutters, and sidewalks, as well as street lighting. The properties are served with typical urban utilities, including public water and sewer systems.

#### B. Ownership and Sales History

According to the public record, title to the subject properties is vested in Pacific Gas & Electric Corporation. The only property that has transferred in the five years prior to the effective date of value (date of acquisition) is Property 30, which was acquired by PG&E in January 2021 for \$16,950,000.

#### C. Environmental Observations

*Environmental reports for the subject property were not provided to the appraiser. The appraiser is not an environmental professional and is not qualified to evaluate environmental risk factors. What follows is based on the appraiser's research of the public information made available on the EnviroStor website maintained by California Department of Toxic Substances Control (DTSC). There may be other environmental conditions affecting the subject properties but for purposes of this analysis, we have assumed the sites to be clean except as noted below. The reader is advised to seek counsel of a qualified professional if these matters are of further concern.*

Based on a review of the EnviroStor website (<https://www.envirostor.dtsc.ca.gov/>) that is maintained by the California Department of Toxic Substances and Control (DTSC), we have the following observations as to known environmental conditions affecting the subject property.

**Property 2** (Potrero) has known environmental contamination due to its historical use. It is identified on the EnviroStor website as PG&E POTRERO (38490009). However, the California Regional Water Quality Control Board issued a "No Further Action" letter, dated February 17, 2012. The letter indicates that, so long as the site remains in its current commercial/industrial use, the contamination can be managed in place and no further remediation is necessary. Although there is no further remediation required, there are land use restrictions in place that preclude residential and hospital uses, among others.

**Property 3** (Hunters Point) has a history of soil and groundwater contamination. The site is identified by DTSC as PG & E HUNTERS POINT (38490002). The affected portions

of the site have been remediated and are subject to Soil Management Plans and Operations and Maintenance Plans. In addition, residential, hospital, school and daycare uses, and certain other activities, are prohibited on portions of the site.

**Property 10** (Marina) is identified by DTSC as PG&E - NORTH BEACH MARINA SUBSTATION (38490007). This site has known environmental contamination due to historical use as part of a manufactured gas plant (MGP). Ground water has been affected. It is an active clean-up site and ground water monitoring is ongoing. Oversight for this parcel is incorporated as part of the larger PG&E Former North Beach Manufactured Gas Plant Site project (EnviroStor Site Code: 60001239).

Portions of the Martin substation (**Property 31**), as well as the adjacent Daly City yard (not a part of the subject) were also historically used as a MGP and the site and groundwater are contaminated. This site is identified by DTSC as PG&E - MARTIN SERVICE OU-2 AND LEVISON (41360093). Portions of the larger site are required to maintain a soil cap and ground water monitoring is ongoing. Activities that disturb the soils require approval of the DTSC. Land use restrictions prohibit residential, hospital, elder care and residential use of the site.

We have considered the contaminated status of these sites in the land valuation in the following manner. These sites can continue in their current use or similar industrial use, but the presence of contamination limits alternate uses. Thus, the existing contamination restricts the highest and best use to industrial use, which informs the selection of the comparable sales used to value the sites. Further, there are varying levels of ongoing monitoring costs that reduce the value of these contaminated sites relative to sites that are clean.

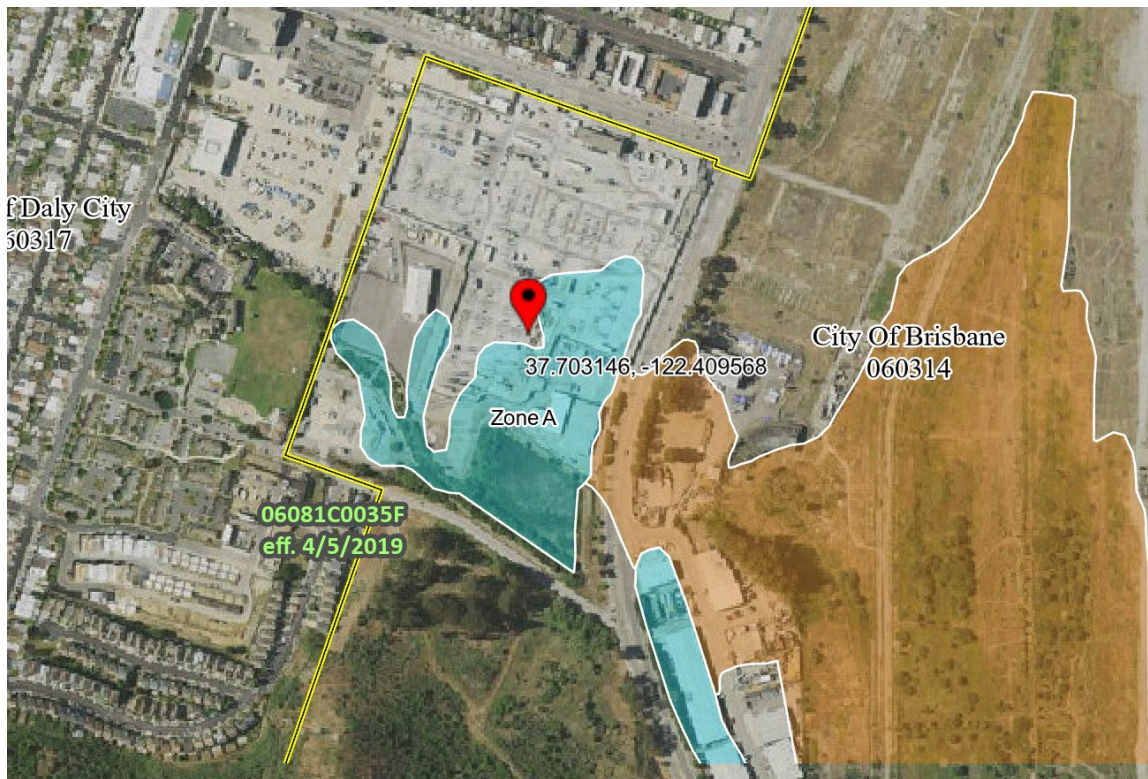
The remaining subject properties are assumed to be clean of contamination for purposes of valuation.

#### **D. Easements and Restrictions**

Preliminary title reports were requested from the client but not available for review in connection with this assignment. We have been informed that gas transmission (GT) pipelines traverse the Potrero (**Property 2**) and Martin (**Property 31**) substations and have considered this impact in the valuation by deducting for the easement rights that will need to be retained by PG&E. The environmental restrictions noted in the preceding section have also been considered. We have otherwise assumed clear and marketable title, with no other adverse easements that would adversely affect the utility or marketability of title to the subject.

**E. Flood Zone and Seismic Information**

According to Flood Insurance Rate Map (FIRM) community-panel number 06081C003F, effective April 5, 2019, and prepared for the city of Brisbane, the southern and southeastern portion of the Martin substation is located within Flood Zone A, a Special Flood Hazard Area. The remainder of this size is located outside the Special Flood Hazard Area. The flood map is reproduced below. The remainder of the subject properties are not located in a Special Flood Hazard Area (Zone A) based on our review of the maps published by FEMA. However, the appraiser is not an expert in flood zoned matters and the intended user is advised to seek advice from a qualified professional if this matter is of further concern.



**Martin Substation Flood Zone Map (FEMA)**

According to governmental geological evaluations, the entire San Francisco Bay Area is located in a seismic zone. No active faults, however, are known to exist on the subject property. Inasmuch as similar seismic conditions generally affect competitive properties, no adverse impact on the subject property is considered. The subject properties are not located in an Alquist Priolo earthquake zone.

**F. Zoning and Land Use Restrictions**

Table A-1 (Attachment A) identifies the zoning designation of each of the individual properties. The subject utility use is permitted by right or with conditional use

authorization in the zoning for all of the subject properties except **Properties 1, 5, 9, 11, 13, 15, 19, 21, 23, 26, 28, and 32**, all of which are zoned for residential use. These properties represent legal, non-conforming uses, which may predate the current zoning. Utility use is permitted in historic buildings in the WMUG zoning district, where **Property 33** is located. According to Planning Department records, this property is located in a historic district and eligible for inclusion in the National and California Historic Registers.

### *Historic Ratings*

Buildings 45 years or older, and those located in designated historic districts within the city, are eligible for consideration as a historic resource by the San Francisco Planning Department. Older buildings may also be designated as landmarks under Article 10 of the Planning Code, as well as Significant or Contributory buildings under Article 11. They may also be listed on the California Register of Historic Resources and/or the National Registers of Historic Places. These designations identify the property as a historic resource, which is a consideration when an alternate use or modification of the existing improvements is contemplated.

The building improvements at **Properties 5, 7, 9, 11, and 12** include structures that have received historical ratings from the San Francisco Planning Department (<https://sfplanninggis.org/pim/>). **Property 5** is within a historic district. **Property 12** is both within a historic district, and it is designated as a Category I, Significant Building under Article 11 of the Planning Code.

**Property 6** has not been rated but has been surveyed and appears eligible for inclusion on the National Register of Historic Places, according to the Planning Department. The design is in the modern style, completed in 1948 and designed by architect William Merchant. It includes two bas-relief cast stone sculptures on the east facade.

The original improvements at **Property 1** and improvements at **Property 8** are age-eligible for a historic rating but have not been rated. Structures 45 years and older are eligible for consideration as historic resources but must be evaluated before they are designated as a historic resource. **Property 33** is identified as a historic resource and is located in a historic district.

Once a property is designated as a historic resource, its historical contribution becomes a factor to be considered in the approval of modifications to the improvements. As a practical matter, historical ratings severely constrain the ability to modify the exterior of the structure, and demolition is typically not permitted. In some cases, expansion may be allowed but is subject to strict review.

The historic ratings of the various subject properties represent an additional constraint limiting alternate uses of the sites and is considered in the highest and best use analysis. Structures that are identified as historic resources cannot be significantly modified, which

typically limits the potential uses to the existing use or a similar use that can be accommodated by the existing improvements.

## G. Improvements Description

### *Property 1 – San Francisco Substation Z (Embarcadero) 405 & 425 Folsom Street*

**Property 1** consists of two non-contiguous sites separated by an alley (Grote Place) located at the southwest corner of Fremont and Folsom Streets in the Rincon Hill neighborhood. The street addresses are 405 Folsom Street (**Property 1.1**) and 425 Folsom Street (**Property 1.2**).



**Property 1.1 (Embarcadero Original - 405 Folsom St.) View Northwest**

**Property 1.1** is situated on a site of approximately 22,900 square feet (0.53 acres) that is rectangular and slopes downward to the north. It is improved with a three-story plus basement steel and concrete structure with two equipment mezzanine levels that was originally constructed in 1974. It is age-eligible for a historic rating but has not been evaluated, according to the San Francisco Planning Department. The improvements are of steel frame and concrete construction and contain a total of approximately 119,080 square feet of gross building area. The structure lacks fenestration and the exterior consists of

decorative concrete panels. The interior is unfinished industrial space that houses switchgear and related equipment. Vertical circulation is provided by stairwells and a single hydraulic passenger elevator. The structure is not serviced with mechanical heating and cooling but it is serviced with mechanical ventilation. The improvements are serviced with fire sprinklers. There is an overhead crane on the first level. There is a single grade-level roll-up door on the north elevation. The improvements fully cover the site. The overall condition of the improvements is average.



**Property 1.2 (Embarcadero Expansion - 425 Folsom St.) View Northeast**

**Property 1.2** is situated on a site of approximately 10,310 square feet (0.24 acres) that is generally level, rectangular, and at street grade. It is situated across Grote Place, an alley, from **Property 1.1**. The improvements house gas-insulated switchgear (GIS) equipment and was completed in 2020. The gross building area is approximately 13,688 square feet. The one-story plus basement and mezzanine structure consists of steel framing with concrete floors, walls, and roof. There is a small mezzanine accessed via stairs that is improved with a control room, storage, and a rest room. Otherwise, the space is unfinished on the interior, which houses the GIS and related equipment. There is no elevator in this building. The improvements are serviced with fire sprinklers. The ground level includes a 5,000 kg overhead crane. Aerial imagery indicates that the roof features a vegetated covering. The exterior walls are windowless decorative concrete panels. There is a single, grade-level door on the east elevation. The site area not covered by the buildings is paved

and includes decorative concrete site improvements along the Folsom Street frontage. The overall condition of the improvements is nearly new.

*Property 2 – San Francisco Substation A (Potrero)  
1101 Illinois Street*

**Property 2** is located on the east side of Illinois Street between 22<sup>nd</sup> and 23<sup>rd</sup> Streets in the Central Waterfront/Dogpatch neighborhood. The aerial map depicting the proposed partial acquisition is reproduced below. (**Property 2.1** and **2.2** are a portion of the same Assessor's parcel and share the same site but have been given separate designations solely for purposes of the replacement cost estimate.)



**Property 2 (Potrero) Aerial View**

The larger parcel contains a total of approximately 382,021 square feet (8.77 acres), according to the SBE map. The site is level and at street grade. It is irregularly shaped, but functional. Most of the site is utilized as an open-air substation, as well as one enclosed metal building and a recently constructed steel frame and concrete structure that houses GIS equipment. A small portion of the site at the northeast corner of 23<sup>rd</sup> and Illinois Streets is fenced off and used by the gas division of PG&E. Similarly, a portion of the northeast corner of the site is fenced off from the electrical substation and is used as a construction yard and offices. Net of these areas that are not a part of the electrical substation, the net site area to be acquired is approximately 293,960 square feet (6.75 acres). For valuation purposes, we have assumed that the partial acquisition is a legally transferrable parcel and that any required lot line adjustments and/or subdivision have been completed.

Subsequent to the date of value but prior to the date of this report, PG&E sold a portion at the northeast corner of the larger parcel to the City and County of San Francisco. This portion of the site is not a part of the subject property appraised.

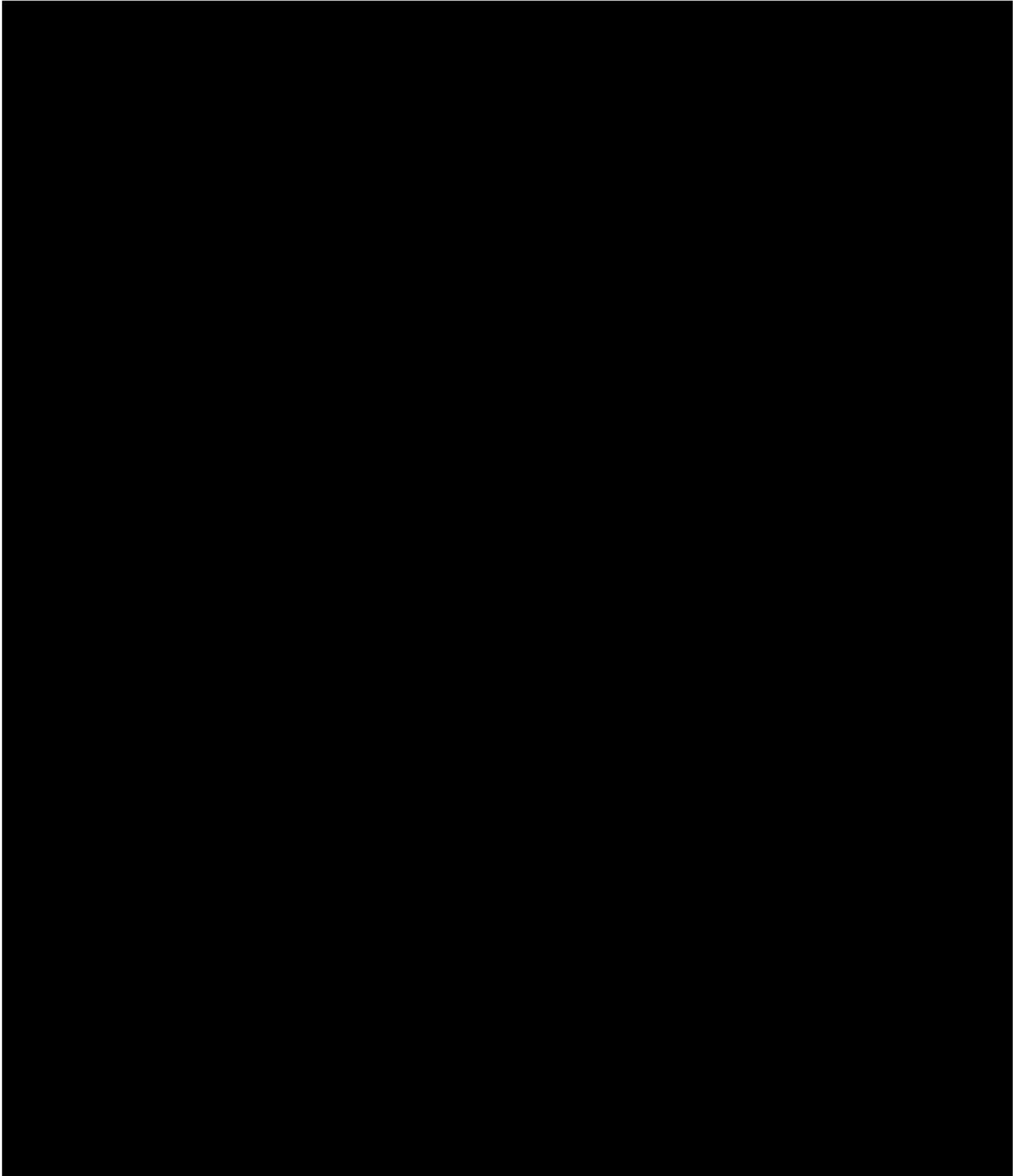
The majority of the Potrero substation site is unpaved and covered with crushed stone and surrounded by a perimeter security fence. There are also paved areas. Except for the site improvements immediately surrounding the recently constructed property situated on 23<sup>rd</sup> Street, where the site improvements are in like-new condition, the condition of the balance of the site improvements is fair.



**Property 2.1 (Potrero - 1201 Illinois St.) View Northwest**

**Property 2.1** (1201 Illinois Street) includes the outdoor substation site as well as a metal building of lightweight steel frame construction situated in the southwest quadrant of the site. The age of this structure is not known, but it appears to date from approximately 1970. The single-story building contains approximately 14,000 square feet. It is serviced with fire sprinklers but no heating or cooling. There are no finished areas on the interior. The condition of this structure is fair. A self-contained metal-clad switchgear unit is also situated on the site, but it is not a part of the real property.

The site is encumbered by an underground gas transmission (GT) pipeline that traverses the site as shown in red in the aerial view on the following page.



The gas transmission pipeline will reportedly require an easement in favor of PG&E extending 25 feet in either direction from the centerline of the pipeline. The easement language has not been finalized. However, we have been informed that the easement will permit surface use of the site for storage and vehicle and utility personnel foot traffic (no structural building improvements) ancillary to the electrical substation operation, subject to the following restrictions and in coordination with the fee property owner (City):

- right of entry for maintenance, repairs, and emergency access of the GT pipeline,
- limitations on weight to protect the pipeline,
- prohibition of electrical substation-related uses other than surface access and storage (switches, transformers, transmission lines, etc. not permitted),
- limitations on/approval of storage of materials hazardous and/or detrimental to the GT pipeline, or that could be hazardous due to proximity to the GT pipeline.

The easement area is estimated in the table below based on measurements using Google Earth and information provided by PG&E. The north portion (North ROW) along Illinois Street is estimated to run approximately 15 feet east of Illinois Street, and therefore the portion of the easement affecting the subject is 35 feet wide (50 feet – 15 feet in public right-of-way).

The pipeline runs east-west along the south line of Humboldt Street, which is a privately owned street that is part of the subject. The entire 50-foot width of the easement lies within the subject site. The South ROW runs more or less along the east property line, so the portion of the subject site that is affected is 25 feet wide. The net easement area after deducting for overlaps at the corners is summarized in the table below.

Potrero Substation Gas Transmission Line Easement	Gross Length (LF)	Overlap (LF)	Net Length (LF)	Width (LF)	Total SF
North ROW (1)	430	(50)	380	35	13,300
SL Hudson Street (E/W)	270	(25)	245	50	12,250
South ROW (2)	385	-	385	25	9,625
<b>Total</b>					<b>35,175</b>

(1) North ROW is apx 10' from Illinois Street so width of easement on subject parcel is 35' (15' is w/in Illinois Street)

(2) South ROW runs more or less along the east property line so 25' affects the subject site

This easement will be valued in Chapter V of this report, and the value will be deducted from the fee simple value of the unencumbered site.



**Property 2.2 (Potrero - 1101 Illinois St.) View Northwest**

**Property 2.2** (1101 Illinois Street) houses GIS equipment and was completed in 2018. It is very similar to **Property 1.2** in construction although it lacks a mezzanine. This structure contains approximately 15,704 square feet with a basement and ground level. The street address is 1101 Illinois Street. It is serviced with fire sprinklers and there is a 5,000 kg overhead crane mounted near the ceiling of the ground level. Aerial imagery indicates the roof has a vegetated covering. Site improvements include a concrete masonry security wall surrounding the yard area, with mechanical security gates. The yard area is partially paved and partially covered with crushed stone. The condition of the site and building improvements was nearly new as of the effective date of value.

**Property 3 – San Francisco Substation P (Hunters Point)**

1000, 1010-1030, 1059-1075, 1180 Evans Avenue, 200-298 and 5000 Hunters Point Boulevard, 1051 Hudson Avenue

**Property 3** is the former Hunters Point Power Plant now used as a substation. This property consists of eight parcels of land situated near the intersection of Evans Avenue and Jennings Street/Middle Point Road in the Hunters Point neighborhood. There are no structures on these sites. An aerial map depicting the parcels is reproduced below. The parcel lines are delineated in the SBE maps in the Addenda of this report, as well as in the individual aerial photographs on the following pages.



**Property 3 (Hunters Point) Aerial View**

**Property 3.1** (1180 Evans Avenue) is situated at the northwest corner of the intersection of Jennings Street and Evans Avenue. This rectangular site contains approximately 79,680 square feet (1.83 acres). It is currently paved (average condition) and improved with a perimeter fence that is in good condition. It is our understanding that this site is reportedly planned for a future GIS structure to replace the outdoor substation currently on **Property 3.2**.

**Property 3.2** (1010-1030 Evans Avenue) is located east of Jennings Street on the north side of Evans Avenue, extending to the Bay. Portions of the east end of the site are

# AERIAL MAPS - PROPERTY 3 HUNTERS POINT



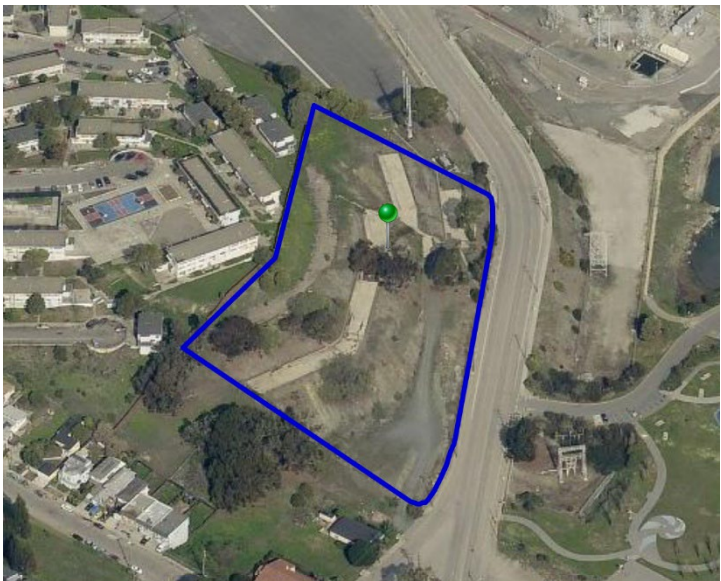
**Property 3.1 - 1180 Evans Ave**



**Property 3.2 - 1010 - 1030 Evans Ave**



**Property 3.3 - 1135 Evans Ave**



**Property 3.4 - 200-298 Hunters Point Blvd**

**AERIAL MAPS – PROPERTY 3 HUNTERS POINT**



**Property 3.4 – 1051 Hudson Ave**



**Property 3.5 – 5000 Hunters Point Blvd**

**Property 3.6 – 1000 Evans Ave**

submerged. The site contains approximately 281,659 square feet (6.47 acres), including the submerged portion. Topography varies, but it is generally below street grade and slopes to below the water level at the eastern border. The southeastern portion of the site is largely unimproved. The western portion is improved as an open-air substation. Site improvements consist of perimeter fencing and crushed stone with some paving, which is in fair to average condition. The shape is highly irregular, although the portion improved with the substation is generally rectangular and functional. Note that this parcel does not include land that was subdivided from the larger site located to the north and east.

**Property 3.3** (1135 Evans Avenue) is located at the southwest corner of Evans Avenue and Middle Point Road, which becomes Jennings Street north of Evans Avenue. The irregularly shaped site contains approximately 85,747 square feet (1.97 acres). The site consists of a rocky cliff along Evans Avenue, rising steeply to the south with a highly irregular topography. There is a portion near the center of the site that is generally level and is improved with electrical transmission/distribution equipment, which is not included in the real property valuation as it is to be valued by others. The topography of the site significantly impacts its functional utility. Site improvements are limited to perimeter fencing in fair to average condition.

**Property 3.4** (1059-1075 Evans Avenue and 1047) is located across Evans Avenue to the north of **Property 3.2**. The northwestern portion of the parcel is paved and fenced and largely level, although there are unusable portions on the north and south property lines due to slope, as well as along the eastern edge. This portion of the site contains approximately 151,588 gross square feet (3.48 acres), according to the Assessor's records. The majority of the site is currently paved and fenced and traversed by multiple overhead electrical power lines. The site improvements are in fair to average condition.

The remainder of **Property 3.4** is unimproved land with relatively steep topography and limited functional utility as a result. It consists of two parcels. The site just to the south of 1059-1075 Evans Avenue along the northwest line of Hunters Point Boulevard has an address of 200-298 Hunters Point Boulevard. This site includes what appear to be the foundations of former buildings, likely multi-unit residential, situated on terraces toward the upper portion of the site. This site contains 158,122 square feet (3.63 acres) according to the Assessor's records. The second parcel is contiguous to this parcel, and it has an address of 1051 Hudson Avenue. The site contains 15,999 square feet (0.37 acres) according to the Assessor's records. It has frontage on Hudson Avenue, which is a paper street. Site improvements for these two sites is limited to perimeter fencing that is in fair to average condition

**Property 3.5** (5000 Hunters Point Boulevard) is located downslope from Hunters Point Boulevard on the east side of the street, and it is surrounded by India Basin Park. The site is approximately 20 feet below street grade at a 35% grade change and is therefore accessible only via a staircase from the public right-of-way. There does not appear to be vehicular access to this site. The site contains 14,345 square feet of which approximately 7,000 square feet is level, usable site area that is covered in crushed rock. The site perimeter is improved with chain link fencing in fair to average condition. As of the

effective date of value it was improved with a transmission tower, which is not included in the real property valuation as it is to be valued by others.

**Property 3.6** (1000 Evans Avenue) is located at the northeast corner of Evans Avenue and Jennings Street, wrapping around the main substation site (**Property 3.2**). The gross site area is approximately 16.384 acres according to the SBE map (713,687 square feet). Of this amount, 61,964 square feet consists of paper (unimproved) public streets. The site area net of paper streets is 448,684 square feet. There is also open water (although reportedly not navigable), as well as a saltwater pond and portions of the Bay Trail. The water components of the site total approximately 178,278 square feet, and the Bay Trail occupies approximately 24,761 square feet of the shoreline. The uplands perimeter is subject to Bay Conservation and Development Corporation (BCDC) jurisdiction. The net usable site area is estimated as follows:

<b>Property 3.6 (1000 Evans Avenue) Net Site Area</b>	<b>SF</b>	<b>AC</b>
Gross Area of Entire Site	713,687	16.38
Less Paper Streets	(61,964)	(1.42)
Site Area net of Paper Streets	651,723	14.96
Less Open Water & Tidal Lagoon	(178,278)	(4.09)
Less Bay Trail	(24,761)	(0.57)
<b>Net Usable Site Area</b>	<b>448,684</b>	<b>10.30</b>

The usable portions of the site are currently entirely paved and fenced. The paving is in average condition and the fencing is in fair to average condition. The paving is likely a requirement of the Soils Management Plan required due to the Naturally Occurring Asbestos (NOA) that is present at the surface of the site. It is generally level and at street grade with an irregular shape.

***Property 4 – San Francisco Substation W (Bayshore)***  
*151-157 Bayshore Boulevard*

**Property 4** is known as the Bayshore Substation located in the Bayshore district. The rectangular site is level and at street grade with frontage on Bayshore Boulevard and Barneveld Avenue. It contains approximately 55,930 square feet (1.28 acres). Site improvements consist of perimeter security fencing, crushed stone and some paving. There is a small concrete masonry building near the center of the site of approximately 1,600 square feet. The improvements are in fair to average condition.



**Property 4 – (Bayshore) View West**

***Property 5 – San Francisco Substation Y (Larkin)***  
*538 Eddy Street*

**Property 5** is known as the Larkin Substation and consists of two structures. The site is located at the northeast corner of Larkin Street and Eddy Street in the Polk Gulch portion of the Tenderloin neighborhood. The rectangular site slopes downward to the south and east with the street grade. The site contains approximately 46,875 square feet (1.08 acres).



**Property 5.1 (Larkin Original) View Northeast**

The original improvements (**Property 5.1**), located on the west portion of the site, were constructed in 1962 and are historically rated. The structure consists of a basement, ground floor and mezzanine level, with concrete and steel structural components, and concrete panel exterior walls with a decorative stone finish but no exterior fenestration. The building is serviced with fire sprinklers and mechanical ventilation but no air cooling or heating. The interior is primarily unfinished industrial space housing electrical equipment. There is a single roll-up door on the east side of the building, which accesses the ground floor but it is above the grade of the yard area due to the grade change. The overall condition of the improvements is average.



**Property 5.2 (Y - Larkin Expansion) View North**

**Property 5.2** is the expansion completed in 2021. The improvements contain approximately 12,200 square feet consisting of a basement, ground and second floor. The partial ground floor consists primarily of the service entry, lobby and stairwell. This building houses GIS equipment and is structurally similar to **Properties 1.2 and 2.2**. It is serviced with fire sprinklers. There is no elevator and no mechanical heating or cooling. There is a solar photovoltaic (PV) array mounted on the roof, and a roll-up door at grade level on the south elevation. The yard area at the front of the building is paved and secured by a decorative security fence with motorized vehicle gate. The overall condition of the improvements is like new, although the vegetated wall at the front of the building appears to be somewhat deteriorated.

***Property 6 – San Francisco Substation X (Mission)****66 8th Street, San Francisco*

**Property 6** is the Mission Substation located at the northwest corner of Mission and 8<sup>th</sup> Street in the Mid-Market neighborhood. The site consists of a generally rectangular parcel containing approximately 44,617 square feet, or 1.02 acres. The parcel also includes a driveway that extends westward to Laskie Street, which is an alley. The western portion of the site is paved and surrounded by a security fence with automatic security gate on Mission Street.



**Property 6 (Mission) View West**

The improvements on this site were originally constructed in 1948. While it has not been historically rated, it has been surveyed and appears eligible for inclusion on the National Register of Historic Places, according to the Planning Department. The design is in the modern style, completed in 1948 and designed by architect William Merchant. It includes two bas-relief cast stone sculptures on the east façade identified as “Power” and “Light.” It is highly likely that this property would be considered historical if alterations were proposed to the exterior, or if it were to be proposed for demolition.

The steel and concrete structure has a basement and three partial above-grade levels. The exterior is improved with decorative aggregate panels and stone panels. The gross building

area is estimated at approximately 89,100 square feet. The property reportedly underwent repairs after a fire in 2013. The basement, ground and second floors are utilized for conventional electrical equipment. The third floor was recently improved with GIS equipment that freed up space on the second floor, which remains unused. The building has multiple stairwells. It is serviced with fire sprinklers but no mechanical heating or cooling. The interior is unfinished industrial space. There are multiple roll-up doors on the west elevation used to install and remove equipment. Two of these doors access the third and fourth floor and would require a crane or forklift for access, as the building lacks a freight elevator. The overall condition is average.

***Property 7 – San Francisco Substation L***  
*2475 Ocean Avenue*

**Property 7** is known as Substation L in the Balboa Terrace neighborhood. The trapezoidal site is level and at street grade, containing approximately 17,076 square feet, or 0.39 acres. The site is surrounded by a perimeter security fence and the paving is crushed stone.



**Property 7 (Substation L) Larger Building View Northwest**

**Property 7** consists of two structures on the site. The smaller of the two is a vacant single-story concrete building with no basement. All equipment has been removed and it is no longer used by PG&E. It contains approximately 1,750 square feet and is in below average condition. Considering its age, condition, and unused status, it does not appear to add value to the underlying site and is not included in the valuation.

The larger of the two buildings is largely unused but it does contain some electrical equipment. This one-story plus mezzanine concrete building contains approximately 3,500 square feet and was built in 1926. It is not serviced with fire sprinklers. There is a grade-level roll-up door on the south elevation. Most of the electrical equipment for this substation has been relocated to the yard area, including a transformer and a self-contained switchgear unit that is not included in the valuation of the real estate. The condition is fair. The interior is unimproved, and it is not serviced with HVAC.

***Property 8 – San Francisco Substation G***  
*1200 Broderick Street*

**Property 8** is known as Substation G. This substation is situated on a sloping site at the northeast corner of Broderick and Ellis Street in the Anza Vista neighborhood.



**Property 8 (Substation G) View Northeast**

**Property 8** is on an irregularly shaped site and contains a total of approximately 15,468 square feet (0.36 acres). There is a fenced yard area that is paved at the north end of the site. The balance of the site is improved with a one-story plus mezzanine and partial basement concrete building built in 1935. According to the Planning Department, the improvements are age-eligible for a historic rating. The gross building area is approximately 25,468 square feet, of which a substantial portion is unused. The structure is partially serviced with fire sprinklers but has no mechanical HVAC. There is a single grade-level equipment door on the west elevation. The overall condition is fair to average.

***Property 9 – San Francisco Substation E***  
*205 Lexington Avenue*

**Property 9** is known as Substation E and is a rectangular site situated between Lexington and San Carlos Avenues on the south side of 19<sup>th</sup> Street in the Mission district. The site area totals approximately 13,175 square feet (0.30 acres). It is level and at street grade.

Improvements at **Property 9** were constructed in 1930 and include steel, concrete and some infill hollow tile construction. There is evidence of steel seismic reinforcement on the interior. There is a single roll-up door on the west side of the building.



**Property 9 (Substation E) View southeast**

The improvements cover all but a portion of the northwest corner of the site, which is fenced and landscaped. The gross building area of this one-story plus mezzanine building is approximately 16,635 square feet. Most of the mezzanine area and much of perimeter ground floor area is unused and the equipment has been removed. The interior is unfinished industrial space, and it is serviced with fire sprinklers. There is no mechanical heating or cooling. The overall condition is fair. The improvements are historically rated.

*Property 10 – San Francisco Substation F (Marina)  
1570 Bay Street*



**Property 10 (Marina Substation) View North**

**Property 10** is known as the Marina Substation in the Marina District. This mid-block, L-shaped site contains approximately 13,111 square feet (0.30 acres). It is level and at street grade. The site improvements at Property 10 are limited to a perimeter concrete wall and fencing, as well as security gates. The site is fully paved, likely due to the known soil and groundwater contamination affecting the site. There are no structural improvements on this site. The site improvements are in average condition.

***Property 11 – San Francisco Substation K***  
*679 24th Avenue*

**Property 11** is known as Substation K and is situated on a sloping site at the northwest corner of Balboa Street and 24<sup>th</sup> Avenue in the Richmond district.

The rectangular site of **Property 11** contains a total of approximately 12,398 square feet (0.28 acres). There is a fenced yard area to the west and south of the building. The southern yard area is paved, while the eastern yard area is covered with crushed stone. The balance of the site is improved with a one-story plus mezzanine concrete building built in 1915. It appears to have been reinforced with steel on the interior sometime after the original date of construction.



**Property 11 (Substation K) View Northeast**

According to the Planning Department, the improvements are historically rated. The gross building area is approximately 7,800 square feet, most of which is being utilized for equipment. The structure is not serviced with fire sprinklers and it has no mechanical heating or air conditioning. The interior is unimproved industrial space and the overall condition is average.

***Property 12 – San Francisco Substation J***  
*530 Sacramento Street*

**Property 12**, known as Substation J, is located in the North Financial district, consisting of the western portion of the block bounded by Sacramento, Leidesdorff, Commercial and Sansome Streets. The L-shaped parcel contains approximately 8,395 square feet (0.19 acres). It is level and at street grade with frontage on three streets. The improvements cover the entire site.



**Property 12 (Substation J) View Northeast**

The poured-in-place concrete and steel structure was built in 1925 and contains approximately 24,574 square feet. The improvements contain a basement, ground level, partial second level mezzanine and partial third level. Most of the second and third levels, and a portion of the mezzanine area are unused. There is evidence of seismic reinforcement on the uppermost level. The basement was flooded due to recent heavy rains during the time of inspection. The interior is unfinished industrial space with no mechanical heating or cooling. There are fire sprinklers present in a portion of the building. There is a roll-up door on the north elevation, and two large equipment doors on the south elevation. The overall condition is average. This Beaux Arts style building is historically rated and it is on the National and California Registers of Historic Places. It is also designated a Category I historic structure under Article 11 of the Planning Code.

### ***Properties 13 – 29 (Unit Substations)***

**Properties 13 – 29** consist primarily of small lots located in residential neighborhoods that lack structural building improvements. The sites range in size from less than 2,000 square feet to approximately 6,500 square feet. Most of the sites are not paved and are used as sites for electrical transformers and related equipment that is mounted outdoors. These sites have security fencing where the perimeter is not abutting another building, and a gate at the street frontage. The condition of the site improvements varies slightly but is generally consistent, typically reflecting fair to average condition.

In two cases (**Properties 15 & 24**), there are small, unused, vacant structures on the sites. The transformers and switchgear are mounted in the yard area rather than inside the structure. The vacant structures are functionally obsolete and thus do not contribute value to the underlying land. Value-contributing improvements for these unit substations consist of the depreciated cost of existing perimeter fencing, gates, and in some cases, paving.

**Property 14** (Randolph) is encumbered by a perpetual easement in favor of the City and County of San Francisco (CCSF) that affects the northerly 2,215 square feet. That portion of the site is improved with a structure that is not a part of the subject property appraised.

Photographs for **Properties 13-29** are provided in Attachment A.

### ***Property 30 – Egbert Switching Station***

*1755 Egbert Avenue*

**Property 30** is the future Egbert Switching Station site and consists of a vacant site of approximately 74,923 square feet (1.72 acres) located in the Bayview District. This parcel was recently acquired for the construction of a switching station for a secondary transmission line to enhance grid resilience. It is irregularly shaped and unimproved except for temporary construction fencing. The site is level and at street grade.

***Property 31 – San Francisco Substation H (Martin)***  
*3150 Geneva Avenue, Brisbane, San Mateo County*

**Property 31** is the Martin Substation located at the southwest quadrant of Bayshore Boulevard and Geneva Avenue in the City of Brisbane, San Mateo County. It consists of approximately 36.78 acres (1,602,313 square feet) south of Geneva Avenue, west of Bayshore Road, and north of Main Street. It does not include the Daly City PG&E yard to the west, which is utilized for gas operations. The site also excludes a small parcel at the immediate corner of Bayshore Road and Geneva Avenue improved with a commercial structure. Addresses include 3150 Geneva Avenue and 2850 and 3150 Bayshore Road. The site has a zoning designation of C/P U (Commercial/Public Utilities) and a height limit of 50 feet for public utility use (28 feet for commercial use). The maximum coverage for public utility use is 90% and the maximum floor area ratio is 2.0. A 50-foot setback is required from all property lines for public utility use.

**Property 31 (Martin Substation) Aerial**

The majority of the site is level and at street grade, representing functional industrial land. However, the site also includes unusable areas including approximately 7.00 acres of wetlands in the southern quadrant of the site. There is also a gas transmission (GT) pipeline control yard of approximately 8,300 square feet that is fenced and used exclusively by PG&E gas operations located at the northeast corner of the site south of the commercial

site at the corner of Bayshore Road and Geneva Avenue. That portion of the site has direct access to Bayshore Road.

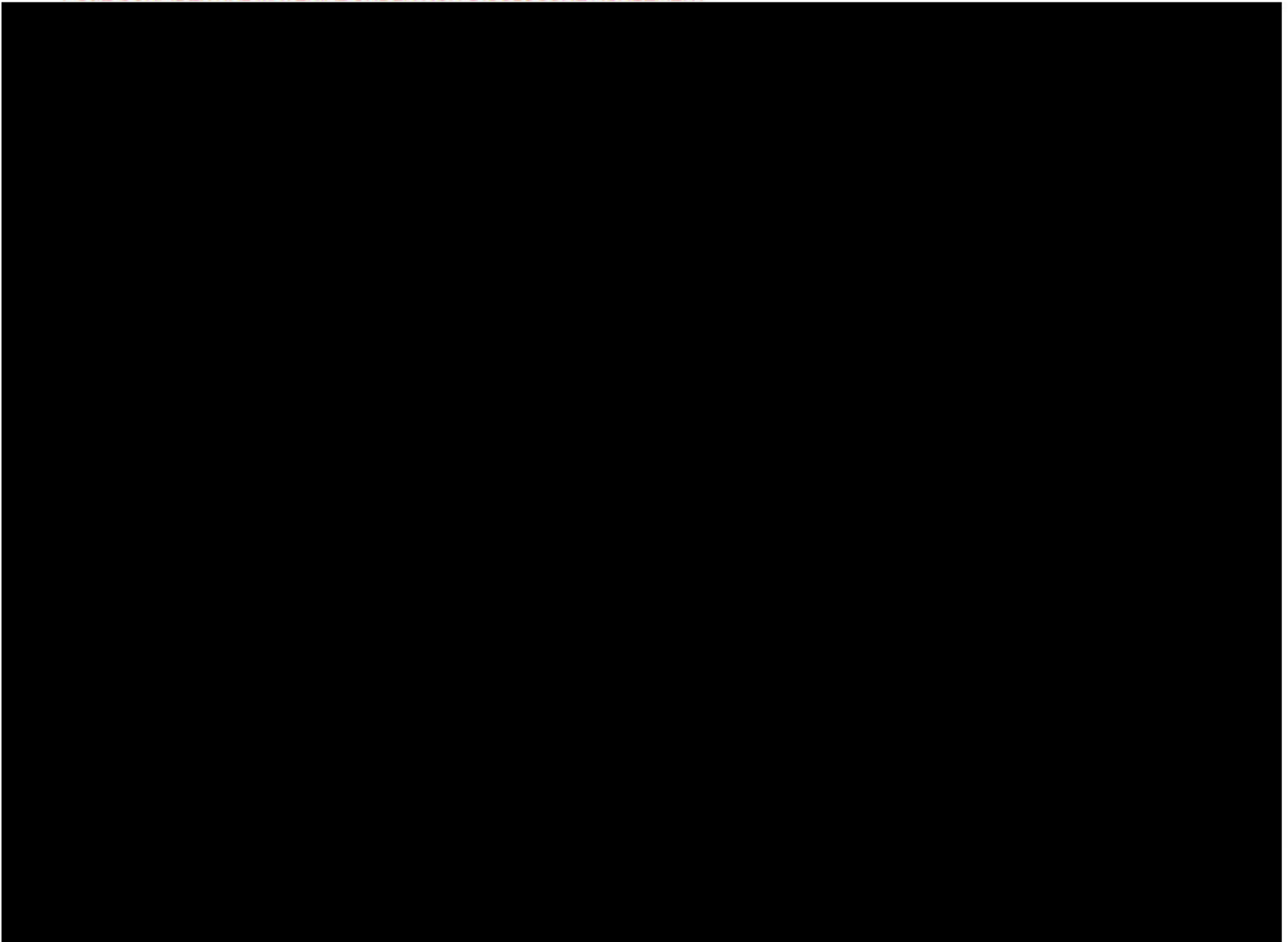
The net site area is approximately 29.59 acres (1,289,093 square feet). The gross and net site areas are detailed in the table below.

MARTIN SUBSTATION	SF	AC
Gross Area of Entire Site	1,602,313	36.78
Less Wetlands/Unusable	(304,920)	(7.00)
Less PGE GT Pipeline Control Yard	(8,300)	(0.19)
<b>Net Usable Site Area</b>	<b>1,289,093</b>	<b>29.59</b>

There is also an underground gas transmission (GT) pipeline (24-inch) that traverses the northern portion of the site as shown in orange in the aerial view below:

PGE000112462-CONF

PG&E CONFIDENTIAL MATERIAL UNDER NON-DISCLOSURE AGREEMENT



The gas transmission pipeline will reportedly require an easement in favor of PG&E extending 25 feet in either direction from the centerline of the pipeline. The easement language has not been finalized. However, we have been informed that the easement will permit surface use of the site for storage and vehicle and utility personnel foot traffic (no structural building improvements) ancillary to the electrical substation operation, subject to the following restrictions and in coordination with the fee property owner (City):

- right of entry for maintenance, repairs, and emergency access of the GT pipeline,
- limitations on weight to protect the pipeline,
- prohibition of electrical substation-related uses other than surface access and storage (switches, transformers, transmission lines, etc. not permitted),
- limitations on/approval of storage of materials hazardous and/or detrimental to the GT pipeline, or that could be hazardous due to proximity to the GT pipeline.

The net easement area after deducting corner overlaps is estimated in the table below based on measurements using Google Earth and materials provided by PG&E. The easement will be valued in Chapter V of this report.

MARTIN GAS TRANSMISSION LINE EASEMENT	Gross Length (LF)	Overlap (LF)	Net Length (LF)	Width (LF)	Total
Along Geneva Avenue	1,050.0	(25.0)	1,025.0	x 50.0 =	51,250.0
Along East Property line	100.0	(12.5)	87.5	x 25.0 =	2,187.5
<b>Total</b>					<b>53,437.5</b>

The GT valve yard at the northeast corner of the site of approximately 8,300 square feet will also require an easement. However, due to its exclusive nature it represents a constructive fee take and therefore we have excluded the area from the net site area used for valuation purposes.

Structural building improvements on this site include three storage buildings that are functional and used by PG&E. There is also an older, possibly historic building near the Geneva Avenue frontage that is not used by PG&E. We have not included this building in the valuation as it does not appear to be currently utilized and does not contribute value in excess of land.

The building improvements that do contribute value in excess of land are identified as Building F, G, and H. Characteristics of these structures are summarized in the table below.

ID	Address	Bldg Area (SF)	Year Built	Stories	Constr. Type	Primary Use
F	2850 Bayshore Rd	14,500	1960	1	CTU	Storage
G	N/A	11,700	1983	1	Metal	Storage
H	3150 Bayshore Blvd	12,800	2021	1	Metal	Storage

Buildings F and G are older buildings in average condition for their age. Building H was new (2021 completion) as of the effective date of value.

Site improvements within the 12-foot concrete masonry wall that encircles the substation portion of the Martin property consists primarily of crushed rock ground covering. The area surrounding Buildings F and G include asphalt paving and some concrete paving, as well as crushed rock. The condition of the site improvements is average.

The area south of the wetlands and creek is unimproved and used for materials storage. The entire site perimeter is surrounded with either a concrete wall in the vicinity of the north portion of the substation, or chain link fencing topped with barbed wire or razor wire.

***Property 32 – Beeman Lane***  
*3789 San Bruno Avenue*

The site commonly referred to as the Beeman Lane parcel is identified as State Board of Equalization (SBE) Parcel No. 135-38-018-7. It is identified by the San Francisco Assessor Lot 001A of Block 5067. The street address is 3789 San Bruno Avenue in the City and County of San Francisco. The total site area according to the Assessor's records is 4,721 square feet (0.11 acres). The site has dual street frontage on San Bruno Avenue and Wabash Terrace, the latter of which ends in a cul-de-sac with Racine Lane at the southeastern property line. Beeman Lane is shown on the SBE map as a 10-foot-wide public right-of-way that is currently improved with concrete stairs. The topography of the site is steeply sloping downward from San Bruno Avenue.

The site is zoned RH-1 (one-family residential), with a 40-foot height limit. A maximum of two dwelling units are allowed (one primary plus one accessory dwelling unit, or ADU). The Planning Department records indicate a 5-foot legislated setback along Wabash Terrace. In addition, the SBE Map shows a 10-foot Public Service Easement along the southeastern property line.



**Subject Beeman Lane Parcel View North**

According to the SBE Map, the subject site lies entirely within a Southern Pacific Company Subsurface Tunnel Easement. A preliminary title report was not available for review, and a copy of the tunnel easement was not available for review in order to ascertain the extent, if any, of surface and subsurface development restrictions affecting the site. The entire neighborhood is built up with two- and three-story residential buildings, including within areas that the SBE map indicates the tunnel easement traverses to the northeast and southwest of the subject. This pattern of development would suggest that the construction of low-rise residential buildings is allowed within the tunnel easement area. For purposes of this analysis, we have assumed the site is buildable.

The site is approximately 51 feet wide. It is reportedly traversed by a 115 kV subterranean electrical transmission line extending through the middle of the site from Wabash Terrace to San Bruno Avenue. According to a representative of the San Francisco Public Utilities Commission (SFPUC), the recommended setback for structures including foundations is a minimum of 10 feet from the transmission line, unless access is available from the other sides, in which case the recommended minimum setback is three feet.

The implication of the various setbacks on the development potential of the site (assuming the tunnel does not preclude structures) is that the building envelope would be restricted. Assuming the transmission line runs mid-way through the site, there would be approximately 25 feet of lot width on either side of the transmission line, after allowing for 50% of the assumed width of the high- pressure gas-filled pipe (8 5/8") that encloses the transmission line. Building structures on both sides of the line would necessitate a 10-foot setback on each side, reducing the buildable area to approximately 15 feet wide (25 feet on either side of the transmission line less a 10-foot setback) by 61 feet (after deducting 30% of the 94-foot depth for the rear yard requirement). The resulting narrow building configuration would be suboptimal from a marketability and functional standpoint. The other alternative is to build the main structure on one side of the transmission line with a 3-foot setback (22-foot-wide building), and then retain the remainder of the site opposite the transmission line as yard area, or improve it with a garage, small ADU, or other small structure that could be accommodated within the 15-foot remaining building envelope.

Finally, it is also possible that the presence of the transmission line could adversely affect marketability due to perceived adverse health impacts held by some potential end users.

In summary, assuming the tunnel does not preclude development of a structure on the site, the electrical transmission line impairs, but it does not appear to entirely eliminate the development potential of the site. For purposes of this valuation, we have assumed it is buildable subject to the existing setback requirements.

***Property 33 – Substation I***  
*111-117 8<sup>th</sup> Street*

**Property 33** is Substation I, which has been deactivated. It is located mid-block between Mission and Minna Streets in the West SoMa neighborhood. The site is irregularly (“S”) shaped but generally functional, with secondary street frontage on Minna Street. The site contains approximately 10,000 square feet, and all but 720 square feet is covered by the building. The western nine feet of the site is paved and gated for use as yard area/parking. The improvements were built in 1900 according to the public record. Construction type includes a mix of concrete and unreinforced masonry, with some steel structural elements. Of the 9,880 square feet of building area, approximately 600 square feet is mezzanine space in this one-story building. The condition of the improvements is average for their age.



## H. Appurtenant Easements, Leases, Licenses, and Other Property Interests

According to information supplied by PG&E, PG&E holds approximately 3,000 appurtenant easements, licenses, permits, agreements, and similar rights to use property owned in fee by others that are reported by PG&E to be part of the electrical grid serving the city of San Francisco, California.<sup>1</sup> These property interests are identified in Attachment D.

The vast majority of these easements and other interests were granted without consideration, including as a condition of providing electrical service.<sup>2</sup> Many of the easements are non-exclusive. Many of the pole and wire easements, for example, are shared with telecommunication providers. Some of the underground easements also provide for natural gas and/or water lines.

Many of the easements, licenses, permits, leases, and other agreements that function as part of the electrical grid are general and authorize installation of water, gas, and electrical equipment. We have been advised that the City will only acquire those easements where an asset used by PG&E to provide transmission or distribution electric service to customers in the City is actually present in the identified area, when the easement or other non-fee property interest has not expired.

If the easement or other non-fee property interest was granted to PG&E by the City or a City department, commission, board or other City entity, the City will not acquire it (it is not needed by City).

The value of these electrical grid easements and other interests for which consideration was paid, as well as the electrical grid easements and other interests where no consideration was paid, is subsumed in the market value conclusion of the comparable land sales. This is because each of the comparable land sales reflects a site serviced with electricity, which enhances its value. Electrical service requires a functioning electrical grid for which these various non-fee property rights are an integral part. Therefore, the land value based on comparable land sales necessarily includes the contributory value of these easements, licenses, permits, leases and other agreements. Adding any additional amount to the fee value conclusion of the land would result in double-counting the benefit conferred by these various agreements.

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<sup>1</sup> Attachment D, List of property interests were provided in PG&E's confidential documents pertaining to these property interests were provided in PG&E's Response to CCSF Data Request Set 12, Questions 1-6, dated January 30, 2023 and February 2, 2023 (Supplemental), and May 15, 2023 (Supplemental 02).

<sup>2</sup> PG&E's Response to CCSF Data Request Set 12, Question 3 ("PG&E does not typically pay land owners for easements related to providing new service on those owners' property. It is a requirement of an applicant under PG&E's tariff Rule 16 that land rights be given to PG&E at no cost.")

## IV. HIGHEST AND BEST USE AND VALUATION METHODOLOGY

### A. Highest and Best Use Definition

*The Dictionary of Real Estate Appraisal* (7th Edition 2022, page 89) defines “highest and best use” as follows:

“The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

Determination of the highest and best use for a property is essential in order to select the proper land sale comparables, which must have a similar highest and best use. The highest and best use of the subject property can also influence the methodology employed in the valuation process.

The individual substation sites are generally functional sites suitable to a variety of legally allowed uses. Physical characteristics do not limit the highest and best uses of the subject properties. The existing zoning restrictions are consistent with surrounding properties and do not adversely affect the highest and best use of the subject sites as vacant.

The highest and best use of the subject property is the current use as the real property component supporting the electrical grid serving the City and County of San Francisco. Redevelopment of the individual sites for alternate uses would not be practical, as the grid functionality would be adversely affected. Further, as shown in table C-3 (Attachment C), the sites improved with enclosed substations identified in Table A-2 (Attachment A) add significant value to the underlying land and should be retained. In addition, most of the older structures are historically protected such that demolition and redevelopment would not be permitted. Thus, the highest and best use of the subject properties as improved is the current use.

### B. Methodology

The valuation of any parcel of real estate is typically derived through three primary approaches to the market value. From the indications of these analyses, and the weight accorded to each, an opinion of value is reconciled. Each approach is more particularly described below.

#### 1. Cost Approach

This approach begins with an estimation of land value as if vacant. The replacement cost of the improvements is then estimated, from which is deducted the appraiser's estimate of physical deterioration, functional obsolescence and economic (external) obsolescence, as observed during inspection of the property and its environs. The cost approach is based on the premise that, with few exceptions, the value of a

property cannot be greater than the cost of constructing a building of similar appeal, quality and utility on a comparable site, plus the cost of that site.

## 2. Sales Comparison Approach

This approach is based on the principle of substitution, i.e., the value of a property is governed by the prices generally obtained for similar properties. In analyzing the market data, it is essential that the sale prices be reduced to common denominators based on market behavior, in order to relate the degree of comparability to the property under appraisal. The difficulty in this approach is that two properties are never exactly alike.

## 3. Income Approach

An investment property is typically valued based on its ability to produce income. The operative principle here is the principle of anticipation. Hence, the income approach involves an analysis of the property with respect to its ability to produce a net annual income. This estimated income is then capitalized at a rate commensurate with the risks inherent in ownership of the property, relative to the rate of return offered by other investments.

The subject property consists of 33 individual substation sites, 12 of which are improved with one or more special-purpose industrial buildings that house electrical equipment (**Properties 1, 2, 4, 5, 6, 7, 8, 9, 11, 12, 31, and 33**). The remaining 21 sites consist of unenclosed distribution substations that either lack building improvements entirely or include functionally obsolete buildings that are vacant and unused (**Properties 15 & 24**).

The subject properties represent special purpose, limited market properties, for which the cost approach is the most reliable method of valuing the real property (land and improvements). The sales comparison approach is not applicable to valuing the real property due to the unique nature of the improvements, and the paucity of comparable sales transactions involving real property only. While the income approach is a reliable method for valuing the operating enterprise, it is unreliable for valuing the real estate component only, because the buyer of such property would be unable to look to the market to determine the income such properties can generate in light of the regulatory constraints placed on such special purpose properties. Therefore, the sales comparison and income approach are not used in this appraisal to value the real property. The subject property is therefore valued using the cost approach as presented in the following chapter.

The cost approach first values the land by comparison to recent, comparable land sales. The depreciated replacement cost of any existing functional structural and site improvements is then added. The result is a market value indication for the property, also referred to as Replacement Cost New Less Depreciation (RCNLD) including land.

The effective date of value is July 27, 2021.

**V. VALUATION BY THE COST APPROACH**

In the cost approach, the value of each of the subject property sites is estimated assuming the site is unimproved, vacant land by direct comparison to other sites in the area that have recently sold primarily on a price per square foot of land area basis. The next step is to estimate replacement cost new of any existing, functional site and/or structural building improvements. From this amount any existing depreciation is deducted, resulting in a depreciated replacement cost. Land value is then added to the depreciated replacement cost (RCNLD) resulting in a market value estimate for each of the subject properties. The valuation process is summarized as follows:

Step 1. Estimate Land Value (\$/SF x Site SF)

Step 2. Estimate RCNLD (Replacement Cost New – Depreciation)

Step 3. Fair Market Value = Land Value + RCNLD

**A. Land Valuation**

The value of each of the subject property sites is estimated by comparison with recent sales of land in the surrounding area and considering the current use of the subject. The comparable land sale data is included in Attachment B at Tables B-1, B-2, B-3, and B-4. The most commonly used basis of valuation for land of this type is price per square foot of land area.

The concluded land values are presented in the Valuation Summary table identified as Table C-3 in Attachment C.

***Land Valuation – Properties 1, 2, 5, 6, 12, & 33***

No.	PG&E ID	Address	Site Size (SF)	Zoning
1.1	Z Embarcadero	405 Folsom St	22,900	RH/DTR
1.2	Z Embarcadero	425 Folsom St	10,310	RH/DTR
2	A Potrero	1101 &1201 Illinois St	293,960	M-2/PPS MU
5	Y Larkin	538 Eddy St	46,875	RC-4
6	X Mission	66 8th St	44,617	C-3-G
12	J	530 Sacramento St	8,395	C-3-O
33	SF Substation I	111-117 8th Street	10,000	WMUG

**Properties 1, 2, 5, 6, 12 and 33** are located in the Downtown and Central Waterfront areas. Table B-1 contains six comparable land sales used for valuation of these subject properties. These six sales reflect a unit price range of \$286 to \$536 per square foot.

The table below summarizes each of the six comparable land sales used to value these subject properties. These sales are summarized from Table B-1 in Attachment B.

**COMPARABLE LAND SALES PROPERTIES 1, 2, 5, 6, 12, & 33**

No.	Address	Sale Date	Site Size (SF)	Zoning	Height Limit (ft)	Sale Price per SF
1	168 Turk Street	12/21	4,203	RC-4	80'	<b>\$286</b>
2	514-580 Minna Street	8/20	3,371	MUG	45'	<b>\$504</b>
3	1850 Bryant Street	8/19	36,500	PDR-1-G	68'	<b>\$493</b>
4	31-33 Norfolk Street	2/19	5,975	WMUG	55'	<b>\$536</b>
5	901 Illinois Street	2/19	66,780	P70 SUD	65'	<b>\$364</b>
6	1401 Illinois Street	5/18	80,000	PDR-1-G	40'	<b>\$293</b>

Market conditions for all types of real estate were trending upward until the onset of the pandemic in March 2020. Slight upward adjustment is supported for Sales 3 through 6. Industrial land values remained relatively stable through 2021, as industrial uses were less impacted by the pandemic than other uses such as office, retail, and hospitality. No adjustment is necessary for Sales 1 and 2 for changes in market conditions.

Size does not have a consistent relationship to price per square foot of land for this type of property in San Francisco, due to the supply-constrained nature of the market. No adjustment is necessary to the comparable land sales for size.

The subject sites have a variety of zoning designations and height limits, and generally, height limits and density are positively correlated, as higher density generally translates to higher land value per square foot. However, the highest and best use of the subject sites as industrial use as part of the electrical grid places a practical limit on achievable density, since most industrial users prefer to be at grade with above- or below-grade levels reflecting reduced functional utility. Considering the highest and best use of the subject sites is industrial as part of the electrical grid, we have considered the higher permitted density of Sales 1 and 6 to support a unit value at the upper end of the range of the comparable land sales. All of the sales are functional industrial sites similar to the subject sites with no adjustment indicated.

**Property 1** (SF Substation Z - Embarcadero) and **Property 12** (SF Substation J) have locations most similar to Land Sales 2 and 4. A unit value of \$525.00 per square foot is concluded for these subject property sites.

**Property 2** contains known environmental contamination that was considered in the valuation, supporting a unit value toward the lower end of the range, of \$325.00 per square

foot for the unencumbered fee. While the property can continue in its current use without further remediation, alternate uses are constrained.

**Property 2** is also affected by a subterranean gas transmission (GT) pipeline easement as discussed previously. The easement does not appear to negatively impact the larger parcel as it is located along the property line and the private right-of-way that bisects the site. However, the easement area will include right of entry, and no buildings will be allowed within the easement area. Surface storage and vehicular circulation will be permitted. Such easements are typically valued at 15% to 50% of the fee interest in the land, depending on the balance of usage rights retained and conveyed. We have estimated the easement rights near the low end of the range, at 20% of the fee simple value of the larger parcel. The easement value is estimated in the table below:

Potrero Substation Gas Transmission Line Easement	Gross Length (LF)	Overlap (LF)	Net Length (LF)	Width (LF)	Total SF
North ROW (1)	430	(50)	380 x	35 =	13,300
SL Hudson Street (E/W)	270	(25)	245	50	12,250
South ROW (2)	385	-	385	25	9,625
<b>Total</b>					<b>35,175</b>
Fee Value of Land per SF					\$325.00
Fee Value of GT pipeline easement land area					\$11,431,875
% of Fee attributable to GT pipeline easement					20%
<b>Easement Value Rounded</b>					<b>\$2,286,375</b> <b>\$2,290,000</b>

(1) North ROW is apx 10' from Illinois Street so width of easement on subject parcel is 35' (15' is w/in Illinois Street)

(2) South ROW runs more or less along the east property line so 25' affects the subject site

The value of **Property 2** as encumbered by the gas transmission line easement is therefore estimated as follows:

**PROPERTY 2 EASEMENT ADJUSTMENT**

Net Site Area	Unit Value	Total
293,960 SF x	\$325.00 per SF =	\$95,537,000
GT Easement		(\$2,290,000)
<b>Site Value w/Easement</b>	<b>\$317.21 per SF</b>	<b>\$93,247,000</b>

**Property 5** (SF Substation Y – Larkin) is in the Tenderloin neighborhood. The land value of this property is concluded at the low end of the range as well, considering its residential zoning and the limited demand for residential development sites in this neighborhood. The value of this site is estimated at \$300 per square foot.

**Property 6** (SF Substation X – Mission) and **Property 33** (SF Substation I) are located across the street from each other in the West SoMa neighborhood. Despite the similarity in location, however, the two sites have different zoning and height limits and thus

different development potential, which affects the land value. **Property 6** has a more flexible zoning of C-3-G and height limits of 150 and 180 feet. In contrast, **Property 33** has a comparatively restrictive zoning of WMUG (West SoMa Mixed-Use General) and a height limit of 65 feet. We have concluded to a land value of \$450 per square foot for **Property 6**, and \$400 per square foot for **Property 33**.

The unit value (price per square foot of land area) for **Properties 1, 2, 5, 6, 12, and 33** are summarized in the table below.

**VALUE CONCLUSIONS FOR PROPERTIES 1, 2, 5, 6, 12, & 33**

No.	PG&E ID	Address	Site Size (SF)	Zoning	Height Limit (ft)	Value Conclusion per SF
1.1	Z Embarcadero	405 Folsom St	22,900	RH/DTR	85/200	<b>\$525.00</b>
1.2	Z Embarcadero	425 Folsom St	10,310	RH/DTR	85/200	<b>\$525.00</b>
2	A Potrero	1101 & 1201 Illinois St	293,960	M-2/PPS MU	40/65/240	<b>\$317.21</b>
5	Y Larkin	538 Eddy St	46,875	RC-4	80	<b>\$300.00</b>
6	X Mission	66 8th St	44,617	C-3-G	150/180	<b>\$450.00</b>
12	J	530 Sacramento St	8,395	C-3-O	75	<b>\$525.00</b>
33	SF Substation I	111-117 8th Street	10,000	WMUG	65	<b>\$400.00</b>

*Land Valuation - Properties 3, 4, & 30*

No.	PG&E ID	Address	Site Size (SF)	Zoning	Height Limit (ft)
3.1	Hunters Point	1080 Evans Ave	79,680	PDR-2	65
3.2	Hunters Point	1010 - 1030 Evans Ave	281,659	M-1, M-2	40
3.3	Hunters Point	1135 Evans Ave	85,747	NC-2	40
3.4	Hunters Point	1059-1075 Evans Ave	325,709	NC-2, RH-1	40
3.5	Hunters Point	5000 Hunters Point Blvd	14,345	M-1	40
3.6	Hunters Point	1000 Evans Ave	651,723	M-2	40
4	W Bayshore	151-157 Bayshore Blvd	55,930	M-1, M-2	65
30	Egbert Switching	1755 Egbert Ave	74,923	PDR -1-G	58

Table B-2 in Attachment B contains the six land sales in the Bayview, Hunters Point, and Bayshore neighborhoods used for valuing subject **Properties 3, 4, and 30**, which share generally similar locations with the various comparables. The comparable sales reflect unit prices of approximately \$90 to \$264 per square foot. All have industrial zoning designations consistent with the subject’s use.

The comparable land sales for these subject properties are summarized in the following table.

**COMPARABLE LAND SALES PROPERTIES 3, 4, & 30**

No.	Address	Sale Date	Site Size (SF)	Zoning	Height Limit (ft)	Sale Price per SF
7	1450 Marin St	7/21	14,125	PDR-2	65	<b>\$177</b>
8	1251 Thomas Ave	2/21	9,601	PDR-2	40	<b>\$203</b>
9	1245 Van Dyke Ave	2/21	78,556	PDR-2	40	<b>\$90</b>
10	1755 Egbert Ave	1/21	75,498	PDR-2	65	<b>\$225</b>
11	1300-1298 Carroll Ave	2/20 & 3/20	207,116	PDR-2	40	<b>\$140</b>
12	2150 Oakdale Ave	5/19	52,084	PDR-2	65	<b>\$264</b>

Market conditions for land were improving until the onset of the pandemic in March 2020 and were stable through the effective date of value. Upward adjustment is supported for Land Sale 12. No adjustment is necessary for the remaining sales for changes in market conditions. Size does not have a consistent relationship to price per square foot of land for this type of property in San Francisco, due to the supply-constrained nature of the market. No adjustment is necessary for size.

Land Sale 7 is located in the Bayshore district, where Subject **Property 4** is located. However, Land Sale 7 is encumbered by a non-buildable subterranean pipeline easement

and has an irregular configuration. Both factors negatively impact its functional utility and thus, its value.

Land Sale Nos. 8-12 (as listed in Table B-2) are located in the Bayview and Hunters Point neighborhood, which is most similar to the location of **Properties 3.1 – 3.6**. The subject Hunters Point sites (except **Property 3.5**) have various levels of known environmental contamination that affects alternate uses, which is considered in the valuation by selecting a unit value at the low end of the comparable land sales range.

A unit value of \$175 per square foot is concluded for **Property 3.1** (SF Substation P – Hunters Point at 1180 Evans Ave.), which is a level, rectangular site that is paved and fenced. However, the location is inferior to Land Sale No. 10, and it has a history of contamination, so a lower unit value is concluded

**Property 3.2** (SF Substation P – Hunters Point at 1010-1030 Evans Ave.) is located on the north side of Evans Avenue east of Jennings Street. It includes a generally level, functional western portion, as well as partially submerged and sloping upland areas on the southeastern portion of the site. The gross site area is 281,659 square feet (6.81 acres), according to the Assessor's records. However, based on aerial measurements of the usable area, the net usable site area is estimated at approximately 3.69 acres, or 160,000 square feet.

The usable site area valued at \$175 per square foot, and it equates to a value per square foot of gross site area as follows:

$$\begin{array}{r} \$175 \text{ per SF} \times 160,000 \text{ - usable SF} \div 281,659 \text{ gross SF} = \\ \text{Rounded:} \end{array} \qquad \begin{array}{r} \$ 99.41 \text{ per SF} \\ \$100.00 \text{ per SF} \end{array}$$

**Property 3.3** (SF Substation P – Hunters Point at 1135 Evans Ave.) is located across Evans Avenue to the south of Property 3.1. This site has a steeply sloping topography, and a relatively small level pad near the center of the site. A low-end unit value of \$100 per square foot is concluded for this site due to its functional constraints based on topography.

**Property 3.4** (SF Substation P – Hunters Point at 1059-1075 Evans Ave., 200-298 Hunters Point Blvd., and 1051 Hudson Street) totals 7.48 acres, of which approximately 3.0 acres (40%) is paved, fenced, functional industrial yard area. The remainder is steeply sloping with some former building pads. We have estimated the value of this site at \$175 per square foot for the level, paved portion (40%) and \$50 per square foot for the largely unusable remainder. The weighted average is \$100 per square foot, as shown below:

$$\begin{array}{r} \$175 \text{ per SF} \times 0.40 = \\ \$ 50 \text{ per SF} \times 0.60 = \\ \text{Weighted Average Unit Value for } \mathbf{Property\ 3.4:} \end{array} \qquad \begin{array}{r} \$ 70.00 \\ \underline{\$ 30.00} \\ \$100.00 \end{array}$$

A unit value of \$100 per square foot is concluded for this site, applied to the gross area.

**Property 3.5** (SF Substation P – Hunters Point at 5000 Hunters Point Blvd.) This site is valued based on the usable area (approximately 50%) at the low end of the range of the comparables (\$90 per square foot) due to the limited utility of an industrial site without grade level vehicle access from the public right-of-way. The site value is therefore estimated as follows:

\$90 per SF x 7,000 usable SF ÷ 14,435 gross SF =	\$43.64 per SF
Rounded:	\$45.00 per SF

A unit value of \$45 per square foot is concluded for this site, applied to the gross site area.

**Property 3.6** (SF Substation P – Hunters Point at 1000 Evans Avenue) is valued based on the 10.30 acres net of paper streets, open water/lagoon, and the portion along the water improved with the Bay Trail. Considering the existing environmental condition and the Soils Management Plan in place, construction of conventional building improvements is not likely permitted on the site, so use of the site is likely limited to industrial outdoor storage or recreation. A unit value at the low end of the range is concluded, at \$90 per square foot, applied to the usable 10.30 acres. The effective unit value based on the usable area as a percent of the site area net of paper streets is estimated as follows:

\$90 per square foot x 448,684 ÷ 651,723 =	\$61.96
Rounded:	\$62.00

A unit value of \$62 per square foot is concluded for this site, applied to the gross site area.

**Property 4** (SF Substation W – Bayshore) is located in the Bayshore neighborhood, which has excellent freeway access and superior commercial appeal relative to the Bayview and Hunters Point neighborhoods. It is valued based on comparable Land Sales 7, 10, and 12 (as listed in Table B-2). A much higher unit value is indicated for **Property 4** relative to Land Sale 7 (also located in the Bayshore area), due to the comparable sale’s configuration and the presence of a non-buildable easement. A unit value of \$300 per square foot is concluded for **Property 4**, considering its location as well as Land Sale 5 in Table B-1, which have a superior location in the Central Waterfront neighborhood.

**Property 30** (Egbert) is the site planned for the Egbert switching station. It is located in the Bayview district, which is superior to Hunters Point but inferior to Bayshore. The site was purchased in January 2021 for \$225 per square foot (Land Sale 10), which is supported as market-oriented by the balance of the comparable land sales. Market value for this site is concluded at \$225 per square foot.

**VALUE CONCLUSIONS FOR PROPERTIES 3, 4, & 30**

<b>No.</b>	<b>PG&amp;E ID</b>	<b>Address</b>	<b>Site Size (SF)</b>	<b>Zoning</b>	<b>Height Limit (ft)</b>	<b>Value Conclusion per SF</b>
3.1	Hunters Point	1080 Evans Ave	79,680	PDR-2	65	<b>\$175.00</b>
3.2	Hunters Point	1010 - 1030 Evans Ave	281,659	M-1, M-2	40	<b>\$100.00</b>
3.3	Hunters Point	1135 Evans Ave	85,747	NC-2	40	<b>\$100.00</b>
3.4	Hunters Point	1059-1075 Evans Ave	325,709	NC-2, RH-1	40	<b>\$100.00</b>
3.5	Hunters Point	5000 Hunters Point Blvd	14,345	M-1	40	<b>\$45.00</b>
3.6	Hunters Point	1000 Evans Ave	651,723	M-2	40	<b>\$62.00</b>
4	W Bayshore	151-157 Bayshore Blvd	55,930	M-1, M-2	65	<b>\$300.00</b>
30	Egbert Switching	1755 Egbert Ave	74,923	PDR -1-G	58	<b>\$225.00</b>

*Land Valuation - Properties 9 -11 & 13*

No.	PG&E ID	Address	Site Size (SF)	Zoning	Height Limit (ft)
9	E	205 Lexington Ave	13,175	RTO-M	55
10	F Marina	1570 Bay St	13,111	NC-2/RM-4	40
11	K	679 24th Ave	12,398	RH-2	40
13	N	1437-1449 9th Ave	6,492	RH-2	40

The land sales on Table B-3 in Attachment B are located in the residential neighborhoods of the city. These sales are used to estimate value for the remaining subject properties in San Francisco: **Properties 9 – 11 & 13**. These land sales are summarized based on Table B-3 in the following table:

**COMPARABLE LAND SALES PROPERTIES 9 - 11 & 13**

No.	Address	Sale Date	Site Size (SF)	Zoning	Height Limit (ft)	Sale Price per SF
14	1133 S. Van Ness Ave	8/21	11,500	RH-3	50	<b>\$400</b>
15	67-69 Belcher St	6/21	12,500	RTO	40	<b>\$392</b>
19	2055 Taraval St	2/20	3,250	Taraval NCD	40	<b>\$388</b>
21	4512 23rd St	2/19	3,027	RM-1	40	<b>\$264</b>

**Properties 9, 10, 11, and 13** are unit substations that are comparatively larger sites (6,492 to 13,175 square feet) located in the Inner Mission, Marina, Richmond, and Inner Sunset neighborhoods. Land Sales 14, 15, 19, and 21 range from 3,027 to 12,500 square feet in size and reflect prices of \$264 to \$388 per square foot of land. Slight upward adjustment is indicated for Land Sale 21, as land values were moving upward prior to the onset of the pandemic, which caused values to temporarily pause. No discernable size differential is evident in the market behavior. The triangular configuration of Land Sale 21 supports an upward adjustment for below-average functional utility.

Subject **Property 9** is located in the Inner Mission neighborhood and its value is estimated at \$400 per square foot based primarily on Land Sales 14 and 15 (\$392 and \$400 per square foot). Subject **Property 10** (Marina) would warrant an upper end value but for the ongoing remediation and likely future use limitations pertaining to residential use. A lower unit value of \$300 per square foot is concluded for this reason. Subject **Properties 11 and 13** are valued at \$350 per square foot, based primarily on Land Sales 15, 19, and 21 (\$264 to \$388 per square foot), with consideration of **Property 11**'s more peripheral location lacking commercial appeal, and **Property 13**'s atypical configuration.

**VALUE CONCLUSIONS FOR PROPERTIES 9 - 11 & 13**

<b>No.</b>	<b>PG&amp;E ID</b>	<b>Address</b>	<b>Site Size (SF)</b>	<b>Zoning</b>	<b>Height Limit (ft)</b>	<b>Value Conclusion per SF</b>
9	E	205 Lexington Ave	13,175	RTO-M	55	<b>\$400</b>
10	F Marina	1570 Bay St	13,111	NC-2/RM-4	40	<b>\$300</b>
11	K	679 24th Ave	12,398	RH-2	40	<b>\$350</b>
13	N	1437-1449 9th Ave	6,492	RH-2	40	<b>\$350</b>

*Land Valuation - Properties 14 – 29 & 32 (Neighborhood “Unit” Substations)*

No.	PG&E ID	Address	Site Size (SF)	Zoning	Height Limit (ft)
14	Randolph	724 Randolph St	4,865	NC-1	26
15	M	20 Rousseau St	4,725	RH-2	40
16	Portola	610 Portola Dr	4,698	NC-1	26
17	Beach St	330 Beach St	3,750	C-2	40
18	6th Ave	365 6th Ave	3,000	NCD	40
19	Silver	1086 Silver Ave	2,832	RH-1	40
20	Ocean	1155 Ocean Ave	2,655	NC-T	45
21	Yosemite	1802 Yosemite Ave	2,500	RH-1	65
22	Taraval	2533 Taraval St	2,500	NCD	40
23	Judah	2927 Judah St	2,500	RH-3	40
24	Plymouth	214 Plymouth Ave	2,500	NC-1	40
25	Noriega	3819 Noriega St	2,325	NC-1	40
26	18th St	4430 18th St	2,250	RH-3	40
27	Acton	5889 Mission St	2,250	NCD	40
28	Castro	1506 Castro St	2,000	RH-2	40
29	21st Ave	1340 Noriega St	1,875	RH-1	40
32	Beeman Ln	3789 San Bruno Ave	4,721	NCD	40

**Properties 14 – 29 & 32** consist of small lots (1,875 to 4,865 square feet) typical of San Francisco’s residential neighborhoods. They are zoned for one or two residential units, or for neighborhood commercial use. For these sites, we have concluded unit values based on both a per square foot and per lot basis, consistent with market practice. These land sales from Table B-3 are summarized in the following table:

**COMPARABLE LAND SALES PROPERTIES 14 - 29 & 32**

No.	Address	Sale Date	Site Size (SF)	Zoning	Height Limit (ft)	Sale Price per SF	Sale Price per Lot
13	47 Montclair Ter	9/21	2,644	RH-1	40'	<b>\$454</b>	<b>\$1,200,000</b>
16	2700 Sloat Blvd	12/20	38,095	NC-2	100'	<b>\$224</b>	<b>N/A</b>
17	2011 Filbert St	7/20	1,651	RH-2	40'	<b>\$566</b>	<b>\$935,000</b>
18	101 Farallones St	6/20	3,746	RH-2	40'	<b>\$214</b>	<b>\$800,000</b>
19	2055 Taraval St	2/20	3,250	Taraval NCD	40'	<b>\$388</b>	<b>\$1,260,000</b>
20	201 Plymouth Ave	8/19	2,178	NC-1	40'	<b>\$344</b>	<b>\$750,000</b>
21	4512 23rd St	2/19	3,027	RM-1	40'	<b>\$264</b>	<b>\$800,000</b>

These Land Sales range in size from 1,651 to 3,764 square feet excluding Land Sale 16, which is larger at 38,095 square feet. The sale prices range from \$224 to \$566 per square foot and \$750,00 to \$1,260,000 per lot excluding Land Sale 16, for which price per lot is not appropriate due to its large size. For these properties, the transactions typically reflect an inverse relationship between price and size, particularly at the extremes of the range.

Land Sales 13 (Russian Hill) and 17 (Cow Hollow) represent the upper end of the range on a per square foot basis (\$454 and \$566 per square foot), reflecting the relative appeal of these neighborhoods. The unit price of Land Sale 17 is also influenced upward by its non-conforming, small size.

These sales are most informative for **Properties 17 and 20**, which are strong commercial locations but inferior residential locations to Land Sales 13 and 17. A lower unit value is concluded for these two subject properties.

**Properties 14, 15, 19, 21, 24, 27, and 32** are peripherally located within San Francisco. For these properties, Land Sales 16 (Outer Sunset), 18 (Ingleside), and 20 (Ingleside) are most useful. These sales are located in the extreme western and southwestern portion of the city, where land values are lower. These sales reflect a range of \$224 to \$344 per square foot, and \$750,000 to \$800,000 per lot. Land Sale 20 requires slight upward adjustment for market conditions, but the remaining sales require no adjustment for market conditions. For these subject **Properties 14, 15, 19, 21, 24, and 27**, unit values of \$200 to \$275 per square foot are concluded, with the low end of the range reflecting the largest subject property.

A unit value below the low end of the range of the comparables is supported for **Property 32**, due to its above-average size (for residential lots, lot size and price per square foot are inversely related), development limitations due to the transmission line that bisects the site, the various setbacks, and the sloping topography of the site. In addition, the potential effect on marketability due to perceived adverse health concerns of the high-voltage transmission line may also negatively impact value. Also considered is the overall value on a lot basis relative to similarly zoned comparables. A unit value of \$150 per square foot is concluded for this site, which translates to a per-lot value of \$708,150.

**Property 14** is encumbered by a perpetual easement that effectively represents 100% of the fee value for the northern 2,215 square feet (46%) of the site. It is valued based on a pro-rata share of the unencumbered 54% of the site at \$200 per square foot, as follows:

$$\begin{array}{r} \$200 \text{ per SF} \times (4,865 - 2,215 = 2,650) \div 4,865 = \\ \text{Rounded:} \end{array} \qquad \begin{array}{r} \$108.94 \\ \$110.00 \end{array}$$

**Properties 16, 22, 23, 25, and 29** are located in the Richmond and Sunset neighborhoods. Unit values in the range of \$300 to \$350 per square foot are concluded for these sites. A slightly higher unit value of \$350 per square foot is concluded for **Properties 26 and 28**, reflecting the more central location and higher property values in this part of the city.

The value conclusions for **Properties 14 – 29** are summarized in the table below:

No.	PG&E ID	Address	Site Size (SF)	Zoning	Height Limit (ft)	Value Conclusion per SF	Value Conclusion per Lot
14	Randolph	724 Randolph St	4,865	NC-1	26	<b>\$110.00</b>	<b>\$535,150</b>
15	M	20 Rousseau St	4,725	RH-2	40	<b>\$200.00</b>	<b>\$945,000</b>
16	Portola	610 Portola Dr	4,698	NC-1	26	<b>\$275.00</b>	<b>\$1,291,950</b>
17	Beach St	330 Beach St	3,750	C-2	40	<b>\$375.00</b>	<b>\$1,406,250</b>
18	6th Ave	365 6th Ave	3,000	NCD	40	<b>\$300.00</b>	<b>\$900,000</b>
19	Silver	1086 Silver Ave	2,832	RH-1	40	<b>\$250.00</b>	<b>\$708,000</b>
20	Ocean	1155 Ocean Ave	2,655	NC-T	45	<b>\$350.00</b>	<b>\$929,250</b>
21	Yosemite	1802 Yosemite Ave	2,500	RH-1	65	<b>\$275.00</b>	<b>\$687,500</b>
22	Taraval	2533 Taraval St	2,500	NCD	40	<b>\$325.00</b>	<b>\$812,500</b>
23	Judah	2927 Judah St	2,500	RH-3	40	<b>\$300.00</b>	<b>\$750,000</b>
24	Plymouth	214 Plymouth Ave	2,500	NC-1	40	<b>\$300.00</b>	<b>\$750,000</b>
25	Noriega	3819 Noriega St	2,325	NC-1	40	<b>\$325.00</b>	<b>\$755,625</b>
26	18th St	4430 18th St	2,250	RH-3	40	<b>\$375.00</b>	<b>\$843,750</b>
27	Acton	5889 Mission St	2,250	NCD	40	<b>\$275.00</b>	<b>\$618,750</b>
28	Castro	1506 Castro St	2,000	RH-2	40	<b>\$350.00</b>	<b>\$700,000</b>
29	21st Ave	1340 Noriega St	1,875	RH-1	40	<b>\$350.00</b>	<b>\$656,250</b>
32	Beeman Ln	3789 San Bruno Ave	4,721	NCD	40	<b>\$150.00</b>	<b>\$708,150</b>

**Land Valuation - Property 31 (Martin)**

The San Francisco Martin substation (**Property 31**) is located at the southwest corner of Geneva Avenue and Bayshore Road just south of the San Francisco corporate limits in the city of Brisbane, San Mateo County. The site contains approximately 29.59 net acres of land, and it has known environmental contamination. It has a zoning designation of Commercial/Public Utility and a height limit of 50 feet.

**Property 31** is valued based on the comparable land sales presented on Table B-4 and summarized below.

No.	Address	City	Sale Date	Site Size (SF)	Site Size (AC)	Zoning	Height Limit	FAR (1) Max	Sale Price per SF
22	1 Gull Dr	S San Francisco	12/20	113,256	2.60	BTP-H	N/A	1.0	<b>\$96</b>
23	775 Serramonte Blvd	Colma	10/19	161,782	3.71	C	40'	(2)	<b>\$81</b>
24	165 S Linden Ave	S San Francisco	6/19	40,936	0.94	MI	60'	0.6	<b>\$98</b>
25	1539 Mission Rd	Colma	10/18	13,939	0.32	C	40'	(2)	<b>\$71</b>
26	925 San Bruno Ave	San Bruno	4/18	46,479	1.07	C-M	60'	0.8	<b>\$95</b>

(1) Floor Area Ratio = maximum bldg area allowed divided by site area

(2) No FAR max, lot coverage max is 50%

The five land sales reflect a range of \$71 to \$98 per square foot and range in size from 13,939 to 161,782 square feet. The sales closed between April 2018 and December 2020. The zoning includes industrial, commercial, and business park, and all are located in the north Peninsula area. Upward adjustment for market conditions is indicated for all but Land Sale 22. The subject is much larger than the comparable sales, but due to the supply-constrained nature of the market, no adjustment is warranted for the subject’s larger size.

**Property 31** has known environmental contamination, and it undergoes regular ground-water testing. It remains functional in its current use, but the contamination supports a unit value at the low end of the comparable range as it limits alternate uses for the site. Market value for this site is estimated at \$75 per square foot of net usable area (excluding wetlands and the gas transmission valve yard) for the unencumbered fee, considering its size and contaminated status, before considering the gas pipeline easement. The unencumbered fee value is therefore estimated as follows:

$$1,289,093 \text{ square feet} \times \$75.00 \text{ per square foot} = \$96,681,975$$

**Property 31** is also affected by a subterranean gas transmission pipeline easement as discussed previously. The easement does not appear to negatively impact the larger parcel as it is located along the northern and a small portion of the eastern property line, within the required setback. However, the easement area will include right of entry, and no buildings will be allowed within the easement area. Surface storage and vehicular circulation will be permitted. Such easements are typically valued at 15% to 50% of the fee interest in the land, depending on the balance of usage rights retained and conveyed. We have estimated the easement rights near the low end of the range, at 20% of the fee simple value of the larger parcel. The easement value is estimated in the table below.

MARTIN GAS TRANSMISSION LINE EASEMENT	Gross Length (LF)	Overlap (LF)	Net Length (LF)	Width (LF)	Total
Along Geneva Avenue	1,050.0	(25.0)	1,025.0	50.0	51,250.0
Along East Property line	100.0	(12.5)	87.5	25.0	2,187.5
<b>Total</b>					<b>53,437.5</b>
Fee Value of Land per SF				x	\$75.00
Fee Value of GT pipeline easement land area					\$4,007,813
% of Fee attributable to GT pipeline easement					20%
<b>Easement Value</b>					<b>\$801,563</b>
<b>Rounded</b>					<b>\$800,000</b>

The value of **Property 31** as encumbered by the gas transmission line easement is therefore estimated as follows:

**PROPERTY 31 EASEMENT ADJUSTMENT**

<b>Net Site Area</b>	<b>Unit Value</b>	<b>Total</b>
1,289,093 SF x	\$75.00 per SF =	\$96,681,975
GT Easement		(\$800,000)
<b>Site Value w/Easement</b>	<b>\$74.38 per SF</b>	<b>\$95,881,975</b>

**B. Replacement Cost New (RCN)**

The Replacement Cost New (RCN) estimates for all but three of the substation structural and site improvements were derived from Marshall Valuation Service Cost Estimation Manual (MVS). The specific page and section reference is shown on Table C-1 at Attachment C. Appropriate adjustments for story height, time and location were applied per the MVS manual. For the three recently completed substations located at **Properties 1.2, 2.2 and 5.2**, the actual reported costs for **Properties 2.2 and 5.2** were relied upon.

The MVS manual was used to estimate the expected life of the structural improvements and the appropriate deduction for physical deterioration. We found minor evidence of functional obsolescence in **Properties 7, 8, 9, 10, 12 and 33**. However, the physical deterioration deduction is substantial due to the age of these structures, and therefore, we have elected to forego an additional functional utility deduction. No deduction was deemed warranted for external obsolescence.

Site improvements include vary, an include perimeter fencing, and crushed rock covering or paving. Some sites include concrete masonry walls. We have estimated the replacement cost new of the site improvements based on cost estimating services including Marshall Valuation and RS Means, as well as market information in the form of contractor bids for other Bay Area sites with similar site improvements.

**C. Replacement Cost New Less Depreciation (RCNLD)**

The Replacement Cost New Less Depreciation (RCNLD) results from deducting all forms of depreciation from the Replacement Cost New (RCN) estimate. The RCN and RCNLD estimates for each property for the structural improvements are included as Table C-1 in Attachment C, while the site improvements are valued in Table C-2.

Market value for each site is the sum of the land value estimated in the prior chapter, plus the depreciated replacement cost (RCNLD) of the site and structural improvements. The calculation is shown in Table C-2 in Attachment C.

**D. Value Conclusion**

Based on the research and analyses contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraiser that the fair market value of the fee simple interest in the subject real property land and improvements, as well as other property interests held by PG&E, including easements, rights-of-way, lease agreements, and other land-related agreements necessary to provide electric service in San Francisco, California, in its as-is condition, as of July 27, 2021, is estimated to be:

**SIX HUNDRED SIX MILLION THREE HUNDRED THOUSAND DOLLARS**

**(\$606,300,000)**

# **ATTACHMENT A**

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## **SUBJECT PROPERTY INFORMATION**

**SUBJECT PROPERTY IDENTIFICATION TABLE A-1**

**STRUCTURAL IMPROVEMENT SUMMARY TABLE A-2**

**SUBJECT PROPERTY LOCATION MAP**

**STATE BOARD OF EQUALIZATION MAPS**

**SUBJECT PROPERTY PHOTOGRAPHS**

TABLE A-1

**SUBJECT PROPERTY IDENTIFICATION**  
Fair Market Value of PG&E Electrical Transmission & Distribution Real Property  
San Francisco, California

**DATE OF VALUE: JULY 27, 2021**

No.	PG&E ID	Address	City	Assessor Parcel No.	SBE Parcel No.	Site Area (SF)	Site Area (AC)	Gross		Height Limit (ft)
								Building Area (SF)	Zoning	
1.1	SF Substation Z (Embarcadero)	405 Folsom St	San Francisco	3748-001,-003,-004,-005	135-38-033A-1	22,900	0.53	119,080	RH/DTR	85/200
1.2	SF Substation Z (Embarcadero)	425 Folsom St	San Francisco	3748-029	135-38-033A-2	10,310	0.24	13,688	RH/DTR	85/200
2	SF Substation A (Potrero)	(1) 1101 & 1201 Illinois St	San Francisco	4175-018 (ptn)	135-38-024D-2,-3 (ptn)	293,960	6.75	29,704	M-2/PPS MU	40/65/240
3.1	SF Substation P (Hunters Point)	(1) 1180 Evans Ave	San Francisco	4570-024	135-38-018D-1	79,680	1.83	0	PDR-2	65
3.2	SF Substation P (Hunters Point)	1010 - 1030 Evans Ave	San Francisco	4604A-002	135-38-018E-1	281,659	6.47	0	M-1, M-2	40
3.3	SF Substation P (Hunters Point)	1135 Evans Ave	San Francisco	4602A-014	135-38-026A-1	85,747	1.97	0	NC-2	40
3.4	SF Substation P (Hunters Point)	(1) 1059-1075 Evans Ave (2)	San Francisco	4603A-002,-005, 4647A-010	135-38-026A-2	325,709	7.48	0	NC-2, RH-1	40
3.5	SF Substation P (Hunters Point)	5000 Hunters Point Blvd	San Francisco	4629A-012	135-38-026A-3	14,345	0.33	0	M-1	40
3.6	SF Substation P (Hunters Point)	(1) 1000 Evans Ave	San Francisco	4580-002	135-38-018A-2	651,723	14.96	0	M-2	40
4	SF Substation W (Bayshore)	151-157 Bayshore Blvd	San Francisco	5559-004,-005,-006	135-38-031-1	55,930	1.28	1,600	M-1, M-2	65
5	SF Substation Y (Larkin)	538 Eddy St	San Francisco	0335-037	135-38-030A-1,-2,-3	46,875	1.08	107,560	RC-4	80
6	SF Substation X (Mission)	66 8th St	San Francisco	3701-053	135-38-015A-2	44,617	1.02	89,100	C-3-G	150/180
7	SF Substation L	2475 Ocean Ave	San Francisco	6901-001	135-38-001-19	17,076	0.39	3,500	NC-1	26
8	SF Substation G	1200 Broderick St	San Francisco	1101-013	135-38-002-4	15,468	0.36	25,468	RM-3	40
9	SF Substation E	205 Lexington Ave	San Francisco	3596-104	135-38-003-6	13,175	0.30	16,636	RTO-M	55
10	SF Substation F (Marina)	1570 Bay St	San Francisco	0459-032	135-38-001D-1	13,111	0.30	0	NC-2/RM-4	40
11	SF Substation K	679 24th Ave	San Francisco	1567-012	135-38-002-5	12,398	0.28	7,800	RH-2	40
12	SF Substation J	530 Sacramento St	San Francisco	0228-006	135-38-004-6	8,395	0.19	24,574	C-3-O	75
13	SF Substation N	1437-1449 9th Ave	San Francisco	1844-053	135-38-02A-1	6,492	0.15	0	RH-2	40
14	SF Randolph Substation	724 Randolph St	San Francisco	7084-024	135-38-019A-1	4,865	0.11	0	NC-1	26
15	SF Substation M	20 Rousseau St	San Francisco	6747-016	135-38-005B-1	4,725	0.11	0	RH-2	40
16	SF Portola Substation	610 Portola Dr	San Francisco	2892-003	135-38-023-1	4,698	0.11	0	NC-1	26
17	SF Beach Substation	330 Beach St	San Francisco	0013-010	135-38-018B-1	3,750	0.09	0	C-2	40
18	SF 6th Avenue Substation	365 6th Ave	San Francisco	1438-014	135-38-015-3	3,000	0.07	0	NCD	40
19	SF Silver Substation	1086 Silver Ave	San Francisco	5915-001	135-38-025-1	2,832	0.07	0	RH-1	40
20	SF Ocean Substation	1155 Ocean Ave	San Francisco	6944-040	135-38-020-1	2,655	0.06	0	NC-T	45
21	SF Yosemite Substation	1802 Yosemite Ave	San Francisco	5417-007	135-38-011-1	2,500	0.06	0	RH-1	65
22	SF Taraval Substation	2533 Taraval St	San Francisco	2390-044	135-38-010-2	2,500	0.06	0	NCD	40
23	SF Judah Substation	2927 Judah St	San Francisco	1819-042	135-38-010-1	2,500	0.06	0	RH-3	40
24	SF Plymouth Substation	214 Plymouth Ave	San Francisco	7112-012A	135-38-025-2	2,500	0.06	0	NC-1	40
25	SF Noriega Substation	3819 Noriega St	San Francisco	2082-001L	135-38-013-1	2,325	0.05	0	NC-1	40
26	SF 18th Street Substation	4430 18th St	San Francisco	2650-020	135-38-008-1	2,250	0.05	0	RH-3	40
27	SF Acton Substation	5889 Mission St	San Francisco	6472-021D	135-38-013-5	2,250	0.05	0	NCD	40
28	SF Castro Substation	1506 Castro St	San Francisco	6546-003	135-38-014-1	2,000	0.05	0	RH-2	40
29	SF 21st Avenue Substation	1340 Noriega St	San Francisco	2029-025	135-38-013-2	1,875	0.04	0	NCD	40
30	SF Egbert Switching Station	1755 Egbert Ave	San Francisco	5431A-001A,-001Z	135-38-057-1,-2	74,923	1.72	0	PDR -1-G	58
31	Martin Substation	(1) 3150 Geneva Ave	Brisbane	005-141-999 (ptn)	134-41-9A-3, 135-41-28B-3, -4	1,289,093	29.59	42,108	C/P-U	50
32	Beeman Lane	3789 San Bruno Ave	San Francisco	5067-001A	135-38-018-7	4,721	0	0	RH-1	40
33	SF Substation I	111-117 8th Street	San Francisco	3727-135	135-38-003A-1	10,000	0.23	9,880	WMUG	65

(1) Sites with identified environmental conditions per California Department of Toxic Substances Control (DTSC) website (<https://www.envirostor.dtsc.ca.gov/>)

(2) Additional addresses include 200-298 Hunters Point Boulevard and 1051 Hudson Avenue

Source: © Runde & Partners, Inc. 22-139, April 2026

**STRUCTURAL IMPROVEMENT SUMMARY**

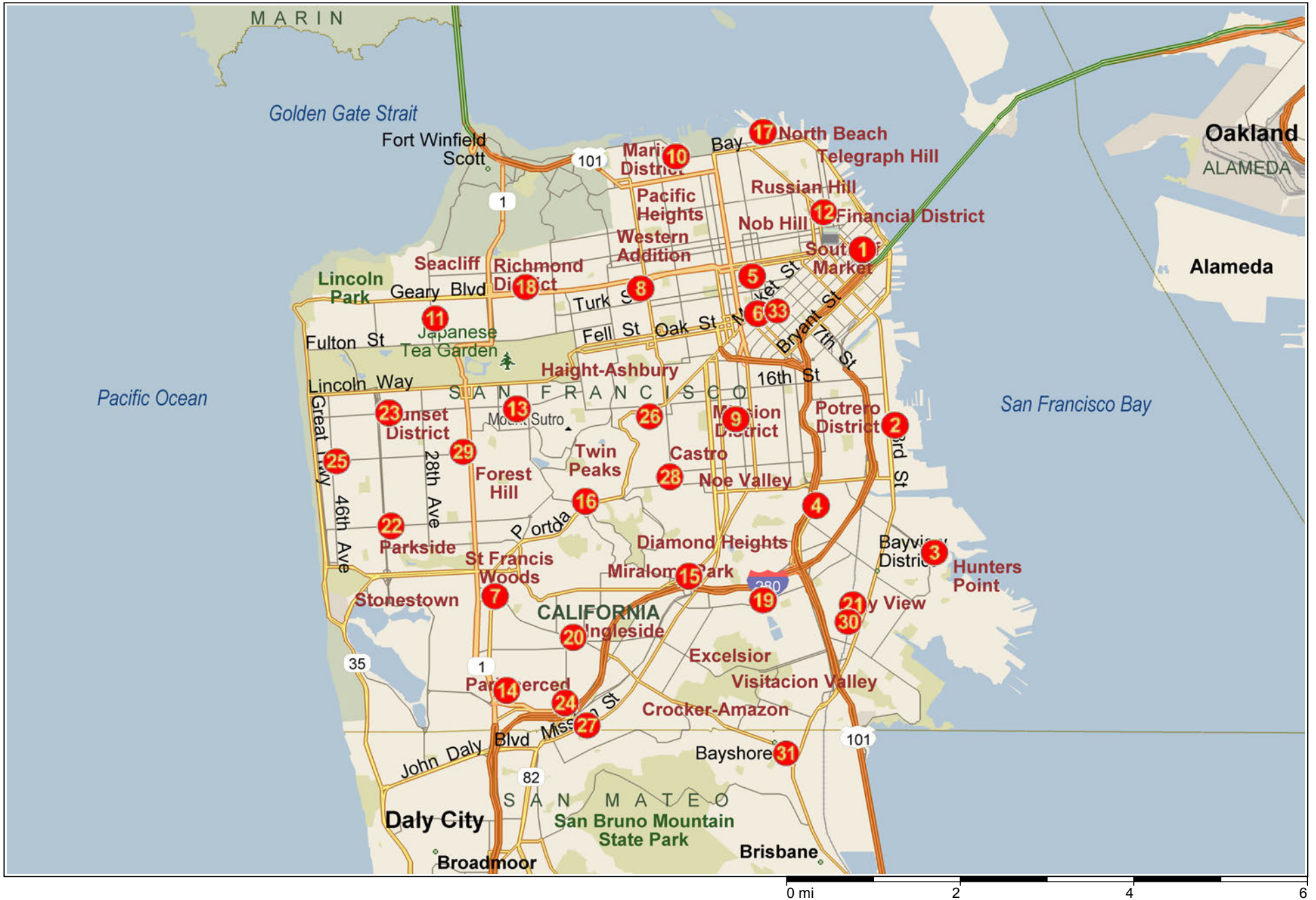
Fair Market Value of PG&E Electrical Transmission & Distribution Real Property  
San Francisco, California

**DATE OF VALUE: JULY 27, 2021**

No.	ID	Address	Year Built/ Renov.	Historically Rated?	Construction Type	Levels	Gross Building Area (SF)	Est. Gross Building Area by Floor (Square Feet)					
								Bsmnt	1	1M	2	2M	3
1.1	Z Embarcadero	405 Fremont St	1974	Age Eligible	Concrete/Steel	B, 1, 2, 3, Mezz	119,080	22,900	22,900	13,740	22,900	13,740	22,900
1.2	Z Embarcadero	425 Fremont St	2020	No	Concrete/Steel	B, 1, Mezz	13,688	6,254	6,254	1,180			
2.1	A Potrero	1201 Illinois St	1970	No	Metal	1	14,000		14,000				
2.2	A Potrero	1101 Illinois St	2018	No	Concrete/Steel	B, 1, 2	15,704	7,852	7,852				
4	W Bayshore	151-157 Bayshore Blvd	1971	No	Concrete Masonry	1	1,600		1,600				
5.1	Y Larkin	538 Eddy St	1962	Yes	Concrete/Steel	B, 1, 2	95,360	35,200	34,880	25,280			
5.2	Y Larkin	538 Eddy St	2021	No	Concrete/Steel	B, 1	12,200	5,750	700	5,750			
6	X Mission	66 8th St	1948/2013	Yes (1)	Concrete/Steel	B, 1, 2, 3	89,100	31,275	31,275		13,275		13,275
7	L	2475 Ocean Ave	1926	Yes	Concrete	1	3,500		3,350	150			
8	G	1200 Broderick St	1935	Age Eligible	Concrete	B (ptl), 1, Mezz	25,468	4,500	15,468	5,500			
9	E	205 Lexington Ave	1930	Yes	Concrete/Mixed	1, Mezz	16,636		12,000	4,636			
11	K	679 24th Ave	1915	Yes	Concrete/Steel	1, Mezz	7,800		4,800	3,000			
12	J	530 Sacramento St	1925	Yes	Concrete/Steel	B, 1, 2, 3, Mezz	24,574	6,500	8,395	3,944	3,585		2,150
31.1	Martin F	2850 Bayshore Rd	1960	No	Concrete Tilt-Up	1	11,700		11,700				
31.2	Martin G	N/A	1983	No	Metal	1	17,608		17,608				
31.3	Martin H	3150 Bayshore Blvd	2021	No	Metal	1	12,800		12,800				
33	I	111-117 8th St	1900	Yes	Concrete/UMB	1, Mezz	9,880	0	9,280	600			
<b>TOTAL</b>							<b>490,698 SF</b>						

(1) Eligible for inclusion in National Register of Historic Places

# SUBJECT PROPERTY IDENTIFICATION MAP



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Confidential Pages Excluded

## SUBJECT PHOTOGRAPHS

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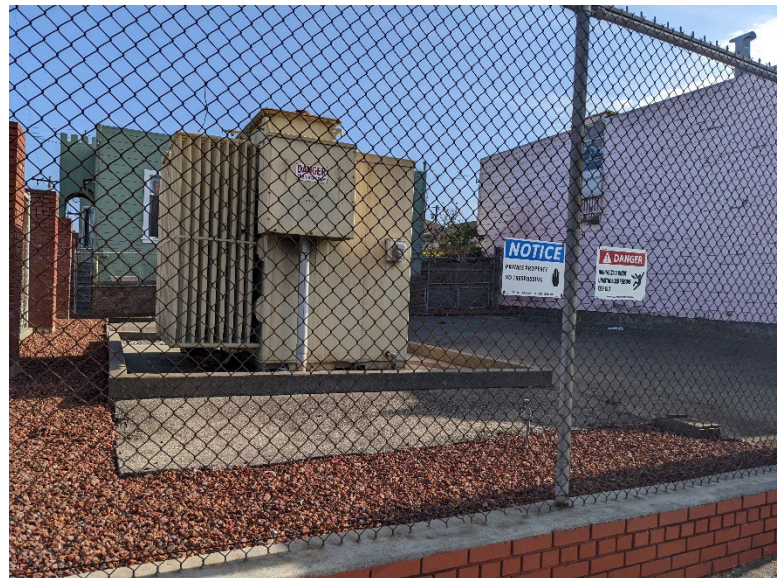
**Subject property 16 – 610 Portola Dr**



**Subject Property 17 – 330 Beach St**



**Subject Property 18 – 365 6<sup>th</sup> Ave**



**Subject Property 19 – 1086 Silver Ave**

## SUBJECT PHOTOGRAPHS

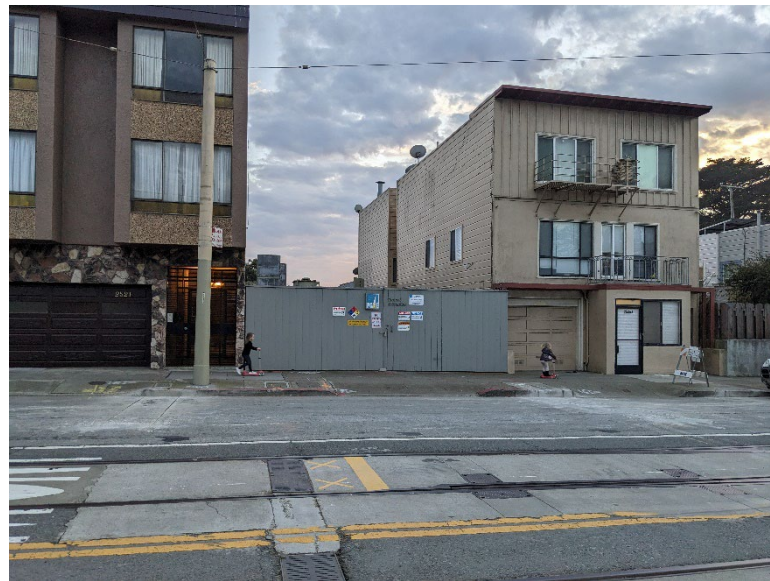
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**Subject Property 20 - 1155 Ocean Ave**



**Subject Property 21-1802 Yosemite Ave**



**Subject Property 22 -2533 Taraval St**



**Subject Property 23 - 2927 Judah St**

## SUBJECT PHOTOGRAPHS

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**Subject Property 24 - 214 Plymouth St**



**Subject Property 25 - 3819 Noriega St**



**Subject Property 26 - 4430 18<sup>th</sup> St**



**Subject Property 27 - 5889 Mission St**

## SUBJECT PHOTOGRAPHS

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**Subject Property 28 – 1506 Castro St**



**Subject Property 29 – 1340 Noriega St**



**Subject Property 30 – 1755 Egbert Ave**



**Subject Property 31 – 3150 Geneva Ave, Brisbane**

## SUBJECT PHOTOGRAPHS

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**Subject Property 33 - 11-117 8<sup>th</sup> Street**

# **ATTACHMENT B**

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## **COMPARABLE DATA**

**COMPARABLE LAND SALES TABLES B -1, B-2, & B-3**

**SAN FRANCISCO COMPARABLE LAND SALES MAP**

**COMPARABLE LAND SALES TABLE B-4**

**SAN MATEO COUNTY COMPARABLE LAND SALES MAP**

**COMPARABLE LAND SALES FOR SUBJECT PROPERTIES 1, 2, 5, 6, 12, & 33**

Fair Market Value of PG&amp;E Electrical Transmission &amp; Distribution Real Property

San Francisco, California

*As of July 27, 2021*

<b>No.</b>	<b>Location</b>	<b>Sale Date</b>	<b>Land Area</b>	<b>Sale Price</b>	<b>Price/SF Land Area</b>	<b>Zoning / Height Limit / FAR</b>	<b>Grantor / Grantee / Doc. No.</b>
<b>1</b>	<b>168 Turk Street</b> Tenderloin APN: 0339-010	12/21	4,203 SF 0.10 AC	<b>\$1,200,000</b>	<b>\$286</b>	RC-4 80' N/A	Tenderloin PCI LLC / M Waldman, D Waldman, R Waldman (tr) #184326
<b>2</b>	<b>514-580 Minna</b> South of Market APN: 3726-101	8/20	3,371 SF 0.08 AC	<b>\$1,700,000</b>	<b>\$504</b>	MUG 45' N/A	J & CM Harney / 1984 Quesada Street LLC #4604
<b>3</b>	<b>1850 Bryant Street</b> Northeast Mission APN: 3970-006	8/19	36,500 SF 0.84 AC	<b>\$18,000,000</b>	<b>\$493</b>	PDR-1-G 68' 5.0:1	Abbett Electric Corporation / 1850 Bryant LLC #821226
<b>4</b>	<b>31-33 Norfolk Street</b> West SoMa APN: 3521-053A,-093	2/19	5,975 SF 0.14 AC	<b>\$3,200,000</b>	<b>\$536</b>	WMUG 55' N/A	J & CM Harney / 1984 Quesada Street LLC #4604
<b>5</b>	<b>901 Illinois Street (Parcel K)</b> Central Waterfront/Dogpatch APN: 4110-001 (ptn)	2/19	66,780 SF 1.53 AC	<b>\$24,300,000</b>	<b>\$364</b>	P70 SUD 65' N/A	City & County of San Francisco / 64 PKN Owner LLC #731222
<b>6</b>	<b>1401 Illinois Street</b> Central Waterfront/Dogpatch APN: 4244-003	5/18	80,000 SF 1.84 AC	<b>\$23,400,000</b>	<b>\$293</b>	PDR-1-G 40' 3.0:1	Sheedy, Inc. / 1401 Illinois LLC #K609303

Source: *Runde & Partners, Inc., 22-139, April 2026*

**COMPARABLE LAND SALES FOR SUBJECT PROPERTIES 3, 4, & 30**

Fair Market Value of PG&E Electrical Transmission & Distribution Real Property  
San Francisco, California

*As of July 27, 2021*

No. Location	Sale Date	Land Area	Sale Price	Price/SF Land Area	Zoning / Height Limit / FAR	Grantor / Grantee / Doc. No.
<b>7 1450 Marin Street</b> Bayshore APN: 4349-015	7/21	14,125 SF 0.32 AC	<b>\$2,495,000</b>	<b>\$177</b>	PDR-2 65' 4.0:1	Seosamh O'Briain / Mariela Delatorre #1105849
<b>8 1251 Thomas Avenue</b> Hunters Point APN: 4807-030	2/21	9,601 SF 0.22 AC	<b>\$1,950,000</b>	<b>\$203</b>	PDR-2 40' 3.0:1	J O'Brian / A & H Ruiz #35818
<b>9 1245 Van Dyke Avenue</b> Hunters Point APN: 4827-001,-002,-003,-014 (ptn),-015,-019 (ptn)	2/21	78,556 SF 1.80 AC	<b>\$7,050,000</b>	<b>\$90</b>	PDR-2 40' 3.0:1	Kevin Glenn (tr) / Silverstone Ventures LLC #32766
<b>10 1755 Egbert Avenue</b> Bayview APN: 5431A-001A	1/21	75,498 SF 1.73 AC	<b>\$16,950,000</b>	<b>\$225</b>	PDR-2 65' 4.0:1	Egbert Enterprises LLC / Pacific Gas & Electric Company #15848
<b>11a 1300 -1398 Carroll Avenue</b>	2/20	71,540 SF	\$8,500,000	\$119	PDR-2	Harty Living Trust /
<b>11b 2200 Hawes Street</b>	2/20	60,579 SF	\$8,500,000	\$140	40'	CT McLaughlin (tr) & KM Maxwell /
<b>11c 1313 Armstrong Avenue</b> Hunters Point APN: 4851-024,-025,-017	3/20	<del>74,997 SF</del> 207,116 SF 4.75 AC	<del>\$12,000,000</del> <b>\$29,000,000</b>	<del>\$160</del> <b>\$140</b>	3.0:1	Prologis Exchange 1300 Carroll Prologis Exchange 2200 Hawes Prologis Exchange 1313 Armstrong #9098069, #909868, #910165
<b>12 2150 Oakdale Avenue</b> Bayshore APN: 5590A-003	5/19	52,084 SF 1.20 AC	<b>\$13,750,000</b>	<b>\$264</b>	PDR-2 65' 4.0:1	Macbeath Hardwood Company / Prologis Exchange 2150 Oakdale #764192

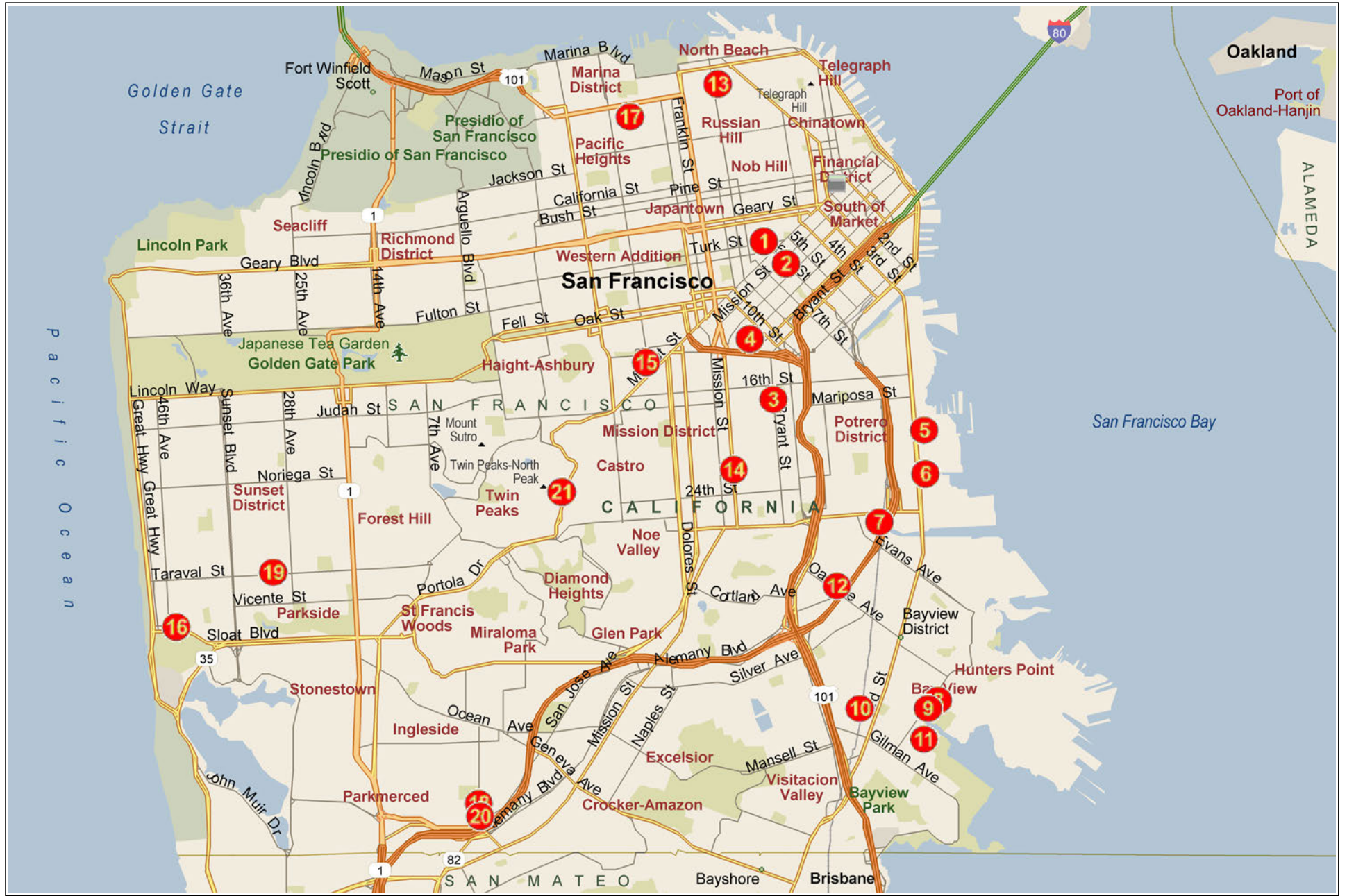
**COMPARABLE LAND SALES FOR SUBJECT PROPERTIES 9 - 11, 13-29 & 32**

Fair Market Value of PG&E Electrical Transmission & Distribution Real Property  
San Francisco, California

*As of July 27, 2021*

No. Location	Sale Date	Land Area	Sale Price	Price/SF Land Area	Zoning / Height Limit /	Grantor / Grantee / Doc. No.
<b>13 47 Montclair Terrace</b> Russian Hill APN: 0068-001A	9/21	2,644 SF 0.06 AC	<b>\$1,200,000</b>	<b>\$454</b>	RH-1 40'	Elina Yermian Living Trust / 418 Ventures LLC #149228
<b>14 1133 S. Van Ness Avenue</b> Mission APN: 3638-034	8/21	11,500 SF 0.26 AC	<b>\$4,600,000</b>	<b>\$400</b>	RH-3 50'	Brezzo Properties III LLC / 1133 SVN LLC #135212
<b>15 67-69 Belcher Street</b> Duboce Triangle APN: 3537-074	6/21	12,500 SF 0.29 AC	<b>\$4,900,000</b>	<b>\$392</b>	RTO 40'	River LLC / 67-69 Belcher Street #91072
<b>16 2700 Sloat Boulevard</b> Outer Sunset APN: 2514-007,-008	12/20	38,095 SF 0.87 AC	<b>\$8,550,000</b>	<b>\$224</b>	NC-2 100'	D Strauss & TI & LK Warshauer (tr) / 2700 Sloat Holding LLC #63251
<b>17 2011 Filbert Street</b> Cow Hollow APN: 0523-003A	7/20	1,651 SF 0.04 AC	<b>\$935,000</b>	<b>\$566</b>	RH-2 40'	Frank R. & Angelina M. Petuya / Filbert Partners LLC #950391
<b>18 101 Farallones Street</b> Ingleside APN: 7107-001	6/20	3,746 SF 0.09 AC	<b>\$800,000</b>	<b>\$214</b>	RH-2 40'	Arturo Servin / FARA Realty LLC #936994
<b>19 2055 Taraval Street</b> Parkside APN: 2395-037	2/20	3,250 SF 0.07 AC	<b>\$1,260,000</b>	<b>\$388</b>	Taraval NCD 40'	Cynthia D. Hampton Trust / 2055 Taraval Street LLC #898534
<b>20 201 Plymouth Avenue</b> Ingleside APN: 7113-008A	8/19	2,178 SF 0.05 AC	<b>\$750,000</b>	<b>\$344</b>	NC-1 40'	Courtney Alfred Trust / Bilt 365 LLC #751692
<b>21 4512 23rd Street</b> Upper Market APN: 2800-005	2/19	3,027 SF 0.07 AC	<b>\$800,000</b>	<b>\$264</b>	RM-1 40'	T&T Real Estate Dev. LLC / Jakon Investment Group LLC #576301

# SAN FRANCISCO LAND SALE COMPARABLES MAP



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TABLE B-4

**COMPARABLE LAND SALES FOR SUBJECT PROPERTY 31**  
Fair Market Value of PG&E Transmission and Distribution Real Property  
San Francisco, California

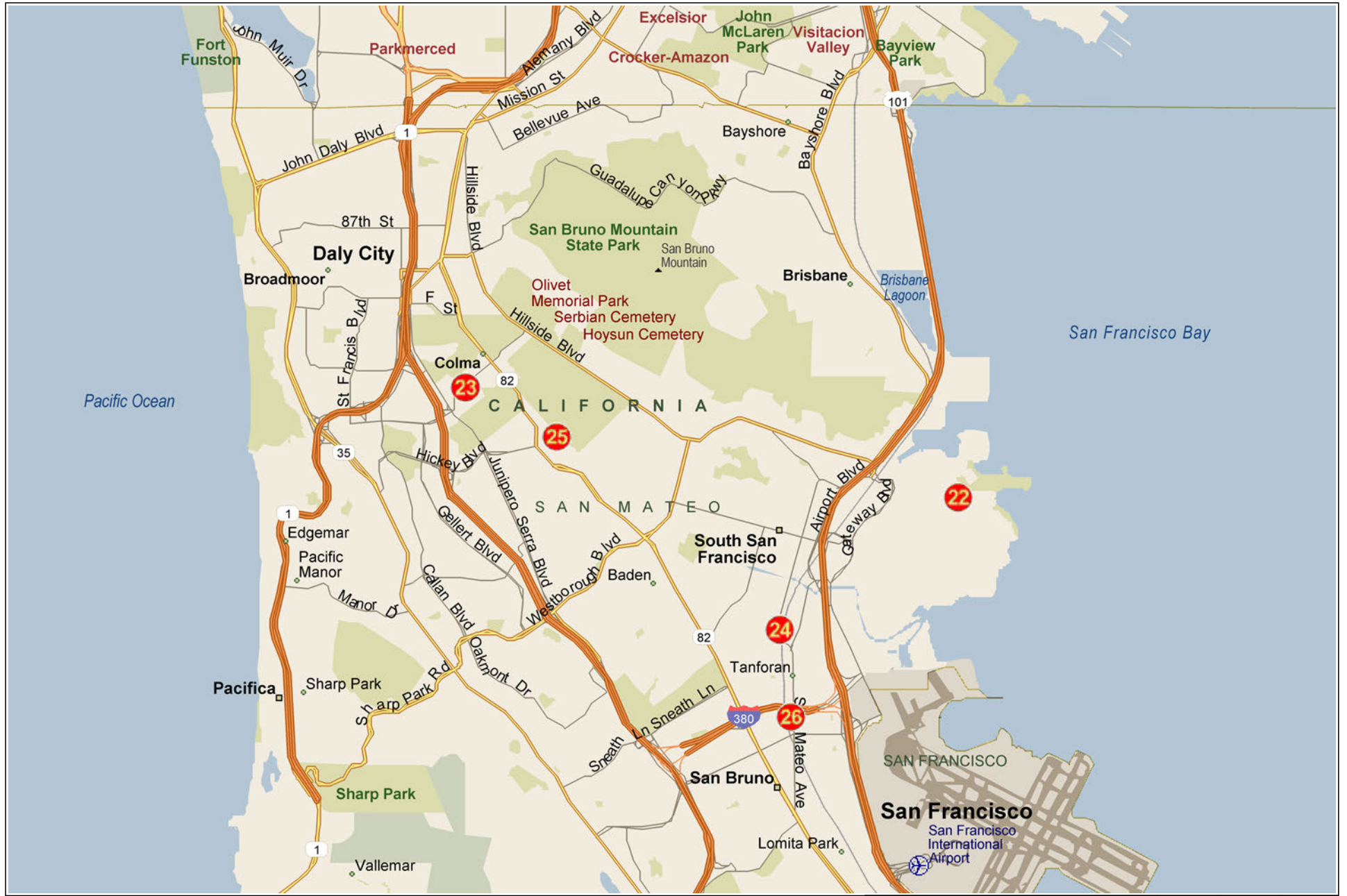
*As of July 27, 2021*

No.	Property Location	Date of Sale	Sale Price	Building Size (SF)	Price per SF Land	Zoning	Grantor/Grantee Document Number
				Site Area SF / AC (net usable)		Height Limit FAR	
22	1 Gull Drive South San Francisco APN: 015-082-250	12/20	<b>\$10,840,000</b>	113,256 SF 2.60 AC (net usable)	<b>\$96</b>	BTP-H Business & Technology Park - High Density N/A 1.0	SMPO ELS LLC / SRE SSF Innovation LLC #151604
23	775 Serramonte Boulevard Colma APN: 008-374-040	10/19	\$17,000,000 <del>(\$3,829,300)</del> (1) <b>\$13,170,700</b>	161,782 SF 3.71 AC	<b>\$81</b>	C Commercial 40' 50% Lot Coverage	Tru 2005 RE I LLC / NP-OV Colma Retail LLC #81120
24	165 S. Linden Avenue South San Francisco APN: 014-212-110	6/19	<b>\$4,000,000</b>	40,946 SF 0.94 AC	<b>\$98</b>	MI Mixed Industrial 60' 0.6	Wui Fung LLC / Pacific Coast Capital Investors LLC #045013
25	1539 Mission Road Colma APN: 010-182-070	10/18	\$1,146,000 <del>(\$162,850)</del> (2) <b>\$983,150</b>	13,939 SF 0.32 AC	<b>\$71</b>	C Commercial 40' 50% Lot Coverage	Jonathan K L Tourzan (tr) / Jose & Judy Ajam #082068
26	925 San Mateo Avenue San Bruno APN: 014-291-030	4/18	\$4,888,800 <del>(\$477,100)</del> (2) <b>\$4,411,700</b>	46,479 SF 1.07 AC	<b>\$95</b>	C-M Community Commercial/ Combining Industrial 50' or 3 stories 0.8	San Bruno 925 LLC / Biacon LLC #026965

(1) contributory value of improvements @ \$100/SF

(2) contributory value of improvements @ \$50/SF

# SAN MATEO COUNTY LAND SALES COMPARABLES MAP



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# **ATTACHMENT C**

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## **VALUATION**

**COST ANALYSIS – STRUCTURAL IMPROVEMENTS TABLE C-1**

**COST ANALYSIS – SITE IMPROVEMENTS TABLE C-2**

**VALUATION SUMMARY TABLE C-3**

TABLE C-1

**COST ANALYSIS - STRUCTURAL IMPROVEMENTS**  
 Fair Market Value of PG&E Electrical Transmission & Distribution Real Property  
 San Francisco, California

DATE OF VALUE: JULY 27, 2021

No.	Address	Year Built/ Renovated	GBA (SF)	MVS Section/ Page	Type	Quality	MVS DIRECT & INDIRECT COSTS				MVS MULTIPLIERS			REPLACEMENT COST NEW		STRUCTURE AGE			PHYSICAL DETERIORATION		RCNLD: STRUCTURAL IMPROVEMENTS
							Cost per SF	Sprinklers per SF	Other per SF	Subtotal	Current	Local	Story Height	per SF	Total	Chrono. Age	Expected Life	Eff. Age	%	Total	
1.1	405 Folsom St	1974	119,080	14, 15	A	Excellent	\$266.00	\$3.00	\$5.00	\$274.00	1.12	1.54	1.33	\$628.55	\$74,847,926	47	60	45	45%	(\$33,681,567)	\$41,166,360
1.2	425 Folsom St	2020	13,688	(1)	A	Excellent	(1)	(1)	(1)	\$1,100.00	1.04	1.00	1.00	\$1,144.00	\$15,659,072	1	60	1	0%	\$0	\$15,659,072
2.1	1201 Illinois St	1970	14,000	14, 14	S	Average	\$68.50	\$3.10	\$0.00	\$71.60	1.15	1.47	1.00	\$121.04	\$1,694,557	51	35	40	80%	(\$1,355,646)	\$338,911
2.2	1101 Illinois St	2018	15,704	(1)	A	Excellent	(1)	(1)	(1)	\$1,080.00	1.14	1.00	1.00	\$1,231.20	\$19,334,765	3	60	1	0%	\$0	\$19,334,765
4	151-157 Bayshore Blvd	1971	1,600	14,14	C	Good	\$48.25	\$5.00	\$0.00	\$53.25	1.16	1.50	1.00	\$92.66	\$148,248	50	45	40	72%	(\$106,739)	\$41,509
5.1	538 Eddy St	1962	95,360	14, 15	A	Excellent	\$266.00	\$4.50	\$0.00	\$270.50	1.12	1.54	1.02	\$475.89	\$45,380,829	59	60	50	58%	(\$26,320,881)	\$19,059,948
5.2	538 Eddy St Exp.	2021	12,200	(1)	A	Excellent	(1)	(1)	(1)	\$1,169.00	1.04	1.00	1.00	\$1,215.76	\$14,832,272	0	60	0	0%	\$0	\$14,832,272
6	66 8th St	1948/2013	89,100	14, 15	A	Excellent	\$266.00	\$2.62	\$0.00	\$268.62	1.12	1.54	1.06	\$491.11	\$43,758,322	73	60	45	45%	(\$19,691,245)	\$24,067,077
7	2475 Ocean Ave	1926	3,500	14,14	C	Good	\$48.25	\$4.75	\$0.00	\$53.00	1.16	1.50	1.00	\$92.22	\$322,770	95	45	75	80%	(\$258,216)	\$64,554
8	1200 Broderick St	1935	25,468	14,14	C	Good	\$122.00	\$3.41	\$0.00	\$125.41	1.16	1.50	1.00	\$218.21	\$5,557,459	86	45	60	80%	(\$4,445,967)	\$1,111,492
9	205 Lexington Ave	1930	16,636	14,14	C	Good	\$122.00	\$3.41	\$0.00	\$125.41	1.16	1.50	1.00	\$218.21	\$3,630,198	91	45	70	80%	(\$2,904,158)	\$726,040
11	679 24th Ave	1915	7,800	14,14	C	Good	\$122.00	\$4.75	\$0.00	\$126.75	1.16	1.50	1.00	\$220.55	\$1,720,251	106	45	75	80%	(\$1,376,201)	\$344,050
12	530 Sacramento St	1925	24,574	14, 15	A	Good	\$214.00	\$3.41	\$0.00	\$217.41	1.12	1.54	1.00	\$374.99	\$9,214,786	96	60	75	80%	(\$7,371,829)	\$1,842,957
31.1	Martin F	1960	11,700	14, 14	C	Good	\$75.50	\$3.10	\$0.00	\$78.60	1.15	1.47	1.00	\$132.87	\$1,554,618	61	45	40	72%	(\$1,119,325)	\$435,293
31.2	Martin G	1983	17,608	14, 14	S	Good	\$68.50	\$3.10	\$0.00	\$71.60	1.15	1.47	1.00	\$121.04	\$2,131,269	38	40	30	62%	(\$1,321,387)	\$809,882
31.3	Martin H	2021	12,800	14, 14	S	Good	\$68.50	\$3.10	\$0.00	\$71.60	1.15	1.47	1.00	\$121.04	\$1,549,309	0	40	0	0%	\$0	\$1,549,309
33	111-117 8th St	1900	9,880	14,14	C	Good	\$122.00	\$3.41	\$0.00	\$125.41	1.16	1.50	1.00	\$218.21	\$2,155,948	121	45	75	80%	(\$1,724,759)	\$431,190
<b>TOTAL</b>			<b>490,698 SF</b>											<b>\$243,492,600</b>				<b>(\$101,677,919)</b>		<b>\$141,814,682</b>	

(1) RCN for these new facilities is based on reported actual costs for Larkin expansion and Potrero (1101 Illinois St)

**COST ANALYSIS - SITE IMPROVEMENTS**  
Fair Market Value of PG&E Electrical Transmission & Distribution Real Property  
San Francisco, California

**DATE OF VALUE: JULY 27, 2021**

No.	PG&E ID	Address	Assessor Parcel No.	SBE Parcel No.	Site Size (SF)	Site Improvements Description	SF Site			DEPRECIATION		RCNLD SITE IMPROVEMENTS
							Improve- ments (1)	RCN per SF	RCN TOTAL	%	TOTAL	
1.1	Z Embarcadero	405 Folsom St	3748-001,-003,-004,-005	135-38-033A-1	22,900	No Site Improvements	0	\$0.00	\$0		\$0	\$0
1.2	Z Embarcadero	425 Folsom St	3748-029	135-38-033A-2	10,310	Front yard w/benches	4,056	\$40.00	\$162,240	2%	(\$3,245)	\$158,995
2	A Potrero	1101 & 1201 Illinois St	4175-018 (ptn)	135-38-024D-2, -3 (ptn)	293,960	Fencing, Wall, Gates, Ptl Paving, Rock	150,000	\$12.50	\$1,875,000	50%	(\$937,500)	\$937,500
3.1	Hunters Point	1180 Evans Ave	4570-024	135-38-018D-1	79,680	Paving & Fencing	79,680	\$15.00	\$1,195,200	50%	(\$597,600)	\$597,600
3.2	Hunters Point	1010 - 1030 Evans Ave	4604A-002	135-38-018E-1	281,659	Fencing, Rock (partial)	150,000	\$10.00	\$1,500,000	50%	(\$750,000)	\$750,000
3.3	Hunters Point	1135 Evans Ave	4602A-014	135-38-026A-1	85,747	Fencing, Gate	85,747	\$2.50	\$214,368	50%	(\$107,184)	\$107,184
3.4	Hunters Point	1059-1075 Evans Ave (2)	4603A-002,-005, 4647A-010	135-38-026A-2	325,709	Paving, Fencing	130,680	\$15.00	\$1,960,200	50%	(\$980,100)	\$980,100
3.5	Hunters Point	5000 Hunters Point Blvd	4629A-012	135-38-026A-3	14,345	Fencing, Gate, partial rock	7,000	\$5.00	\$35,000	50%	(\$17,500)	\$17,500
3.6	Hunters Point	1000 Evans Ave	4580-002	135-38-018A-2	651,723	Paving, Fencing (partial)	448,684	\$15.00	\$6,730,260	50%	(\$3,365,130)	\$3,365,130
4	W Bayshore	151-157 Bayshore Blvd	5559-004,-005,-006	135-38-031-1	55,930	Perimeter Fencing, Rock	54,330	\$10.00	\$543,300	50%	(\$271,650)	\$271,650
5	Y Larkin	538 Eddy St	0335-037	135-38-030A-1,-2,-3	46,875	Fence, Gate, Paving	9,065	\$30.00	\$271,950	0%	\$0	\$271,950
6	X Mission	66 8th St	3701-053	135-38-015A-2	44,617	Fence, Gate, Paving	13,000	\$30.00	\$390,000	25%	(\$97,500)	\$292,500
7	L	2475 Ocean Ave	6901-001	135-38-001-19	17,076	Fencing, Gate	13,726	\$10.00	\$137,260	50%	(\$68,630)	\$68,630
8	G	1200 Broderick St	1101-013	135-38-002-4	15,468	Fence, Gate, Paving	3,000	\$10.00	\$30,000	50%	(\$15,000)	\$15,000
9	E	205 Lexington Ave	3596-104	135-38-003-6	13,175	Fence, Landscaping	1,175	\$25.00	\$29,375	50%	(\$14,688)	\$14,688
10	F Marina	1570 Bay St	0459-032	135-38-001D-1	13,111	Perimeter Wall, Fence, Gate	13,111	\$15.00	\$196,665	25%	(\$49,166)	\$147,499
11	K	679 24th Ave	1567-012	135-38-002-5	12,398	Fence, Gate, Paving (partial)	7,598	\$15.00	\$113,970	50%	(\$56,985)	\$56,985
12	J	530 Sacramento St	0228-006	135-38-004-6	8,395	No Site Improvements	0	\$0.00	\$0	50%	\$0	\$0
13	N	1437-1449 9th Ave	1844-053	135-38-02A-1	6,492	Fence, Gate	6,492	\$10.00	\$64,920	50%	(\$32,460)	\$32,460
14	Randolph	724 Randolph St	7084-024	135-38-019A-1	4,865	Fence, Gate	4,865	\$10.00	\$48,650	50%	(\$24,325)	\$24,325
15	M	20 Rousseau St	6747-016	135-38-005B-1	4,725	Fence, Gate	4,725	\$10.00	\$47,250	50%	(\$23,625)	\$23,625
16	Portola	610 Portola Dr	2892-003	135-38-023-1	4,698	Fence, Gate, Paving	4,698	\$20.00	\$93,960	50%	(\$46,980)	\$46,980
17	Beach St	330 Beach St	0013-010	135-38-018B-1	3,750	Fence, Gate, Paving	3,750	\$20.00	\$75,000	50%	(\$37,500)	\$37,500
18	6th Ave	365 6th Ave	1438-014	135-38-015-3	3,000	Fence, Gate	3,000	\$10.00	\$30,000	50%	(\$15,000)	\$15,000
19	Silver	1086 Silver Ave	5915-001	135-38-025-1	2,832	Fence, Gate	2,832	\$10.00	\$28,320	50%	(\$14,160)	\$14,160
20	Ocean	1155 Ocean Ave	6944-040	135-38-020-1	2,655	Fence, Gate	2,655	\$10.00	\$26,550	50%	(\$13,275)	\$13,275
21	Yosemite	1802 Yosemite Ave	5417-007	135-38-011-1	2,500	Fence, Gate	2,500	\$10.00	\$25,000	50%	(\$12,500)	\$12,500
22	Taraval	2533 Taraval St	2390-044	135-38-010-2	2,500	Fence, Gate	2,500	\$10.00	\$25,000	50%	(\$12,500)	\$12,500
23	Judah	2927 Judah Ave	1819-042	135-38-010-1	2,500	Fence, Gate	2,500	\$10.00	\$25,000	50%	(\$12,500)	\$12,500
24	Plymouth	214 Plymouth Ave	7112-012A	135-38-025-2	2,500	Fence, Gate	2,500	\$10.00	\$25,000	50%	(\$12,500)	\$12,500
25	Noriega	3819 Noriega St	2082-001L	135-38-013-1	2,325	Fence, Gate	2,325	\$10.00	\$23,250	50%	(\$11,625)	\$11,625
26	18th St	4430 18th St	2650-020	135-38-008-1	2,250	Fence, Gate	2,250	\$10.00	\$22,500	50%	(\$11,250)	\$11,250
27	Acton	5889 Mission St	6472-021D	135-38-013-5	2,250	Fence, Gate	2,250	\$10.00	\$22,500	50%	(\$11,250)	\$11,250
28	Castro	1506 Castro St	6546-003	135-38-014-1	2,000	Fence, Gate	2,000	\$10.00	\$20,000	50%	(\$10,000)	\$10,000
29	21st Ave	1340 Noriega St	2029-025	135-38-013-2	1,875	Fence, Gate	1,875	\$10.00	\$18,750	50%	(\$9,375)	\$9,375
30	Egbert Switching	1755 Egbert Ave	5431A-001A	135-38-057-1,-2	74,923	No Site Improvements	0	\$0.00	\$0		\$0	\$0
31	Martin	3150 Geneva Ave	005-141-999 (ptn)	134-41-9A-3, 135-41-28B-3, -	1,289,093	Minimal paving, fencing, CMU walls	1,246,985	\$10.00	\$12,469,850	50%	(\$6,234,925)	\$6,234,925
32	Beeman Lane	3789 San Bruno Ave	5067-001A	135-38-018-7	4,721	Fence, Gate	4,721	\$10.00	\$47,210	50%	(\$23,605)	\$23,605
33	I	111-117 8th St	3727-135	135-38-003A-1	10,000	Fence, Gate, Paving	720	\$20.00	\$14,400	50%	(\$7,200)	\$7,200
<b>TOTAL</b>						<b>3,425,532</b>	<b>2,476,995</b>	<b>\$28,537,898</b>	<b>(\$13,908,432)</b>	<b>\$14,629,465</b>		

(1) Improved site area, net of building footprint, if any

**VALUATION SUMMARY**  
 Fair Market Value of PG&E Electrical Transmission & Distribution Real Property  
 San Francisco, California

**DATE OF VALUE: JULY 27, 2021**

No.	PG&E ID	Address	Assessor Parcel No.	SBE Parcel No.	DEPRECIATED REPLACEMENT COST			LAND VALUATION			FAIR MARKET VALUE CONCLUSION (RCNLD + LAND)
					RCNLD Structural Improvements	RCNLD Site Improvements	TOTAL RCNLD	Site Size (SF)	\$/SF	TOTAL LAND VALUE	
1.1	Z Embarcadero	405 Folsom St	3748-001,-003,-004,-005	135-38-033A-1	\$41,166,360	\$0	\$41,166,360	22,900	\$525.00	\$12,022,500	\$53,188,860
1.2	Z Embarcadero	425 Folsom St	3748-029	135-38-033A-2	\$15,659,072	\$158,995	\$15,818,067	10,310	\$525.00	\$5,412,750	\$21,230,817
2	A Potrero	1101 & 1201 Illinois St	4175-018 (ptn)	135-38-024D-2,-3 (ptn)	\$19,673,676	\$937,500	\$20,611,176	293,960	\$317.21	\$93,247,000	\$113,858,176
3.1	Hunters Point	1180 Evans Ave	4570-024	135-38-018D-1	\$0	\$597,600	\$597,600	79,680	\$175.00	\$13,944,000	\$14,541,600
3.2	Hunters Point	1010 - 1030 Evans Ave	4604A-002	135-38-018E-1	\$0	\$750,000	\$750,000	281,659	\$100.00	\$28,165,896	\$28,915,896
3.3	Hunters Point	1135 Evans Ave	4602A-014	135-38-026A-1	\$0	\$107,184	\$107,184	85,747	\$100.00	\$8,574,700	\$8,681,884
3.4	Hunters Point	1059-1075 Evans Ave	4603A-002,-005, 4647A-013	135-38-026A-2	\$0	\$980,100	\$980,100	325,709	\$100.00	\$32,570,900	\$33,551,000
3.5	Hunters Point	5000 Hunters Point Blvd	4629A-012	135-38-026A-3	\$0	\$17,500	\$17,500	14,345	\$45.00	\$645,525	\$663,025
3.6	Hunters Point	1000 Evans Ave	4580-002	135-38-018A-2	\$0	\$3,365,130	\$3,365,130	651,723	\$62.00	\$40,406,828	\$43,771,958
4	W Baysshore	151-157 Baysshore Blvd	5559-004,-005,-006	135-38-031-1	\$41,509	\$271,650	\$313,159	55,930	\$300.00	\$16,779,000	\$17,092,159
5	Y Larkin	538 Eddy St	0335-037	135-38-030A-1,-2,-3	\$33,892,220	\$271,950	\$34,164,170	46,875	\$300.00	\$14,062,500	\$48,226,670
6	X Mission	66 8th St	3701-053	135-38-015A-2	\$24,067,077	\$292,500	\$24,359,577	44,617	\$450.00	\$20,077,650	\$44,437,227
7	L	2475 Ocean Ave	6901-001	135-38-001-19	\$64,554	\$68,630	\$133,184	17,076	\$400.00	\$6,830,400	\$6,963,584
8	G	1200 Broderick St	1101-013	135-38-002-4	\$1,111,492	\$15,000	\$1,126,492	15,468	\$400.00	\$6,187,200	\$7,313,692
9	E	205 Lexington Ave	3596-104	135-38-003-6	\$726,040	\$14,688	\$740,727	13,175	\$400.00	\$5,270,000	\$6,010,727
10	F Marina	1570 Bay St	0459-032	135-38-001D-1	\$0	\$147,499	\$147,499	13,111	\$300.00	\$3,933,300	\$4,080,799
11	K	679 24th Ave	1567-012	135-38-002-5	\$344,050	\$56,985	\$401,035	12,398	\$350.00	\$4,339,300	\$4,740,335
12	J	530 Sacramento St	0228-006	135-38-004-6	\$1,842,957	\$0	\$1,842,957	8,395	\$525.00	\$4,407,375	\$6,250,332
13	N	1437-1449 9th Ave	1844-053	135-38-02A-1	\$0	\$32,460	\$32,460	6,492	\$350.00	\$2,272,200	\$2,304,660
14	Randolph	724 Randolph St	7084-024	135-38-019A-1	\$0	\$24,325	\$24,325	4,865	\$110.00	\$535,150	\$559,475
15	M	20 Rousseau St	6747-016	135-38-005B-1	\$0	\$23,625	\$23,625	4,725	\$200.00	\$945,000	\$968,625
16	Portola	610 Portola Dr	2892-003	135-38-023-1	\$0	\$46,980	\$46,980	4,698	\$275.00	\$1,291,950	\$1,338,930
17	Beach St	330 Beach St	0013-010	135-38-018B-1	\$0	\$37,500	\$37,500	3,750	\$375.00	\$1,406,250	\$1,443,750
18	6th Ave	365 6th Ave	1438-014	135-38-015-3	\$0	\$15,000	\$15,000	3,000	\$300.00	\$900,000	\$915,000
19	Silver	1086 Silver Ave	5915-001	135-38-025-1	\$0	\$14,160	\$14,160	2,832	\$250.00	\$708,000	\$722,160
20	Ocean	1155 Ocean Ave	6944-040	135-38-020-1	\$0	\$13,275	\$13,275	2,655	\$350.00	\$929,250	\$942,525
21	Yosemite	1802 Yosemite Ave	5417-007	135-38-011-1	\$0	\$12,500	\$12,500	2,500	\$275.00	\$687,500	\$700,000
22	Taraval	2533 Taraval St	2390-044	135-38-010-2	\$0	\$12,500	\$12,500	2,500	\$325.00	\$812,500	\$825,000
23	Judah	2927 Judah St	1819-042	135-38-010-1	\$0	\$12,500	\$12,500	2,500	\$300.00	\$750,000	\$762,500
24	Plymouth	214 Plymouth Ave	7112-012A	135-38-025-2	\$0	\$12,500	\$12,500	2,500	\$300.00	\$750,000	\$762,500
25	Noriega	3819 Noriega St	2082-001L	135-38-013-1	\$0	\$11,625	\$11,625	2,325	\$325.00	\$755,625	\$767,250
26	18th St	4430 18th St	2650-020	135-38-008-1	\$0	\$11,250	\$11,250	2,250	\$375.00	\$843,750	\$855,000
27	Acton	5889 Mission St	6472-021D	135-38-013-5	\$0	\$11,250	\$11,250	2,250	\$275.00	\$618,750	\$630,000
28	Castro	1506 Castro St	6546-003	135-38-014-1	\$0	\$10,000	\$10,000	2,000	\$350.00	\$700,000	\$710,000
29	21st Ave	1340 Noriega St	2029-025	135-38-013-2	\$0	\$9,375	\$9,375	1,875	\$350.00	\$656,250	\$665,625
30	Egbert Switching	1755 Egbert Ave	5431A-001A	135-38-057-1,-2	\$0	\$0	\$0	74,923	\$225.00	\$16,857,675	\$16,857,675
31	Martin	3150 Geneva Ave	005-141-999 (ptn)	134-41-9A-3, 135-41-28B-3, -4	\$2,794,485	\$6,234,925	\$9,029,410	1,289,093	\$74.38	\$95,881,975	\$104,911,385
32	Beeman Lane	3789 San Bruno Ave	5067-001A	135-38-018-7	\$0	\$23,605	\$23,605	4,721	\$150.00	\$708,150	\$731,755
33	SF Substation I	111-117 8th St	3727-135	135-38-003A-1	\$431,190	\$7,200	\$438,390	10,000	\$400.00	\$4,000,000	\$4,438,390
<b>TOTAL</b>					<b>\$141,814,682</b>	<b>\$14,629,465</b>	<b>\$156,444,147</b>	<b>3,425,532</b>		<b>\$449,886,799</b>	<b>\$606,330,946</b>
<b>ROUNDED</b>					<b>\$141,800,000</b>	<b>\$14,600,000</b>	<b>\$156,400,000</b>			<b>\$449,900,000</b>	<b>\$606,300,000</b>

# **ATTACHMENT D**

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**LIST OF EASEMENTS, RIGHTS-OF-WAY, LEASE AGREEMENTS,  
AND OTHER PROPERTY INTERESTS**

Excel File  
Confidential in Entirety

# **ATTACHMENT E**

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## **QUALIFICATION OF APPRAISER**

## Education

### **Master of Science in Real Estate Appraisal & Investment Analysis**

*University of Wisconsin - Madison*

### **Bachelor of Science in Zoology**

*University of Wisconsin - Milwaukee*



## Experience

Tim Runde, MAI, LEED AP, is the President of Runde & Partners, a full-service real estate appraisal and consulting company headquartered in San Francisco, California. Prior to forming Runde & Partners, Tim was a Partner with Carneghi and Partners. Tim has over 30 years of commercial real estate appraisal experience encompassing a wide range of property types, including commercial office, industrial, retail and multi-family assignments. In addition, he has developed expertise in advanced practice areas including sports and entertainment venue valuation, condemnation, intangibles, leaseholds, and sustainable, green and high-performance buildings. He regularly provides expert testimony and litigation support and has served as an expert witness in a variety of settings including California Superior Court, U.S. Bankruptcy Court, arbitration, mediation and ad valorem tax appeal proceedings. Tim received a Master of Science in Real Estate Appraisal and an Investment Analysis degree from the University of Wisconsin under the direction of Dr. James Graaskamp. While studying there, he was awarded a Hollander Fellowship with the Wisconsin Housing and Economic Development Authority and worked as a project manager with a national real estate developer.

## Professional Affiliations & Certifications

- MAI Designation: Appraisal Institute
- State of California Certified General Real Estate Appraiser No. AG011358
- LEED AP BD+C, United States Green Building Council (USGBC)
- Appraisal Institute Professional Development Programs
  - *Valuation of the Components of a Business Enterprise*
  - *Valuation of Sustainable Buildings*
  - *Litigation*

## Publications

- *The Valuation of Green Commercial Real Estate* (textbook), The Appraisal Institute, Chicago; 2017
- *The Appraisal Journal*, Summer 2017, *The Role of Incentives in Green Building Valuation*
- *Real Property Insights*, Volume 22, No. 2, 2015, *Linking Sustainable Improvements to Retail Real Estate Value*
- *The Appraisal Journal*, Spring 2015, *Net Zero Energy Buildings: An Introduction for Valuation Professionals*
- *The Journal of Sustainable Real Estate (JOSRE)*, Volume 2, No. 1, 2010, *Integrating Sustainability and Green Building into the Appraisal Process*

## Teaching & Speaking

### Teaching

- Appraisal Institute Instructor
- Appraisal Institute Course Developer
- Appraisal Institute Course Reviewer

### Speaking

*Appraisal Institute National Conference: 2019, 2018, 2016, 2015, 2014, 2012*

*Appraisal Institute NorCal Chapter Fall Conference: 2019 through 2010*

#### *Greenbuild International Conference*

- 2015: Washington DC, An Insider's Guide to Optimizing the Value of NZE Properties
- 2012: San Francisco, Valuing LEED Buildings: Making the Most of What Matters

*International Right of Way Association (IRWA) Spring Conference, San Jose, 2016*

- Eminent Domain Issues for High-Performance Properties

*International Living Future Institute (ILFI), Seattle, 2015*

- Real Estate Finance and Appraisal

*Appraisal Institute Webinars, 2015*

- Benchmarking Building Performance
- Valuing Net Zero Energy Buildings

*Institute for Professionals in Taxation (IPT), Nashville, 2012*

- Case Studies in Highest and Best Use Analysis of Health Care Properties
- Fundamentals of Highest and Best Use, Economic Life and Depreciation for Health Care Properties

*Buildings New York Conference*

- 2011: New York City, Effectively Valuing and Marketing Green Real Estate
- 

## Awards & Service

**Body of Knowledge Committee Member | 2024 - present**

*Appraisal Institute National Organization*

**Outstanding Service Award | 2018**

*Appraisal Institute National Conference*

**Textbook Reviewer | 2018**

*Appraisal in Litigation*

**Article Peer Reviewer | 2013 - present**

*The Appraisal Journal and International Journal of Strategic Property Management*

**Appraisal Institute Region 1 Representative 2017-2020**

**Board Member | 2016 -2018**

*Appraisal Institute Northern California Chapter*

**Planning Committee Member – Appraisal Institute Fall Conference | 2009 –2018**

*Appraisal Institute Northern California Chapter*

**Conference Chair – Appraisal Institute Fall Conference | 2014**

*Appraisal Institute Northern California Chapter*

**Task Force Member, Residential Energy Conservation Ordinance | 2014 -2015**

*City of San Francisco Department of the Environment*

**Mentoring, University of Wisconsin-Madison - Wisconsin Real Estate Mentorship Program | 2013 -2014**

**Subject Matter Expert: Valuation of Green Buildings – Background Competence | 2012-2013**  
*The Appraisal Foundation*

**Expert Panelist, Department of Energy, Building America Experts Meeting | 2011**

**APPENDIX III**

**Select PG&E Responses to City Data Requests**

**PACIFIC GAS AND ELECTRIC COMPANY**  
**PG&E Property Valuation Petition**  
**Petition 21-07-012**  
**Data Response**

PG&E Data Request No.:	CCSF_012-Q001-006		
PG&E File Name:	PGE-PropertyValuationPetition_DR_CCSF_012-Q001-006Supp02		
Request Date:	December 22, 2022	Requester DR No.:	012
Date Sent:	January 30, 2023 (Original) February 2, 2023 (Supplemental 01) May 15, 2023 (Supplemental 02)	Requesting Party:	City and County of San Francisco
PG&E Witness:		Requester:	Lauren Miller

**GENERAL OBJECTIONS**

1. PG&E objects that the Requests are unduly burdensome in the aggregate, and that they do not allow adequate time to respond in light of the magnitude of information requested. PG&E reserves the right to supplement its responses, and to rely upon in this or other proceedings, rights, interests or documents that it did not locate at the time of these responses.
2. PG&E objects that the Requests seeks proprietary and competitively sensitive information, as well as information that would jeopardize security if publicly known. Accordingly, a protective order is necessary. In light of the fact that CCSF is currently a competitor of PG&E with respect to electricity distribution and sale within the City, the protective order must limit the uses of any responses and must limit the distribution of any responses among CCSF personnel, particularly to exclude those involved in competitive activity.
3. PG&E objects that the definition of EASEMENT is largely circular and potentially vague and ambiguous.

**QUESTION 001**

Please provide the following information for each EASEMENT for which PG&E has paid either money or provided in-kind consideration (e.g., free or discounted electrical service):

- a. A complete, written copy of the instrument granting the EASEMENT, including any amendments or other modifications
- b. Whether the EASEMENT is recorded, and, if so, the date of recordation, book and page number, or other identifying document number(s)
- c. If a written copy is unavailable, please provide a complete description of the EASEMENT, including Assessor's Parcel No., date of execution, duration, and rights granted to PG&E, as well as the date of recordation, book and page number, or other identifying document number(s)

- d. How much money PG&E paid for the EASEMENT or a description and estimated monetary value of the in-kind consideration and at what time such amounts were paid or in-kind consideration was provided
- e. Whether PG&E owes or anticipates further payment (either monetary or in-kind consideration) for the EASEMENT and the anticipated amount and timing of such further payments, if any.

#### **ANSWER 001**

**The documents being produced are designated CONFIDENTIAL and provided pursuant to the signed NDA between CCSF and PG&E.**

- a. Please see Bates range PGE000082712 - PGE000103567 for written copies of the instruments granting the easements, as defined, to the extent such documents exist and are maintained in the regular course of business.
- b. Please see Bates range PGE000082712 - PGE000103567. Recording information is noted in the respective written instruments granting the easement as well as noted in Land Document Export Mapping Table.
- c. PG&E responds that, to the best of its knowledge, written copies are available. Please see Bates range PGE000082712 - PGE000103567.
- d. To the extent reasonably available, the amounts paid are noted in the respective written instruments granting the easement.
- e. We will provide this information in a future production.

#### **ANSWER 001 SUPPLEMENTAL 01**

**The document being produced is designated CONFIDENTIAL and provided pursuant to the signed NDA between CCSF and PG&E.**

- e. Please see "PGE-PropertyValuationPetition\_DR\_CCSF\_012-Q001-006Supp01Atch01CONF" for a schedule of anticipated future payments.

#### **ANSWER 001 SUPPLEMENTAL 02**

PGE000104240 replaces Land Document Export Mapping Table. The only change to the file is the assignment of a bates number.

#### **QUESTION 002**

Please provide the following information for each TRANSMISSION EASEMENT that is not included in your response to Data Request 1, above:

- a. A complete, written copy of the instrument granting the EASEMENT, including any amendments or other modifications

- b. Whether the EASEMENT is recorded, and, if so, the date of recordation, book and page number, or other identifying document number(s)
- c. If a written copy is unavailable, please provide a complete description of the EASEMENT, including Assessor's Parcel No., date of execution, duration, and rights granted to PG&E, as well as the date of recordation, book and page number, or other identifying document number(s).

#### **ANSWER 002**

**The documents being produced are designated CONFIDENTIAL and provided pursuant to the signed NDA between CCSF and PG&E.**

- a. Please see Bates range PGE000082712 - PGE000103567 for written copies of the instruments granting the transmission easements, as defined, to the extent such documents exist and are maintained in the regular course of business.
- b. Please see Bates range PGE000082712 - PGE000103567. Recording information is noted in the respective written instruments granting the easement as well as noted in Land Document Export Mapping Table.
- c. PG&E responds that, to the best of its knowledge, written copies are available. Please see Bates range PGE000082712 - PGE000103567.

#### **ANSWER 002 SUPPLEMENTAL 02**

PGE000104240 replaces Land Document Export Mapping Table. The only change to the file is the assignment of a bates number.

#### **QUESTION 003**

Please provide a general description of the OTHER EASEMENTS and a) a description of PG&E's records of such EASEMENTS and whether they are typically recorded; and b) how PG&E has previously assigned value to such EASEMENTS and what value has been assigned.

#### **ANSWER 003**

In addition to the General Objections, PG&E objects to this request on the ground that it is vague and ambiguous. PG&E does not typically pay land owners for easements related to providing new service on those owners' property. It is a requirement of an applicant under PG&E's tariff Rule 16 that land rights be given to PG&E at no cost. Easements provided in connection with new service are stored electronically and typically recorded.

#### QUESTION 004

Please provide the following information for each OTHER PROPERTY INTEREST for which PG&E has paid either money or provided in-kind consideration (e.g., free or discounted electrical service):

- a. A complete, written copy of the instrument granting the PROPERTY INTEREST, including any amendments or other modifications
- b. Whether the PROPERTY INTEREST is recorded, and, if so, the date of recordation, book and page number, or other identifying document number(s)
- c. If a written copy is unavailable, please provide a complete description of the PROPERTY INTEREST, including Assessor's Parcel No., date of execution, duration, and rights granted to PG&E, as well as the date of recordation, book and page number, or other identifying document number(s), if applicable
- d. How much money PG&E paid for the PROPERTY INTEREST or a description and estimated monetary value of the in-kind consideration and at what time such amounts were paid or in-kind consideration was provided
- e. Whether PG&E owes or anticipates further payment (either monetary or in-kind consideration) for the PROPERTY INTEREST and the anticipated amount and timing of such further payments, if any.

#### ANSWER 004

**The documents being produced are designated CONFIDENTIAL and provided pursuant to the signed NDA between CCSF and PG&E.**

- a. Please see Bates range PGE000082712 - PGE000103567 for written copies of the instruments granting the property interest, as defined, to the extent such documents exist and are maintained in the regular course of business.
- b. Please see Bates range PGE000082712 - PGE000103567. Recording information is noted in the respective written instruments granting the property interest.
- c. PG&E responds that, to the best of its knowledge, written copies are available. Please see Bates range PGE000082712 - PGE000103567.
- d. The amounts paid are noted in the respective written instruments granting the property interest.
- e. We will provide this information in a future production.

#### ANSWER 004 SUPPLEMENTAL 01

**The documents being produced are designated CONFIDENTIAL and provided pursuant to the signed NDA between CCSF and PG&E.**

- a. In addition to those documents already provided, please also see Bates range PGE000103568.

- e. Please see "PGE-PropertyValuationPetition\_DR\_CCSF\_012-Q001-006Supp01Atch01CONF" for a schedule of anticipated future payments.

#### **QUESTION 005**

Please provide a general description of the OTHER PROPERTY INTERESTS for which PG&E has not paid money or provided in-kind consideration and a) a description of PG&E's records of such PROPERTY INTERESTS and whether they are typically recorded; and b) how PG&E has previously assigned value to such PROPERTY INTERESTS and what value has been assigned.

#### **ANSWER 005**

**The documents being produced are designated CONFIDENTIAL and provided pursuant to the signed NDA between CCSF and PG&E.**

In addition to the General Objections, PG&E objects to this request on the ground that it is vague and ambiguous. Notwithstanding the foregoing, and based on PG&E's interpretation of the request, PG&E responds as follows:

Other Property Interests, as defined (e.g., leases, licenses, permits, etc.) are not typically recorded against the property. Value is assigned to these property interests by the property owner. Please see Bates range PGE000082712 - PGE000103567.

#### **QUESTION 006**

Please provide a general description of the MARTIN EASEMENTS AND PROPERTY INTERESTS and a) a description of PG&E's records of such PROPERTY INTERESTS and whether they are typically recorded; and b) how PG&E has previously assigned value to such PROPERTY INTERESTS and what value has been assigned.

#### **ANSWER 006**

**The documents being produced are designated CONFIDENTIAL and provided pursuant to the signed NDA between CCSF and PG&E.**

In addition to the General Objections, PG&E objects to this request on the ground that it is vague and ambiguous. Notwithstanding the foregoing, and based on PG&E's interpretation of the request, PG&E responds as follows:

Martin Easements and Property Interests, as defined, include overhead electric facilities that travel into CCSF. Martin Easements and Property Interests are stored electronically and typically recorded. Please see Bates range PGE000082712 - PGE000103567.

Excel File

CONFIDENTIAL PGE000104240 - Land Document Export Mapping Table.xlsx

[CONFIDENTIAL]