

ATTACHMENT 10

Conditions of Retention of Bluepeter as agreed upon with Friends of the Bluepeter group:

1. In the event that the Bluepeter building is retained, the plans for Open Space Parcel P24 will be reviewed by staff and minor modifications made, as necessary, to ensure compatibility between the ultimate use of the building and the adjacent park uses.
2. During 2010, FOCIL-MB will develop two sets of Construction Drawings for Open Space Parcel P24, one without the Bluepeter building and one with the Bluepeter building retained, consistent with the park design alternatives approved by the Port and Agency Commissions for the Concept and Schematic Design for Open Space Parcels P23 and P24. Staff will consult with the Mission Bay Citizens Advisory Committee, the Friends of the Bluepeter, and other members of the public during the Construction Drawing process.
3. The Friends of the Bluepeter will have until March 1, 2011 to raise all necessary funds to cover the cost of stabilization and the basic, on-going maintenance of the Bluepeter building once it is stabilized. The Friends of the Bluepeter must have all cash-in-hand by March 1, 2011; however, the Port and Agency will consider verifiable institutional funding commitments as a substitution for cash-in-hand for the required funding.
4. The Friends of the Bluepeter will have to demonstrate that the funding raised for stabilization, as outlined in the September 9, 2009 Equity Community Builders feasibility study, is adequate to fully stabilize the building, which is currently estimated at over \$300,000. Detailed cost estimates from the proposed contractor and a licensed engineer/architect will need to be provided to prove the ultimate cost for stabilization to ensure that the funding will cover the actual cost of stabilization. Cash or verifiable commitments for four years of maintenance (including graffiti abatement, security, insurance, and routine maintenance and repair) after stabilization will also be required.
5. In addition to identifying funding commitments for the stabilization and maintenance of the Bluepeter building by March 1, 2011, the Friends of the Bluepeter will have to secure a qualified development partner acceptable to the Port and Agency who is prepared to enter into an agreement with the Agency and Port for the redevelopment and operation of the Bluepeter building on reasonable terms. A qualified development partner must:
 - a) Demonstrate financial capacity and show access to capital to complete the project.
 - b) Demonstrate experience in developing and operating projects of similar type and scale.

- c) Submit a feasible plan for redevelopment and operations, based on verifiable cost and revenue assumptions.
 - d) Provide by March 1, 2011 a non-refundable deposit equal to the cost of the remediation of the Bluepeter building site, i.e. building demolition and preparation of the site for park use.
6. If the Friends of the Bluepeter meet the above conditions, the Executive Directors of the Port and Agency will negotiate in good faith with the Friends of the Bluepeter or designated qualified development partner agreements necessary to allow for the stabilization and redevelopment of the Bluepeter building. Any agreement will need to comply with applicable Port and Agency's contracting requirements, and may require Agency and Port Commission approval.
 7. The above agreements will require that stabilization work for the Bluepeter building must be completed by March 1, 2012, and that physical construction work on the redevelopment of the Bluepeter building must commence by March 1, 2016.
 8. No stabilization of the Bluepeter building will be allowed until all the above conditions are met.
 9. Neither the Port nor the Agency will contribute financially to the stabilization, redevelopment, operations, or maintenance of the Bluepeter building.
 10. All proposed uses must be consistent with the Public Trust and compatible with the Mission Bay open space uses, as determined by the Port and Agency. Plans for redevelopment and operation of the Bluepeter building shall be subject to community review, such as by members of the Mission Bay Citizens Advisory Committee, Dogpatch Neighborhood Association, Potrero Boosters, and other appropriate community groups, prior to Commission consideration of agreements.
 11. As Community Facilities District #5 did not include authorization to cover costs related to the Bluepeter building, retention of the Bluepeter building within parcel P24 shall not create any new additional costs related to the maintenance of the park. Any future tenant and/or qualified development partner will be required to off-set any increase in park management costs related to the use of the building.