

RESOLUTION NO. 17-2010

Adopted February 16, 2010, as amended by Agency Commission

CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR BAYFRONT PARK OPEN SPACE PARCELS P23 AND P24 IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On September 17, 1998, by Resolution No. 190-98, the Commission of the Redevelopment Agency of the City and County of San Francisco ("Agency Commission") approved the Redevelopment Plan ("Plan") for the Mission Bay South Redevelopment Project Area ("Project Area"). On the same date, the Agency Commission adopted related documents, including Resolution No. 193-98 authorizing execution of an Owner Participation Agreement ("South OPA") and related documents between Catellus Development Corporation, a Delaware corporation ("Catellus"), and the Agency. On November 2, 1998, the San Francisco Board of Supervisors ("Board of Supervisors"), by Ordinance 335-98, adopted the Plan. The Plan and its implementing documents, as defined in the Plan, constitute the "Plan Documents."
2. On September 17, 1998, the Agency Commission adopted Resolution No. 182-98 which certified the Final Subsequent Environmental Impact Report ("FSEIR") as a program EIR for Mission Bay North and South pursuant to the California Environmental Quality Act ("CEQA") and State CEQA Guidelines Section 15180. On the same date, the Agency Commission also adopted Resolution No. 183-98, which adopted environmental findings (including a statement of overriding considerations), in connection with the approval of the Plan and other Mission Bay project approvals. The San Francisco Planning Commission ("Planning Commission") certified the FSEIR by Resolution No. 14696 on the same date. On October 19, 1998, the Board of Supervisors adopted Motion No. 98-132 affirming certification of the FSEIR by the Planning Commission and the Agency, and Resolution No. 854-98 adopting the environmental findings.
3. Catellus has sold most of its remaining undeveloped land in Mission Bay to FOCIL-MB, LLC ("FOCIL-MB"), a subsidiary of Farallon Capital Management, LLC, a large investment management firm. The sale encompassed approximately 71 acres of land in Mission Bay, and the remaining undeveloped residential parcels in Mission Bay South. FOCIL-MB has assumed all of Catellus' obligations under the South OPA and the Agency's Owner Participation Agreement for Mission Bay North (collectively, the "OPAs"), as well as all

responsibilities under the related public improvement agreements and land transfer agreements with the City and County of San Francisco ("City"). FOCIL-MB is bound by all terms of the OPAs and related agreements, including the requirements of the affordable housing program, equal opportunity program, and design review process.

4. The Plan and the Plan Documents, including the Mission Bay South Infrastructure Plan and the Design Review and Document Approval Procedure, Attachment G to the South OPA ("DRDAP") provide that FOCIL-MB designate Open Space Parcels at the ratio of 0.45 acres of open space for each acre of FOCIL-MB's developable land within each Major Phase. The DRDAP further states that plans for Open Space Parcels P23 and P24 shall be submitted concurrently.
5. Pursuant to the South OPA and DRDAP, FOCIL-MB submitted a final Combined Basic Concept and Schematic Design packet for Open Space Parcels P23 and P24 ("Open Space Parcels") dated February 8, 2010.
6. Parcel P24 includes an existing building referred to as the Bluepeter building, which was envisioned in the Plan for demolition to allow for the construction of P24. However, a group of residents from the adjacent Dogpatch and Potrero Hill neighborhood, called the Friends of the Bluepeter, has requested the Agency and Port retain the building within the park site and allow the group to have additional time to raise the money to stabilize the building and identify a development partner to rehabilitate the building.
7. The Combined Basic Concept and Schematic Design packet for Open Space Parcels P23 and P24 includes two park designs for P24, one with the Bluepeter building removed as originally planned, and an alternative design for P24 that would allow the Bluepeter building to be retained and incorporated into the park design if the Friends of the Bluepeter is able to raise the required funding to rehabilitate the structure.
8. Agency staff has reviewed the Combined Basic Concept and Schematic Design packet for purposes of compliance with CEQA.
9. Subsequent to certification of the FSEIR described in Section 2 above, the Agency has issued addenda to the FSEIR. Hereinafter, the Final Subsequent Environmental Impact Report, including any addenda thereto, shall be collectively referred to as the "FSEIR."
10. The first Addendum, dated March 21, 2000, analyzed temporary parking lots to serve the ballpark. The second, dated June 20, 2001, analyzed revisions to 7th Street bike lanes and relocation of a storm drain outfall provided for in the Mission Bay South Infrastructure Plan, a component of the South OPA. The third, dated February 10, 2004, analyzed revisions to the Mission Bay South Design for Development with respect to the maximum allowable number of towers, tower separation and requires step-backs. The fourth, dated March 9, 2004, analyzed the Mission Bay South Design for Development with respect to

the permitted maximum number of parking spaces for bio-technical and similar research facilities and the North OPA with respect to changes to reflect a reduction in permitted commercial development and associated parking. The fifth, dated October 4, 2005, analyzed the UCSF proposal to establish a Phase I 400-bed hospital in Mission Bay South on Blocks 36-39 and X-3. The sixth addendum, dated September 10, 2008, addressed revisions of the UCSF Medical Center at Mission Bay.

11. The City is proposing to place a bond measure on the ballot for June 2010, which would include funding to construct a 320,200 gross square foot Public Safety Building on Block 8 in Mission Bay South. The Public Safety Building would include the San Francisco Police Headquarters, along with a fire and police station. The FSEIR analyzed the construction of a fire and police station on Block 8, but did not anticipate the relocation of the San Francisco Police Headquarters to the site.
12. In accordance with CEQA, the Agency has prepared a seventh addendum to the FSEIR, dated January 7, 2010, ("Addendum #7") to study the possible environmental impacts of including the San Francisco Police Headquarters in the proposed Public Safety Building on Block 8 in Mission Bay South. Addendum #7 concludes that the Public Safety Building project will not create any significant environmental impacts not already studied in the FSEIR nor cause a substantial increase in the severity of previously identified significant impacts. Therefore, no additional mitigation measures are required.
13. The FSEIR is a program EIR under CEQA Guidelines Section 15168 and a redevelopment plan EIR under CEQA Guidelines Section 15180. Approval of the Combined Basic Concept and Schematic Design for Open Space Parcels P23 and P24 is an undertaking pursuant to and in furtherance of the Plan in conformance with CEQA Section 15180 ("Implementing Action").
14. Agency staff, in making the necessary findings for the Implementing Action contemplated herein, considered and reviewed the FSEIR and has made documents related to the Implementing Action and the FSEIR files (including Addendum #7) available for review by the Agency Commission and the public; these files are part of the record before the Agency Commission.
15. The FSEIR findings and statement of overriding considerations adopted in accordance with CEQA by the Agency Commission by Resolution No. 183-98 dated September 17, 1998, reflected the independent judgment and analysis of the Agency, were and remain adequate, accurate and objective and were prepared and adopted following the procedures required by CEQA, and the findings in such resolutions are incorporated herein by reference as applicable to the Implementing Action.
16. Agency staff has reviewed the Combined Basic Concept and Schematic Design submitted by FOCIL-MB and finds it acceptable and recommends approval thereof, subject to the resolution of certain conditions.

FINDINGS

The Agency finds and determines that the Combined Basic Concept and Schematic Design for Open Space Parcels P23 and P24 is an Implementing Action within the scope of the project analyzed in the FSEIR and requires no additional environmental review pursuant to State CEQA Guidelines Sections 15180, 15162 and 15163 for the following reasons:

1. The Implementing Action is within the scope of the project analyzed in the FSEIR and no major revisions are required due to the involvement of new significant environmental effects or a substantial increase in the severity of significant effects previously identified in the FSEIR.
2. No substantial changes have occurred with respect to the circumstances under which the project analyzed in the FSEIR was undertaken that would require major revisions to the FSEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FSEIR.
3. No new information of substantial importance to the project analyzed in the FSEIR has become available which would indicate that (a) the Implementing Action will have significant effects not discussed in the FSEIR; (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the FSEIR will substantially reduce one or more significant effects on the environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that (1) it has reviewed and considered the FSEIR and addenda, and hereby adopts the CEQA findings set forth in Resolution No. 183-98 incorporated herein and those set forth above; and (2) that the Combined Basic Concept and Schematic Design for Open Space Parcels P23 and P24 is hereby approved pursuant to the Mission Bay South Owner Participation Agreement with FOCIL-MB, subject to the following conditions:

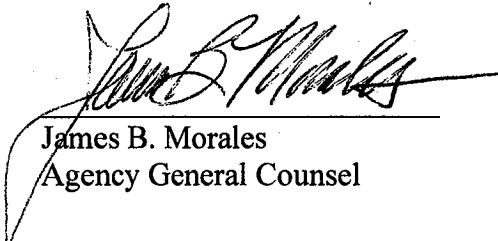
1. Staff shall review and approve the final furnishings for both parks during design development. Furnishings include, but are not limited to, benches, drinking fountains, tables, signage, tree well treatment, light poles (both with and without electrical outlets), and fences. FOCIL-MB shall consider the long-term durability, maintenance requirements, and the sustainability of the materials when selecting furnishings. Consideration will also include recognition of existing Mission Bay South streetscape and open space character and future Blue Greenway design guidelines.

2. Final hardscape materials for the parks, including the final extent of paved areas, all paving materials, paving patterns, and path materials shall be reviewed and approved by staff during the design development. Strong efforts shall be made to use permeable pavers and other sustainable materials whenever possible.
3. A final planting plan for both parks, including all new trees, planting palette, swales and bioretention basins, and Eucalyptus grove area, shall be reviewed by staff for approval during design development. Attention shall be given to the location of trees and impacts to public views of the Bay from the parks.
4. Final landform plans for the parks, including the bioswales, children play hills and the vegetative slope between Block X-4 and Open Space Parcel 23 shall be reviewed and approved by staff during the design development. The landscape forms design shall ensure durability and public safety, meet ADA requirements, provide appropriate drainage and provide adequate visibility through the park.
5. The final design for the Muni building beautification program will be determined through negotiation with the San Francisco Municipal Transportation Agency.
6. 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.
7. 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 Combined Basic 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.
8. 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.
9. 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.

10. 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 reasonably acceptable to the Port/Agency who is prepared to enter into an agreement with the Agency/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.
11. If the Friends of the Bluepeter meets 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/Port Commission approval.
12. 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.
13. No stabilization of the Bluepeter building will be allowed until all the above conditions are met.
14. Neither the Port nor the Agency will contribute financially to the stabilization, redevelopment, operations, or maintenance of the Bluepeter building.
15. All proposed uses must be consistent with the Public Trust and compatible with the Mission Bay open space uses, as reasonably determined by the Port and Agency. Plans for redevelopment and operation of the Bluepeter building shall be subject to reasonable 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.
16. 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.

17. Port and Agency staff will meet with the Friends of the Bluepeter on a regular basis throughout 2010 and early 2011. Starting on June 1, 2010, the Friends of the Bluepeter will provide quarterly reports that provide updates on the status of fundraising and identification of Qualified Development Partners. By September 1, 2010, the Friends of the Bluepeter will provide updated cost estimates for stabilization and maintenance of the building (per 3 above) for staff review, which shall be the basis of determining the final amount of funds that must be on hand or committed by March 1, 2011.
18. If by March 1, 2011 the Friends of the Bluepeter is unable to meet the above conditions, the planning and permitting for parcel P24 will continue without the Bluepeter option, and the Bluepeter building will be demolished and the park constructed consistent with the Commission Approved Non-Bluepeter Combined Basic Concept and Schematic Design option for parcel P24.
19. The Executive Directors of the Port and Agency shall determine, in their reasonable judgment, with no further Commission action required, if the Friends of the Bluepeter has met the above conditions to retain the Bluepeter building within parcel P24, including reasonable modifications of the conditions by the Executive Directors, or if not, that the Bluepeter building shall be demolished consistent with the adopted Mission Bay South Redevelopment Plan and Design for Development.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel