

RESOLUTION NO. 66-99
(Adopted May 25, 1999)

AUTHORIZING A FIRST AMENDMENT TO THE AGREEMENT FOR DISPOSITION OF LAND FOR PRIVATE REDEVELOPMENT WITH A.T.&T. CORP. FOR PROPERTY LOCATED AT 795 FOLSOM STREET; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

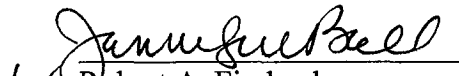
1. A.T.&T. Corp. ("Developer") and the Agency entered into a Land Disposition Agreement ("Agreement") in 1976 by which the Developer acquired parcel 3751-F in the Yerba Buena Center Redevelopment Project Area D-1 ("Property") to construct an office building.
2. The Developer completed the development in compliance with the terms of the Agreement.
3. In 1994, the Agency amended the Yerba Buena Center Redevelopment Plan in order to bring it into conformity with the City's General Plan. As a result, the underlying land use of Property was changed to a category that does not allow office uses, thus making the existing office building a nonconforming use.
4. The Redevelopment Plan and the Agreement are silent as to the treatment of existing, nonconforming land uses.
5. In order to protect its investment in the Property, the Developer has requested an amendment to the Agreement to explicitly allow the existing office building to be rebuilt and the land use to remain in place in the event that the building is damaged or destroyed.
6. The development rights granted by the proposed amendment to the Agreement would be consistent with Planning Department policy for similar nonconforming properties elsewhere in the City.
7. The Agency desires to grant the Developer's request by amending the Agreement to allow the Developer or its successors to rebuild the existing office building and continue to use the Property for an office building in the event that the existing improvements are damaged or destroyed.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED, THAT:

1. The Executive Director is authorized to execute a First Amendment to the Agreement for Disposition of Land for Private Redevelopment ("Amendment") with A.T.&T. Corp. ("Developer") for parcel 3751-F in the Yerba Buena Center Redevelopment Project Area D-1 ("Property"), substantially in the form lodged with the Agency General Counsel and with any necessary changes that do not materially increase the obligations of the Agency under the Agreement.
2. The sole purpose of the Amendment is to allow the Developer or its successors to rebuild the existing office building and continue to use the Property for an office building in the event that the existing improvements are damaged or destroyed.
3. Except as expressly modified by the Amendment, the Agreement shall remain in full force and effect.

APPROVED AS TO FORM:



Robert A. Firehock
Acting Agency General Counsel