

**RESOLUTION NO. 107-99**  
(Adopted July 27, 1999)

AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO  
EXCLUSIVE NEGOTIATIONS FOR THE DISPOSITION AND  
DEVELOPMENT OF THE REAL PROPERTY KNOWN AS 1 FEDERAL STREET,  
LOCATED AT THE INTERSECTION OF FEDERAL STREET AND FIRST STREET,  
WITH LNR-LENNAR BRANNAN STREET, LLC,  
A CALIFORNIA LIMITED LIABILITY COMPANY;  
RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA

**BASIS FOR RESOLUTION**

1. On June 18, 1987 the Agency purchased 1 Federal Street, a 20,240 square-foot parcel (Lot 18 of Assessor's Block 3774) which is currently improved by a three-story building.
2. The Owner Participation Rules for the Rincon Point-South Beach Redevelopment Project Area ("Project Area") provide that certain individual parcels of real property within the Project Area must be aggregated to form parcels of adequate size and shape to accomplish the purposes of, and conform to, the Redevelopment Plan.
3. On August 24, 1982, through its Resolution No. 156-82, the Redevelopment Agency Commission ("Commission") determined that Assessor's Block 3774, Lots 18 and 24 ("Site G") must be aggregated for residential purposes.
4. Under the Redevelopment Plan for the Rincon Point-South Beach Redevelopment Project Area ("Plan"), the primary land use designation for Site G is residential. The goals of the Plan emphasize the development of mixed income housing.
5. On February 4, 1999 LNR-Lennar Brannan Street, LLC, a California limited liability company ("Developer"), acquired Lot 24 (which is part of Site G pursuant to its aggregation) and two adjacent parcels (Lots 25 and 15) from the Sara Lee Corporation.
6. On February 24, 1999, after preliminary discussions with Agency staff, the Developer submitted a proposal ("Development Proposal") to the Agency requesting the acquisition of the Agency's Lot 18 in exchange for constructing 51 affordable ownership units as part of a larger development on Lots 18, 24, 25, and 15 ("Project Site") containing a total of approximately 250 residential units, 130,000 square feet of multi-media space, and parking.
7. The Agency wishes to enter into Exclusive Negotiations with the Developer leading to the execution of a Disposition and Development Agreement ("DDA") for Lot 18 and an Owner Participation Agreement for Lot 24 ("OPA") which reflect the terms described generally in the Proposed Term Sheet attached to the Commission Memorandum accompanying this Resolution.

## RESOLUTION

### ACCORDINGLY, IT IS RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to enter into Exclusive Negotiations with LNR-Lennar Brannan Street, LLC, a California limited liability company ("Developer"), for the disposition and development of the Agency's property at 1 Federal Street, Lot 18 of Assessor's Block 3774 ("Lot 18"), which aggregated together with Lot 24, is known as Development Site G, pursuant to all of the terms and conditions below.
2. As a condition to the selection of Developer for Exclusive Negotiations, the Developer shall, within seven (7) days of the Commission's approval of this Resolution, execute a written acceptance of this Resolution and file it with the Agency along with an Exclusive Negotiations Payment equal to one percent (1%) of the appraised value of Lot 18. The Payment would be returned after the issuance of all Certificates of Completion, but would be retained in the event that negotiations terminated without the execution of a disposition agreement within the time period specified below. Failure to submit the Payment within this time frame shall result in the termination of Exclusive Negotiations.
3. Within thirty (30) days of the Commission's approval of this Resolution, Developer shall provide Agency with copies of each of the following documents:
  - (a) a fully executed Redeveloper Statement and evidence that Developer is validly formed and in good standing;
  - (b) its LLC-1 and Operating Agreement (and thereafter, provide copies of any proposed amendments thereto at least seven (7) days prior to their execution);
  - (c) all of its members' audited financial statements and tax returns for 1998 (and thereafter, provide copies of all additional financial statements and tax returns within seven (7) days of Developer's receipt of such information);
  - (d) the latest architectural and engineering plans and studies for the Project Site (and thereafter, provide copies of all additional architectural and engineering information related thereto as reasonably requested by the Agency);
  - (e) the latest financial proforma for development of Site G (and thereafter, provide copies of all changes and updates thereto within seven (7) days of Developer's receipt of such information); and
  - (f) a list of all professional and personal services consultants (as defined by the Agency's Equal Opportunity Program) selected or under consideration (and thereafter, copies of all proposed changes or additions thereto at least seven (7) days prior to Developer's execution of agreements with such consultants).
4. Within one hundred eighty (180) days of the Commission's approval of this Resolution, Developer shall provide Agency with copies of non-binding commitment letters for all debt and equity construction financing described in the development proforma.
5. Within one (1) year of the Commission's approval of this Resolution, the Developer shall, to the satisfaction of the Agency's Executive Director, negotiate and execute a

Disposition and Development Agreement (“DDA”) and an Owner Participation Agreement (“OPA”) for Lots 18 and 24, which generally reflect the terms described in the Proposed Term Sheet attached to the Commission Memorandum accompanying this Resolution, which DDA and OPA shall be subject to approval by the Commission.

6. The Exclusive Negotiations Period shall last one (1) year from the date of this Resolution. The Executive Director is authorized to grant up to two (2) extensions of sixty (60) days each to extend the Exclusive Negotiations Period, if necessary, to permit all legally required environmental and/or historical property reviews to be completed and to allow adequate time for public notice and review.
7. Throughout the Exclusive Negotiations Period, the Agency shall negotiate exclusively with Developer for the purpose of concluding a DDA for Lot 18 and an OPA governing the development of Lot 24 to recommend to the Agency Commission for approval. Until the expiration of the Exclusive Negotiations period pursuant to clauses 2 through 6 above, the Agency will not solicit other proposals or negotiate with any other potential developer with respect to Lot 18; provided, however, that if Developer fails to comply with any of the terms and conditions in this Resolution, the Commission may terminate the Exclusive Negotiations at a public meeting and the restrictions of this clause 7 will no longer apply.
8. The Exclusive Negotiations do not give Developer any claim or right or interest in Lot 18, unless and until the Agency Commission determines, after a public hearing pursuant to California Health and Safety Code Section 33431, to sell Lot 18 to Developer.

APPROVED AS TO FORM:



ROBERT A. FIREHOCK  
Acting Agency General Counsel