

RESOLUTION NO. 145-99

(Adopted September 28, 1999)

AUTHORIZING EXECUTION OF A SUBLEASE BETWEEN CHINA BASIN BALLPARK COMPANY LLC AND THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, APPROVAL OF THE CONSENT AGREEMENT AND THE EXPENDITURE OF NOT TO EXCEED \$985,000 OF AGENCY FUNDS FOR THE DESIGN AND CONSTRUCTION OF A PUBLIC PLAZA AND CERTAIN SOUTH BEACH PARK IMPROVEMENTS; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. By Resolution No. 155-98, adopted on August 4, 1998, the Agency approved an Owner Participation Agreement (the "OPA") with China Basin Ballpark Company LLC ("CBBC") for the development of a new Ballpark for the San Francisco Giants baseball team at China Basin (the "Ballpark"). Among other things, the OPA granted a non-exclusive easement to CBBC over a portion of the property leased by Agency from the Port (the "Access Parcel").
2. By Resolution No. 228-98, adopted October 27, 1998, the Agency conditionally approved the schematic design for the Ballpark to permit the installation of the Coca-Cola children's play area (the "Coca-Cola Attraction").
3. The First Amendment to the OPA deletes the easement on the Access Parcel granted therein in exchange for the Agency's agreement to enter into a sublease with CBBC.
4. Agency and CBBC now desire to enter into a sublease (the "Sublease") for a portion of the property which includes most of area described as the Access Parcel in the OPA (the "Subleased Premises"). The Sublease requires CBBC to use the Subleased Premises for uses relating to the Ballpark, improve pedestrian access, facilitate landscaping to screen the Coca-Cola Bottle and construct, maintain and repair certain improvements. The Sublease also reserves certain rights in the Subleased Premises to the Agency (and the City, including its Port) for a shared use area.
5. The Sublease also requires CBBC to design and construct certain Park Improvements on the Agency's South Beach Park and be reimbursed for the actual costs of design and construction. CBBC is obligated to restore certain portions of South Beach Park which it has used as a construction staging area for the Ballpark. The Agency is obligated to construct a portion of a public plaza (the "Center Field Plaza") and desires to construct certain Park Improvements, including the marina parking area. The construction obligations of CBBC and the Agency on the Subleased Premises, Park Improvements, and Center Field Plaza are inextricably intertwined and physically overlap with the construction obligations of the other party, it is not practical nor cost-efficient for the Agency to bid the work for the Park Improvements separately and, in any event, it would

be extremely unlikely that the Agency could complete such construction prior to the opening of the Ballpark.

6. The Sublease also requires CBBC to meet the City's prevailing wage and diversity program requirements pursuant to that certain ground lease between the Port and CBBC dated November 26, 1997 (instead of the Agency's programs) since all of the work of the Ballpark, and the improvements on the Subleased Premises and Park Improvements will be performed pursuant to CBBC's contracts with the design consultant and contractor.
7. The City's Port and CBBC have also entered into an agreement (the "Consent Agreement") in which the Port, among other things, consents to the sublease and agrees to a special event rent instead of a percentage rent as required under the ground leases between the Agency and Port (the "Agency/Port Leases"). The Consent Agreement requires the Agency's consent.
8. On June 26, 1997, the Commission, by Resolution No. 96-97, certified the Final Environmental Impact Report for the Ballpark project ("FEIR") as accurate, adequate and objective and in compliance with the California Environmental Quality Act ("CEQA") and the CEQA Guidelines.
9. Agency staff has reviewed the FEIR and concluded that there are no changed circumstances under which the Sublease is undertaken, and that there is no new information available that would lead to any new or substantially more severe significant environmental impacts not examined in the FEIR.
10. A public hearing concerning the proposed sublease has been held in a time and manner required by law.

FINDINGS AND DETERMINATION

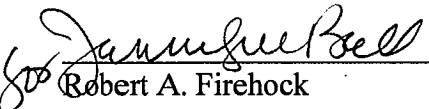
1. The economic terms of the sublease are not less than the fair market value over the term of the lease for the proposed use of the Subleased Premises.
2. The Commission finds that the Sublease is consistent with the analysis in the FEIR and requires no further environmental analysis.
3. The construction of the improvements on the Subleased Premises, Center Field Plaza and the Park Improvements are inextricably intertwined and physically overlap with the construction obligations of the other party, it is not practical nor cost-effective for the Agency to separately bid out the work on the Park Improvements and it would be extremely unlikely that the Agency could complete the Park Improvements by the opening day of the Ballpark.

RESOLUTION

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

1. The publication of the Notice of Public Hearing concerning the proposed sublease, pursuant to Section 33431 of the California Community Redevelopment Law, is hereby ratified and confirmed.
2. The Executive Director is authorized to execute the Sublease between the Agency and China Basin Ballpark Company LLC, a Delaware limited liability company, and the Agency's consent to the Consent Agreement, substantially in the form lodged with Agency General Counsel, with such changes as do not materially affect the substance of the document or increase the obligations of the Agency, along with such related documents as may be required to implement the terms and conditions of the Sublease and the Consent Agreement.
3. The Executive Director is authorized to expend pursuant to the terms of the Sublease an amount not to exceed \$985,000 of Agency funds for the Agency's design costs and construction costs for the Center Field Plaza and the Park Improvements.

APPROVED AS TO FORM



Robert A. Firehock
Acting Agency General Counsel