

## **RESOLUTION NO. 112-2007**

*Adopted October 2, 2007*

**AUTHORIZING A SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH JESSIE SQUARE GARAGE PARTNERS LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND CB-1 MUSEUM PARTNERS LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO REVISE THE DEVELOPMENT BUDGET TO AN AGGREGATE AMOUNT NOT TO EXCEED \$6.0 MILLION FOR THE JESSIE SQUARE IMPROVEMENTS TO BE CONSTRUCTED ON CENTRAL BLOCK ONE AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT;  
YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA**

### **BASIS FOR RESOLUTION**

1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") Agency Commission authorized a Disposition and Development Agreement with CB-1 Entertainment Partners LP, a California limited partnership, on October 22, 2002, (the "Garage DDA"), by Resolution No. 185-2002, that provides for the lease and development of the Jessie Square Parcel, Garage Parcel and Mexican Museum Parcel located on Central Block One ("CB-1"), bounded by Market, Mission, Third and Fourth Streets, to construct a public parking facility (the "Garage"), surface improvements to be known as Jessie Square and the foundations for two structures to be developed as museum facilities (collectively referred to as the "Jessie Square Improvements").
2. The Agency has previously approved the assignment by CB-1 Entertainment Partners LP of its Garage DDA obligations to construct the Jessie Square Improvements and such obligations have been assumed by the following affiliated entities: (a) Jessie Square Garage Partners LLC, a Delaware limited liability company (the "Garage Developer"), that has constructed the Garage and the foundation of the proposed museum facility that will be completed on the Jessie Substation site by The Contemporary Jewish Museum and that will construct Jessie Square, and (b) CB-1 Museum Partners LLC, a Delaware limited liability company (the "Mexican Museum Developer"), that has constructed the foundation for the proposed Mexican Museum Building (the "Museum Substructure") and that will construct the superstructure of the proposed Mexican Museum building (the "Museum Superstructure") (the Garage Developer and the Mexican Museum Developer are collectively referred to the "Developers").
3. On August 22, 2005, the Agency Commission, by Resolution No. 122-2005, authorized a First Amendment to the Garage DDA to provide changes to the schedule for the construction of the improvements on the surface of the Jessie

Square Parcel and the Museum Superstructure, which work had been delayed due to delays in the construction of the two museum structures, and the need to utilize portions of the Jessie Square Parcel for construction access and staging for the proposed museum to be developed through The Contemporary Jewish Museum's adaptive reuse of the Substation building.

4. The Contemporary Jewish Museum's construction work in the Substation commenced in July 2006 and will be completed in Spring 2008. In accordance with the Agency's obligations and the Garage DDA, the Developer's Jessie Square Replacement Architect has completed the construction documents for the surface improvements for Jessie Square and has provided the Agency with a guaranteed maximum price contract for the construction of these improvements.
5. Agency staff recommends a second amendment to the Garage DDA to revise the budget for the Jessie Square Improvements, based on the design costs for the Jessie Square Replacement Architect, the guaranteed maximum price for construction, and on estimated costs for related "soft" costs, and set-aside of funds for contingencies.
6. California Environmental Quality Act ("CEQA") determinations in connection with the Yerba Buena Center Redevelopment Plan and its implementation:
  - 6.1 The original Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project ("Yerba Buena Center") was adopted on April 25, 1966, by Ordinance No. 98-66, before the adoption of CEQA.
  - 6.2 The Yerba Buena Center Final Environmental Impact Report ("YBC Final EIR") was certified on April 25, 1978 by the Agency Commission and, acting for and on behalf of the Board of Supervisors, the Planning Commission of the City and County of San Francisco, as joint lead agencies, pursuant to CEQA.
  - 6.3 The First Supplement to the YBC Final EIR ("First YBC EIR Supplement") was certified on July 21, 1981 by the Agency Commission and Planning Commission, as joint lead agencies.
  - 6.4 The Second Supplement to the YBC Final EIR ("Second YBC EIR Supplement") was certified on January 4, 1983 by the Agency Commission and Planning Commission, as joint lead agencies.
  - 6.5 The Yerba Buena Center Final Subsequent Environmental Impact Report ("YBC Subsequent EIR") was certified on December 3, 1992 by the Agency Commission and Planning Commission, as joint lead agencies.
  - 6.6 The Agency prepared three Addenda to the YBC Subsequent EIR, including Addendum #1 in June 1994, Addendum #2 in October 1994, and Addendum #3 in January 1997.

- 6.7 On July 26, 1994, in connection with an amendment of the YBC Redevelopment Plan that changed the scope of development for the YBC Central Blocks, the Agency Commission adopted Resolution No. 97-1994, which included environmental findings and a Statement of Overriding Considerations pursuant to CEQA and Resolution No. 95-1994, approving the Mitigation Monitoring and Reporting Program for the YBC Redevelopment Project.
- 6.8 On July 1, 1997, the Agency Commission adopted Resolution No. 122-1997, authorizing a DDA with CB-1 Entertainment Partners, LP, for the Central Block 1 (CB-1) Market Street Parcel and the CB-1 Connector Site and making environmental findings for the DDA. The Agency Commission adopted Resolution No. 44-1998 on March 3, 1998 that amended the DDA, for the CB-1 Market Street Parcel. On June 20, 2000, the Agency Commission adopted Resolution No. 89-2000, authorizing a second amendment to the DDA to add the Jessie Square Parcel, provide for the construction of Jessie Square, and made environmental findings for the Jessie Square Parcel. The Agency Commission determined that all environmental effects of the development of the Jessie Square Parcel had been analyzed in the YBC environmental documents pursuant to Sections 21090 and 21166 of the Public Resources Code, including the documents cited herein, and no further environmental review was required.
- 6.9 In adopting Resolution No. 185-2002 on October 2, 2002, the Agency Commission cited Agency staff's October 17, 2002 memorandum entitled "Application of YBC Subsequent EIR to Jessie Square Improvements to YBC Central Block 1" and determined that the environmental impacts of the Garage DDA was within the scope of the environmental impacts previously analyzed for the YBC Central Blocks, and no further environmental review was required.
- 6.10 The YBC Subsequent EIR and related documents have been and continue to be available for review by the Agency Commission and the public and are part of the record before the Agency Commission.

### **CEQA FINDINGS**

The Agency Commission has independently reviewed and adopts the Agency staff's determination that the changes to the budget for the Jessie Square Improvements, based on the design prepared by the Jessie Square Replacement Architect, which are the subject of the second amendment to the Garage DDA are within the scope of the Project analyzed in the YBC Subsequent EIR and Addenda, and no additional environmental review is required. The Agency Commission also finds and determines, based on its independent judgment, that the revised budget for the Jessie Square Improvements approved by this resolution and the development schedule changes contained in the

second amendment to the Garage DDA is an Implementing Action within the scope of the Project analyzed in the YBC Subsequent EIR and Addenda and requires no additional environmental review pursuant to Sections 21090 and 21166 of the Public Resources Code and CEQA Guidelines Section 15168 for the following reasons:

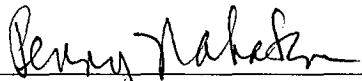
1. The YBC Subsequent EIR, Addenda, CEQA findings, Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program adopted in accordance with CEQA by the Agency Commission were and remain adequate, accurate and objective and are incorporated herein by reference.
2. Pursuant to Sections 21090 and 21166 of the Public Resources Code, the YBC Subsequent EIR is a redevelopment plan EIR and a subsequent EIR. The YBC Subsequent EIR is also a program EIR under CEQA Guidelines Section 15168. Approval of the second amendment to the Garage DDA is an undertaking pursuant to and in furtherance of the YBC Redevelopment Plan in conformance with Sections 21090 and 21166 of the Public Resources Code and CEQA Guidelines Section 15168 ("Implementing Action").
3. The Implementing Action is within the scope of the Project analyzed in the YBC Subsequent EIR and Addenda 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 YBC Subsequent EIR.
4. No substantial changes have occurred with respect to the circumstances under which the Project analyzed in the YBC Subsequent EIR and Addenda was undertaken that would require major revisions to the YBC Subsequent EIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the YBC Subsequent EIR.
5. No new information of substantial importance to the Project analyzed in the YBC Subsequent EIR and Addenda has become available which would indicate that (a) the Implementing Action will have significant effects not discussed in the YBC Subsequent EIR; (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 YBC Subsequent EIR 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 adopts and approves the CEQA findings set forth above and (2) it authorizes the Executive Director to execute the Second Amendment to the Disposition and Development Agreement dated October 22, 2002, as amended by a

First Amendment dated August 2, 2005, with Jessie Square Garage Partners LLC, a Delaware limited liability company, and CB-1 Museum Partners LLC, a Delaware limited liability company, substantially in the form lodged with the Agency General Counsel, and also authorized to execute and conform related documents and conveyance instruments necessary to effectuate such amended Disposition and Development Agreement.

**APPROVED AS TO FORM:**

  
for James B. Morales  
Agency General Counsel