

RESOLUTION NO. 126-2008

Adopted October 21, 2008

CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A COMMERCIAL BUILDING ON BLOCK 32 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 for the Mission Bay South Redevelopment Project Area ("Plan"). 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 CEQA and State CEQA Guidelines Section 15180. On the same date, the Agency Commission also adopted Resolution No. 183-98, which adopted environmental findings (and 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 environmental findings and a statement of overriding considerations.
3. The Plan and the Plan Documents, including the Design Review and Document Approval Procedure, designated as Attachment G to the South OPA ("DRDAP"), provide that development proposals in Mission Bay South would be reviewed and processed in "Major Phases," as defined in and consistent with the Plan and the Plan Documents. Submission of design plans and documents for any specific building ("Project") must be consistent with the requirements established for each

Major Phase. The DRDAP sets forth the review and approval process for Major Phases and Projects.

4. Catellus, the original master developer of the Mission Bay North and South Redevelopment Project Areas, 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’s 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. FOCIL-MB will be 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.
5. As permitted under the South OPA, Alexandria Real Estate Equities (“Developer”) purchased a large number of parcels in Mission Bay South, including Blocks 29-32. Developer will be bound by all relevant terms of the South OPA and related agreements, including the requirements of the equal opportunity program and design review process.
6. Pursuant to the Plan and Plan Documents, including the DRDAP, the Developer submitted a major phase application for Blocks 29-32 on May 9, 2006 and on May 30, 2006 submitted a revised, final major phase application dated May 25, 2006 (the “Blocks 29-32 Major Phase”).
7. On June 20, 2006, the Agency Commission, by Resolution No. 84-2006, approved the Blocks 29-32 Major Phase submission. In conjunction with this approval, the Agency Commission found that the potential environmental impacts of the Blocks 29-32 Major Phase were within the scope of impacts discussed in the FSEIR
8. Pursuant to the Plan and Plan Documents, including the DRDAP, the Developer has submitted a Combined Basic Concept and Schematic Design for a commercial building on Block 32 dated October 10, 2008 (“Schematic Design”). The commercial building contains approximately 305,673 gross square feet of laboratory/office space, with a height of 90 feet and six stories (the “Block 32 Project”).
9. Agency staff has reviewed the Block 32 Project for purposes of compliance with the California Environmental Quality Act (“CEQA”).
10. Subsequent to certification of the FSEIR described in Section 2 above, Agency issued several addenda to the FSEIR. Hereinafter, the Final Subsequent Environmental Impact Report, including any addenda thereto, shall be collectively referred to as the “FSEIR.”

11. 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.
12. On April 8, 2008, the Regents of the University of California ("The Regents") released a Draft Environmental Impact Report ("UCSF Draft EIR") for a revised hospital plan for Mission Bay South on Blocks 36-39 and X-3 ("UCSF Medical Center"). The UCSF Medical Center project proposes the establishment of up to a 289-bed hospital in Phase I and an additional 261 beds in Phase II.
13. Agency staff has prepared a sixth Addendum, dated September 10, 2008, ("Addendum #6") to the Mission Bay FSEIR that considers the UCSF Medical Center and whether it would require major revisions to the prior Mission Bay FSEIR analysis. Addendum #6 reflects the independent judgment and analysis of the Agency. To analyze the UCSF Medical Center effects, the Agency used the format of an initial study ("Initial Study"). The Initial Study determined that all of the significant impacts that would occur from the UCSF Medical Center project were identified in the Mission Bay FSEIR or would not create any new significant impacts to which development allowed under the Plan would be impacted by, or contribute to, cumulatively. Therefore, Addendum #6 concludes that the UCSF Medical Center project does not identify any new significant impacts or a substantial increase in the severity of previously identified significant effects that alter the conclusions reached in the Mission Bay FSEIR. The conclusions of the Initial Study regarding the potential impacts of the UCSF Medical Center are consistent with the analysis contained in the UCSF Draft EIR.
14. On September 18, 2008, The Regents certified a Final Environmental Impact Report for the UCSF Medical Center ("UCSF Final EIR") and took action to approve the UCSF Medical Center project, as described in the UCSF Draft EIR, except for the operations of the helipad, which will be subject to further community coordination and environmental review prior to approval by The Regents. The conclusions of the UCSF Final EIR are consistent with those contained in the UCSF Draft EIR and the Initial Study, which the Agency staff relied on in preparing Addendum #6. The Regents' recent certification of the UCSF Final EIR and approval of the UCSF Medical Center project thus does not result in any new information or change the conclusions of Addendum #6. Accordingly, Addendum

#6 continues to provide adequate, accurate and objective information upon which the Agency may rely in evaluating the environmental conditions related to approval of the Block 32 Project.

15. The FSEIR is a program EIR under CEQA Guidelines Section 15168 and a redevelopment plan EIR under CEQA Guidelines Section 15180. Approval of the Schematic Design is an undertaking pursuant to and in furtherance of the Plan in conformance with CEQA Section 15180 (“Implementing Action”).
16. 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 #6) available for review by the Agency Commission and the public; these files are part of the record before the Agency Commission.
17. The FSEIR findings and statement of overriding considerations adopted in accordance with CEQA by the Agency Commission by Resolution Nos. 183-98 dated September 17, 1998 and 84-2006 dated June 20, 2006, 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.
18. On October 2, 2008, pursuant to the provisions of Section 304.11 of the Plan, the Planning Commission reviewed the Schematic Design and confirmed a Planning Code Section 321 “Prop M” design approval providing authorization for the office component of the development. The Plan provides that the Planning Commission’s finding regarding the consistency of the design with its Proposition M findings is binding on the Redevelopment Commission.
19. Agency staff has reviewed the Schematic Design submitted by the Developer and finds it to be acceptable and recommends approval thereof, subject to the resolution of certain conditions.

FINDINGS

The Agency finds and determines that the Schematic Design submission 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.

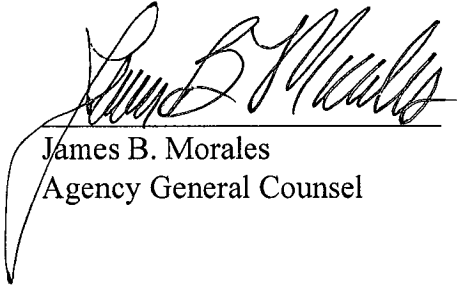
RESOLUTION

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 findings and statement of overriding considerations and hereby adopts the CEQA findings set forth in Resolution Nos. 183-98 and 84-2006 incorporated herein and those set forth above; and (2) that the Combined Basic Concept and Schematic Design for Block 32 is hereby approved pursuant to the Mission Bay South Owner Participation Agreement with FOCIL-MB, subject to the following conditions:

1. The building color, materials, landscape design, and additional finishes and architectural detailing, particularly related to the building skin elements, are subject to further review and approval by Agency staff during Design Development phase.
2. During the Design Development phase, additional visual interest at the pedestrian level shall be added to the western building façade through the use of setbacks, openings or entry expressions.
3. The southern façade shall be further studied during the Design Development phase to identify ways to better anchor it to the ground, such as through the use of columnar elements at the ground level.
4. The southwestern corner shall be subject to further study during the Design Development stage to refine its proportions.
5. The relationship between the windows, lower window sills, and the screens shall be studied and reviewed further in the Design Development phase.
6. The building entrances shall be studied and reviewed further during the Design Development phase to simplify the design and hierarchy of the canopies.

7. All building signage is subject to further staff review and approval during Design Development and at the time a signage permit application is submitted, pursuant to the Mission Bay South Signage Master Plan.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel