

RESOLUTION NO. 111-2010

Adopted September 7, 2010

APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE MAYOR'S OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT AND AN ASSOCIATED LETTER AGREEMENT WITH FOCIL-MB, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, FOR THE RECEIPT AND USE OF DTSC BROWNFIELD GRANT FUNDS FOR PARK P16 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 ("Plan") for the Mission Bay South Redevelopment Project Area ("Project Area"). 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 the California Environmental Quality Act ("CEQA") and State CEQA Guidelines Section 15180. On the same date, the Agency Commission also adopted Resolution No. 183-98, which adopted environmental findings (including 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 the environmental findings.
3. Catellus 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'

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 ("City"). FOCIL-MB is bound by all terms of the OPAs and related agreements, including the requirements of the infrastructure plan, affordable housing program, equal opportunity program, and design review process.

4. The Plan and the Plan Documents, including the Mission Bay South Infrastructure Plan, provide that FOCIL-MB will construct the infrastructure necessary to support the implementation of the Plan, including open spaces.
5. The Agency and FOCIL-MB have been exploring other funding sources, in addition to incremental property tax, to help off-set the cost of the construction of infrastructure required under the Mission Bay South Infrastructure Plan.
6. The State of California, acting through the Director of the California Department of Toxic Substances Control ("DTSC"), implements a grant program targeting the clean-up of brownfield sites ("DTSC Program"). FOCIL-MB, with the support of the Agency, prepared an application for the DTSC Program for use of grant funds for the completion of Park P16 in the Project Area.
7. The Park P16 site is owned by the City and the Port of San Francisco. Since a DTSC Program grant recipient must own the property where DTSC Program funds will be used, the Mayor's Office of Economic and Workforce Development ("MOEWD") agreed to be the official applicant, as a representative of the City. MOEWD was awarded a grant for \$200,000, and on May 1, 2009 entered into Brownfields Subgrant Agreement No. BLF-002-2009 ("DTSC Grant") with DTSC.
8. Agency staff has negotiated a Memorandum of Understanding with MOEWD for the acceptance and use of the DTSC Grant funds ("MOEWD MOU").
9. Agency staff has also negotiated an associated letter agreement with FOCIL-MB ("FOCIL Agreement") to ensure that the requirements of the MOEWD MOU are passed onto FOCIL-MB as the developer of Park P16.
10. Agency staff has reviewed the MOEWD MOU and FOCIL Agreement for purposes of compliance with CEQA.
11. Subsequent to certification of the FSEIR described in Section 2 above, the Agency has issued addenda to the FSEIR. Hereinafter, the Final Subsequent Environmental Impact Report, including any addenda thereto, shall be collectively referred to as the "FSEIR."
12. The first addendum, dated March 21, 2000, analyzed temporary parking lots to serve the ballpark. The second addendum, 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 addendum, 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 addendum, 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 addendum, 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. The sixth addendum, dated September 10, 2008, addressed revisions of the UCSF Medical Center at Mission Bay. The seventh addendum, dated January 7, 2010, analyzed the inclusion of the San Francisco Police Headquarters in the proposed Public Safety Building on Block 8 in Mission Bay South.

13. The FSEIR is a program EIR under CEQA Guidelines Section 15168 and a redevelopment plan EIR under CEQA Guidelines Section 15180. The MOEWD MOU and FOCIL Agreement are undertakings pursuant to and in furtherance of the Plan in conformance with CEQA Section 15180 (“Implementing Actions”).
14. Agency staff, in making the necessary findings for the Implementing Actions contemplated herein, considered and reviewed the FSEIR and has made documents related to the Implementing Actions and the FSEIR files available for review by the Agency Commission and the public; these files are part of the record before the Agency Commission.
15. The FSEIR findings and statement of overriding considerations adopted in accordance with CEQA by the Agency Commission by Resolution No. 183-98 dated September 17, 1998, 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 Actions.
16. Agency staff has reviewed the MOEWD MOU and FOCIL Agreement and finds them acceptable and recommends approval thereof.

FINDINGS

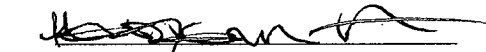
The Agency finds and determines that the MOEWD MOU and FOCIL Agreement are Implementing Actions within the scope of the project analyzed in the FSEIR and requires no additional environmental review pursuant to State CEQA Guidelines Sections 15180, 15162 and 15163 for the following reasons:

1. The Implementing Actions are 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 Actions 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 and addenda, and hereby adopts the CEQA findings set forth in Resolution No. 183-98 incorporated herein and those set forth above; and (2) that the Executive Director is authorized to execute a Memorandum of Understanding with the Mayor's Office of Economic and Workforce Development and an associated Letter Agreement with FOCIL-MB, LLC, a California limited liability corporation, for the receipt and use of DTSC Brownfield Grant Funds for Park P16, substantially in the form lodged with the Agency General Counsel; Mission Bay South Redevelopment Project Area.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel