



126-0322020-002

Agenda Item **Nos. 5(b) through 5(g)**
Meeting of November 17, 2020

TO: Commission on Community Investment and Infrastructure

FROM: Nadia Sesay, Executive Director

SUBJECT: Adopting Environmental Review Findings Pursuant to the California Environmental Quality Act Related to the Approval of Amendments to the Redevelopment Plan for the Mission Bay South Redevelopment Project, the Mission Bay South Owner Participation Agreement, the Design for Development for the Mission Bay South Project Area, the Revised Mission Bay Blocks 41-43 Major Phase Application, and, the Conditional Approval of the Basic Concept Design / Schematic Design for Mission Bay South Block 43, Parcel 7 (1450 Owens Street); Providing Notice that these Approvals are within the Scope of the Mission Bay Final Subsequent Environmental Impact Report ("FSEIR"), a Program EIR, and is Adequately Described in the FSEIR for the Purposes of the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

Approving the Report to the Board of Supervisors on the Amendment to the Redevelopment Plan for the Mission Bay South Redevelopment Project in Connection with the Development of a Mixed-Use Life Sciences Facility on Block 43, Parcel 7 (1450 Owens Street); Adopting Environmental Review Findings Pursuant to the California Environmental Quality Act; and, Authorizing the Transmittal of the Report to the Board of Supervisors; Mission Bay South Redevelopment Project Area

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Approving an Amendment to the Redevelopment Plan for the Mission Bay South Redevelopment Project in Connection with the Development of a Mixed-Use Life Sciences Facility on Block 43, Parcel 7 (1450 Owens Street), Referring the Plan Amendment to the Planning Commission for its Report and Recommendation to the Board of Supervisors; Recommending the Plan Amendment to the Board of Supervisors for Adoption; and, Adopting Environmental Review Findings Pursuant To The California Environmental Quality Act; Mission Bay South Redevelopment Project Area

Conditionally Authorizing a Ninth Amendment to the Mission Bay South Owner Participation Agreement with FOCIL-MB, LLC, a Delaware Limited Liability Company; and, Adopting Environmental Review Findings Pursuant to The California Environmental Quality Act; Mission Bay South Redevelopment Project Area

Approving an Amendment to the Design for Development for the Mission Bay South Project Area in Connection with the Development of a Mixed-Use Life Sciences Facility on Block 43, Parcel 7 (1450 Owens Street); and, Adopting Environmental Review Findings Pursuant To The California Environmental Quality Act; Mission Bay South Redevelopment Project Area

Conditionally Approving Amendments to the Revised Major Phase for Block 41-43 Application and the Basic Concept / Schematic Design for Mission Bay South Block 43, Parcel 7 (1450 Owens Street) to Develop a Mixed-Use Life Sciences Facility; and, Adopting Environmental Review Findings Pursuant To The California Environmental Quality Act; Mission Bay South Redevelopment Project Area

EXECUTIVE SUMMARY

The Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”) authorizes 5,953,600 leasable square feet of Commercial Industrial uses within the Mission Bay South Project Area (“Project Area”). Over the twenty-one years that the Redevelopment Plan has been in effect, the Office of Community Investment and Infrastructure (“OCII”) and its predecessor, the Redevelopment Agency of the City and County of San Francisco (“Former Agency”), have authorized the use of all of the leasable square feet under the cap for other commercial projects in the Project Area, leaving no square footage available for new projects. Alexandria Real Estate Equities (“ARE” or “Project Sponsor”) owns Parcel 7 of Block 43 (1450 Owens Street) within the Project Area (“Parcel 7”) and has proposed to develop Parcel 7 with approximately 169,810 square feet of commercial space.

ARE requests the Commission on Community Investment and Infrastructure (“Commission”) approve amendments to the Redevelopment Plan, the Design for Development for the Mission Bay South Project Area (“D for D”) and the Mission Bay South Owner Participation Agreement (“South OPA”), together, the “Plan Documents.” The amendments would allow for a seven-story, 109-foot-high, mixed-use life sciences building consisting of 169,810 leasable square feet in total, which would include research and laboratory space, up to 49,999 square feet of office space, meeting rooms, and ground floor neighborhood-serving retail (“Project or 1450 Owens Life Science Facility”). The proposed amendments to the Redevelopment Plan (“Plan Amendment”) and to the South OPA would increase the total leasable square footage of Commercial and Industrial uses permitted in the Plan Area by 170,000 square feet allocated to Parcel 7. In addition to amendments to the Plan Documents, approval of the Project would

require the Commission's consideration of the conditional approvals of amendments to the Major Phase Application for Blocks 41 – 43 and the Basic Concept / Schematic Design on Parcel 7 Block 43.

Staff recommends the Commission's:

- 1) *adoption of Environmental Review Findings Pursuant to the California Environmental Quality Act,*
- 2) *approval of a Report to the Board on the Plan Amendment and Authorization for Transmittal to the Board of Supervisors,*
- 3) *approval of a Plan Amendment,*
- 4) *authorization of a Ninth Amendment to the South OPA with FOCIL-MB LLC ("FOCIL"),*
- 5) *approval of an amendment to the D for D,*
- 6) *conditional approvals of amendments to the Major Phase Application for Blocks 41 - 43 and of the Basic Concept/Schematic Design ("BC/SD") for the 1450 Owen Life Sciences Facility on Block 43 Parcel 7*

BACKGROUND

The Plan Documents govern the development of the 238-acre Project Area. The South OPA was executed between the Former Agency, now OCII, and the original landowner and master developer, Catellus Development Corporation ("Catellus"). The South OPA, along with its development rights and obligations, was later transferred by Catellus to FOCIL-MB LLC ("FOCIL"). The Plan Documents create the land use designations, regulatory and contractual framework for development in the Project Area. Pursuant to the South OPA, the master developer, first Catellus and then FOCIL, sold vertical parcels to individual developers, who have then designed and constructed buildings according to the permitted land uses and design controls specified in the Plan Documents.

Block 43 Parcel 7

Parcel 7 is a 1.13-acre site that is currently underutilized with a temporary surface parking lot use. It is bound by a yet-to-be-designed future active recreation public open space (Park P7) to the north, Owens Street (a public street) to the east, "A" Street (a private street) to the south, and the raised I-280 freeway and the Caltrain right-of-way to the west. See Attachment 1, Mission Bay Land Use Map, for the location of Parcel 7, and Attachment 2, Mission Bay Amenities Map, for a description of nearby community amenities.

On October 10, 2000, the Former Redevelopment Agency adopted Resolution No. 199-2000 which approved the Blocks 41-43 and 45 Major Phase submitted by Catellus. ARE acquired Parcel 7 from Catellus on September 1, 2004, and subsequently submitted a revised Major Phase submission for Blocks 41-43 that did not include Block 45. On October 18, 2005, the Former Agency approved, by Resolution No. 163-2005, the Revised Major Phase. On October 21, 2008, the Former Redevelopment Agency approved, by Resolution No. 128-2008, a BC/SD package submitted by ARE for a 39-foot-high

(the maximum allowable building height under the D for D), 61,581 leasable-square-foot building on Parcel 7. ARE chose not to move forward with this project and the commercial square footage became available for other projects. Subsequently, the Former Agency and OCII approved other commercial projects in the Project Area that depleted the remaining allocation of leasable square feet under the Redevelopment Plan's cap on commercial industrial uses. ARE is now proposing to develop a new, larger project on Parcel 7.

DISCUSSION

ARE Proposed 1450 Owens Life Sciences Facility

Project Description

ARE is proposing a 7-story, 109-foot-high mixed-use life sciences building. The proposed Project consists of 169,810 leasable square feet in total, comprised of: 119,812 square feet of research, laboratory and meeting space; up to 49,998 square feet of office space; and ground floor neighborhood-serving retail. As stated previously, the Plan Documents would be amended to allow up to 170,000 Commercial Industrial leasable square feet (a 2.8 percent increase to the overall Commercial Industrial square footage for the Project Area), increase the maximum building height up to 109-feet, increase the maximum bulk controls, and additional amendments to facilitate the proposed design. As proposed in the BC/SD submittal, the Project would be designed for the primary purpose of laboratory work for life sciences with 15-foot 6-inch ceiling heights to accommodate laboratory equipment, and an allowable 20-foot rooftop mechanical equipment penthouse.

The proposed building will be set back from Owens Street providing a publicly-accessible plaza with benches, trees, bike parking, and a potential future public art location. The proposed ground floor will feature a 2,580 square foot neighborhood-serving retail space, lobby and life science meeting conference center. All building utility and back of house space will be located on "A" Street, a private street. The North frontage is slightly set back from the property line providing a planting area for stormwater treatment adjacent to future Park P7. For fire separation, the Project will be seeking a no build easement on the Park P7 from the City and County of San Francisco Real Estate Division.

No vehicle parking is being proposed for the Project. The required parking spaces to accommodate the Project's employees and visitors driving to the Project are available in an ARE-owned, multi-level parking structure (Block 43, Parcel 6) located directly across "A" Street. In addition to the bicycle parking in the plaza, secured spaces will be provided within the Project.

The building's massing is formed by Parcel 7's irregular shape. The proposed building height provides a balance of preserving views and minimizing shadow. The building design uses a mix of bronze vertical window mullions and glass in an arrangement inspired by the patterns of DNA creating visual texture and acknowledging the Project's life science use. It is further articulated by horizontal shifts in certain floor plates and curtain wall surface openings creating visual permeability to the workspaces from Potrero Hill, Mission Bay and Downtown.

Amended Documents Related to the 1450 Owens Life Sciences Facility

The 1450 Owens Life Sciences Facility requires amendments to the Plan Documents and the Revised Major Phase, as well as approval of a BC/SD submittal. The amended documents to be considered by the Commission are described below:

Document	Content Summary
Mission Bay South Redevelopment Plan Amendment	- Increase the amount of Commercial Industrial development permitted in the Project Area by 170,000 leasable square feet to be allocated to Parcel 7 of Block 43 - Increase the maximum allowable Floor Area Ratio (the ratio of gross building area to developable site area) from 2.9:1 to 2.95:1 if some or all of the additional leasable square allocated to Parcel 7 of Block 43 is constructed
D for D Amendment	- Increase the maximum height permitted on Block 43, Parcel 7 from 39 feet (the adjacent Freeway height) to 109 feet - Revise Height Zone 7's total allowable developable area to accommodate the additional height - Remove the Tower Location limitation to include the entirety of Block 43 - Increase the Commercial Industrial maximum allowable building plan length, above 90 feet, from 200 feet to 260 feet - Increase the maximum allowable floor plate area, above 90 feet, from 20,000 square feet to 30,000 square feet - Revise the street wall frontage location for Block 43, Parcel 7 to account for the existing public utilities easement - Revise the Freeway Zone Open Space / Panorama guideline on Block 43 to allow additional height above 39 feet (the adjacent Freeway height)
Ninth Amendment to the South OPA	- Increase the amount of Commercial Industrial development permitted in the Project Area by 170,000 leasable square feet allocated to Block 43 Parcel 7 - Defines the Floor Area Ratio for Block 43 Parcel 7 at 3.57:1 - Define an augmented child care fee and open space maintenance financial contribution
Blocks 41-43 Major Phase Amendment	- Allows the inclusion of the 1450 Owens Life Sciences structure and corresponding improvements to Parcel 7
1450 Owen Life Sciences Facility Project BC/SD	- Entitles the Basic Concept and Schematic Design of the 1450 Owens Life Sciences Facility on Parcel 7 at 109-feet high with an allowable 20-foot rooftop mechanical equipment penthouse consisting of approximately 169,810 leasable square feet in total, comprised of research and laboratory space, up to 49,999 square feet of office space, meeting rooms, and 2,580 square foot ground floor neighborhood-serving retail space

Proposed Redevelopment Plan Amendment and Findings Related to the 1450 Owens Life Sciences Facility

The Project requires amendments to the Redevelopment Plan to increase the limitation on Commercial Industrial uses by approximately 170,000 square feet allocated to Parcel 7 from approximately 5,953,600 leasable square feet to approximately 6,123,600 leasable square feet allowed in the Plan Area. To account for the addition of the 170,000 leasable square feet on Parcel 7 the maximum average floor area ratio (the ratio of gross building area to developable site area) for Commercial Industrial and Commercial Industrial/Retail uses is increased from 2.9:1 to 2.95:1 if Parcel 7 is developed with the Project. See attachment 4 for more detail on the proposed Plan Amendment.

The Community Redevelopment Law ("CRL") establishes the process for amending of redevelopment plans in Sections 33450-33458 of the California Health and Safety Code. This process includes approval by OCII, a determination of conformity to the City's general plan by the Planning Commission, and final review and approval by the Board of Supervisors. A report on the plan amendment provides relevant background information in support of the need, purpose, and impacts of the plan amendment and this report is transmitted to the Board of Supervisors (Attachment 3).

By allowing for the additional Commercial Industrial leasable square feet for the Project, the proposed Redevelopment Plan amendment will support the full economic use of Parcel 7 and will accelerate the completion of development under the Mission Bay South Redevelopment Plan, the South OPA and the related enforceable obligations.

OCII staff recommends this amendment, as it will further advance the purpose of CRL by promoting the objectives as set forth in Section 103 of the Redevelopment Plan and planning objectives for the Central Waterfront Plan of the City of San Francisco's General Plan as described in Section 104. The Project helps alleviate adverse conditions that contribute to blight remaining within portions of the Plan Area on an underutilized parcel that has limited development potential (§103, *Objective A*). It expands and builds upon the existing economic base within Mission Bay South and the City, including providing an estimated 569 permanent employment opportunities at Project completion and additional construction workforce opportunities during construction, as well as increasing the assessed value of Parcel 7 and resultant tax increment (§103, *Objective E and D*, §104, *Objective E.8*). The Project's programming creates multiple uses including ground floor retail serving neighborhood workers, visitors and residents; along with conference space for workers and visitors; and a public plaza for passive recreation (§104, *Policy A.3*). The research and development life science use of the Project expands upon the existing uses within Mission Bay and further compliments the University of California San Francisco Mission Bay campus that focuses on health and education through life sciences (§104, *Policy E.1*).

Proposed South OPA Amendment and Findings Related to the 1450 Owen Life Sciences Facility

A Ninth Amendment to the South OPA is required to implement the increase of 170,000 square feet of Commercial Industrial uses in the Plan Area allocated to Parcel 7. It would also define the child care, open space maintenance financial contribution, small business hiring and local hiring required for the Project. See attachment 5 for more detail on the proposed South OPA amendment.

The Redevelopment Dissolution Law establishes the process for amending the South OPA, which is an enforceable obligation that only an oversight board may approve, subject to California Department of Finance ("DOF") review. The law authorizes oversight boards to approve amendments to enforceable obligations if it finds that the amendments would be in the best interest of the taxing entities. (Cal. Health & Safety Code Section 34181(e)). Among the factors that the oversight board may consider are whether the amendments reduce liabilities and increase net revenues to the taxing entities. Therefore, the final approval of the ninth amendment to the South OPA is conditioned upon the Oversight Board approval of the amendment, which is subject to review by the DOF.

Staff recommends a Ninth amendment to the South OPA in coordination with the Redevelopment Plan amendment. The addition of the Commercial Industrial leasable square feet is expected to generate more revenues from property taxes payable to the taxing entities in comparison to existing conditions. These taxing entities include the City and County of San Francisco, the Bay Area Rapid Transit District, the San Francisco Community College District, and the San Francisco Unified School District and the San Francisco County Office of Education. The Plan Area document amendments do not propose any new capital expenditures by the Successor Agency or any change in the Successor Agency's overall method of financing the redevelopment of Mission Bay South.

Proposed D for D Amendment and Findings Related to the 1450 Owens Life Sciences Facility

The Project also requires amendments to the D for D to, including, among others, an increase in maximum height on Parcel 7 from 39 feet to 109 feet and an increase to the allowable building bulk.

The Project is located in Height Zone 7 of the D for D. There are seven height zones in the D for D, which allows for varying heights. The proposed amendment would increase the height on Parcel 7 by removing the restriction that Parcel 7 is not to exceed the freeway height (approximately 39 feet high) and limitation on the placement a tower on Block 43. The addition of the height requires a small change to the developable area, from 83,720 square feet to 110,293 square feet. This increase also requires a change to the percentage of total developable area that the tower can represent, from 15% to 20% and a decrease of the base height developable area, from 85% to 80%.

According to the D for D, the bulk standards control the length and width of towers to "preserve light, air and views that add to the character" of the built environment. The D for D designates a maximum horizontal plan length, above 90-feet in height, of 200 feet, and maximum floor plate of 20,000 for the Commercial/Industrial buildings in Height Zones 5 through 8. The proposed amendment would also increase the allowed bulk for the Project by allowing for a maximum plan length of 260 feet and maximum floor plate of 30,000 square feet.

The D for D prescribes streetwall standards to "maintain the consistent building to street relationship that is common throughout San Francisco", requiring a 100% streetwall across Parcel 7 along Owens Street. The City, however, requires a storm and sewer no build easement on Parcel 7 that is inconsistent with the streetwall standard. As a result, the proposed amendment would respect the existing easement setting back the streetwall on the western edge of Parcel 7 creating a larger public plaza and opening the views along Owens Street to future Park P7.

A proposed amendment removing the D for D Building Height and Form, Freeway Zone – Open Space/Panorama guideline for Commercial Industrial Uses is necessary to accommodate additional height on Parcel 7. The D for D guideline indicates the height on Parcel 7 adjacent to future Park P7 is limited to the average height of the freeway barriers (approximately 39 feet) to preserve a portion of the downtown panorama. At the Project's proposed height of 109-feet, the intent to preserve views of downtown is intact from neighboring Potrero Hill as seen within the view studies of the 1450 Owens Life Sciences Basic/Concept and Schematic Design (Attachment 7). In addition, language has been added to the Lower Elements at the Freeway Frontage guideline to recognize the unusual configuration of Parcel 7 and to acknowledge the framing of the development setback adjacent to the freeway on Owens Street spanning from Block 40 to Block 43.

Amendments to the D for D require OCII Commission approval only. See attachment 6 for more detail on the D for D Amendment.

OCII staff recommends an amendment to the Design for Development for the Mission Bay South Plan Area in order to support the development of the proposed Project that complements the adjacent uses and building designs.

1450 Owens Life Sciences Facility Basic Concept / Schematic Design Document

ARE submitted the final 1450 Owens Life Sciences Facility BC/SD on August 18, 2020. The design document provides schematic level designs for the Project as described in the above Project Description. Staff has reviewed the BC/SD and are proposing Conditions of Approval, which are incorporated in Resolution No. 34-2020. These conditions will be addressed in later stages of design. See attachment 7 for the 1450 Owens Life Sciences Basic/Concept and Schematic Design application.

Public Benefits

ARE will pay development impact fees as required by the Redevelopment Plan, and as outlined in the City and County of San Francisco Planning Code Article 4 and the San Francisco Citywide Development Impact Fee Register, and as outlined the Ninth Amendment to the South OPA. These one-time development impact fees include the Jobs-Housing Linkage Program Fee, Transportation Sustainability Fee, Mission Bay Artwork Fee, SFUSD's School Development Impact Fee and the Child Care Fee. Pursuant to the Ninth Amendment to the South OPA, ARE will pay the standard amounts associated with these fees with the exception of the Child Care Fee, for which they acknowledge the current rate was significantly lower for research and laboratory space and propose a higher payment. Additionally, ARE will pay an ongoing fee to support maintenance of Mission Bay Parks. Both of these additional benefits are discussed in more detail below. In total, the amount of one-time development impact fees is estimated at approximately \$12.2 million, as shown in the following table. For further detail on development impact fees and on other fiscal impacts including increases to property tax increment, please see Attachment 9, the Fiscal Analysis of Proposed 1450 Owens Life Sciences Facility prepared by Seifel Consulting, Inc.

1) Increase to Child Care Fee: For this Project, only 52,578 gross square feet (“GSF”) of office and retail uses would be assessed a Child Care Fee pursuant to the Redevelopment Plan, however. ARE has agreed the 133,046 GSF of research and laboratory space would also be assessed a Child Care Fee. Based on the GSF presented in the 1450 Owens Life Sciences Facility BC/SD package for the Project, the Child Care Fee will total \$351,905. The standard fee for the office use would have only netted \$97,496 outside of the Project Area.

2) Annual Open Space Maintenance Fee: As owner of Parcel 7, ARE pays an annual assessment (\$27,110 for FY2021) to the Mission Bay open space maintenance Community Facilities District (“CFD”), which is based on the acreage of the lot. Since ARE is requesting additional entitlement, ARE has agreed to pay an additional annual park maintenance fee contribution to OCII. The fee amount is \$50,000 and will be paid annually beginning at the first construction-related permit for the project and shall continue for so long as the project remains in operation per the Ninth Amendment to the South OPA. The fee amount is a negotiated figure, which was calculated by taking the existing CFD annual assessment that is acreage based and determining what that amount is on a per square foot basis across all Mission Bay South commercial parcels. That per square foot amount was then multiplied by the 170,000 leasable square feet of additional entitlement proposed by the Project totaling \$32,061. As an added benefit to the Project Area, the annual open space maintenance fee was negotiated up to \$50,000, which is in addition to the existing acreage based CFD assessment and will continue in perpetuity rather than terminate when the CFD sunsets in 2044.

Mission Bay Parks total 41 acres, of which 28 acres is currently completed and open to the public, with the remaining parks anticipated to be complete within the next 5 years. The fee will be paid directly to OCII, to only be used for Mission Bay Parks mirroring the CFD’s use of funds, and is a contribution towards the projected cost of extra maintenance due to usage of the park by the Project’s workers and guests throughout the life of the project. This park maintenance fee will help defray additional costs of maintenance, repair and replacement of ordinary park services, and potentially provide a future capital reserve.

3) Other Fees and Exactions. Below is a summary of all proposed development impact fees and contributions:

Fee Summary (BC/SD Proposal)

Fee Category	Proposed Fee*	Payment Trigger
Transportation Sustainability	\$4,345,999	First construction document
Jobs – Housing Linkage	\$6,522,028	First construction document
Mission Bay Artwork	\$911,000 (or onsite installation)	First construction document
Childcare	\$351,905	First construction document
San Francisco Unified School District	\$111,621	First construction document
<u>Subtotal One Time Fees to OCII / City</u>	<u>\$12,242,553</u>	

Park Maintenance

\$50,000 annually.

First construction document

* Based on net Gross Square Feet of development presented in current BC/SD submittal

San Francisco Unified School District - Mission Bay School Endowment

ARE has been working directly with the San Francisco Unified School District ("SFUSD") on an operational endowment for the Mission Bay School located directly across Owens street from the proposed project on Block 14. The agreement, which is still being finalized, is between SFUSD and ARE has committed to a \$1.5 million contribution. SFUSD has stated the school is anticipated to be complete in 2025.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

California Environmental Quality Act Findings for the Project

On September 17, 1998, the Former Redevelopment Agency Commission prepared and certified the FSEIR as a program EIR for the Mission Bay North Project Area and South Project Area ("Mission Bay Project") by Resolution No. 192-98. See links to the Final Subsequent Environmental Impact Report at <https://sfocii.org/mission-bay>.

On the same date, the Commission adopted, by Resolution No. 854-98, environmental findings pursuant to CEQA ("CEQA Findings"), including a statement of overriding considerations and a mitigation monitoring and reporting program for the Mission Bay Project. On October 19, 1998, the San Francisco Board of Supervisors certified the FSEIR. Since adoption, nine addenda have prepared and adopted.

OCII, in consultation with the Planning Department, has prepared Addendum No. 10 to the FSEIR, dated November 10, 2020 (Attachment 8). Addendum No. 10 evaluates the potential environmental effects of the proposed Project and concludes that the Project is within the scope of the project analyzed in the FSEIR and will not result in any new significant impacts or a substantial increase in the severity of previously identified significant effects that alter the conclusions reached in the FSEIR.

Based on the analysis in Addendum No. 10, OCII concludes that the analyses conducted and the conclusions reached in the FSEIR remain valid and the Project will not cause new significant impacts not identified in the FSEIR, or substantially increase the severity of previously identified significant impacts, and no new mitigation measures will be necessary to reduce significant impacts. Further, as described in Addendum No. 10, no changes have occurred with respect to Mission Bay Project that will require major revisions of the FSEIR due to the involvement of new significant effects or a substantial increase in the severity of previously identified significant effects, and no new information has become available that shows that the Mission Bay Project will cause new or more severe significant environmental impacts.

Therefore, staff recommends that the Commission make CEQA Findings that state that no subsequent or supplemental environmental review is required under CEQA beyond Addendum No. 10, and determine that the Project is within the scope of the project analyzed in the FSEIR and require no further environmental review beyond the FEIR pursuant to CEQA and CEQA Guidelines Sections 15180, 15162, and 15163.

EQUAL OPPORTUNITY PROGRAM AND COMPLIANCE WITH OCII POLICIES

ARE must comply with the South OPA Program in Diversity/Economic Development Program, which includes OCII's Small Business Enterprise (SBE) Program and have worked closely with contract compliance staff to comply with the program. ARE has also agreed to apply the SBE Program to all tenant improvements for the Project. This is a positive step forward in opening opportunities to small businesses in tenant improvements, which, unless performed by an owner as part of owner improvements, are currently excluded from the SBE Program.

The project is currently exceeding OCII's 50% SBE participation goal for professional services contracts. To date, the project has achieved 66.3% SBE participation, 40% for San Francisco-based SBEs, 6.6% for minority-owned firms, 39.7% for minority women-owned businesses and 3% for women-owned firms. For further detail on the project's SBE firms including biographies, please see Attachment 10.

During the construction phase, ARE is committed to meeting OCII's requirements and goals which includes the 50% SBE construction subcontracting goal, payment of prevailing wages, and the 50% local construction workforce hiring goal. With regards to permanent workforce hiring, the developer is obligated to follow the First Source Hiring Program administered by the Office of Economic and Workforce Development (OEWD). Compliance staff will engage OEWD staff well in advance to ensure opportunities are made available to local residents.

COMMUNITY OUTREACH: MISSION BAY CITIZENS ADVISORY COMMITTEE

The Mission Bay Citizens Advisory Committee has recommended the proposed project move forward to Commission for review and action.

On July 9, 2020, the MB CAC voted unanimously to recommend the proposed BC/SD and required Plan Document amendments to the Commission. Specifically, the CAC took separate votes on five actions related to the Project: 1) recommendation of the proposed amendment to the Redevelopment Plan, 2) recommendation of the proposed amendments to the Owner Participation Agreement, 3) recommendation of the proposed amendments to the Design for Development, 4) recommendation of the proposed amendments to the Major Phase Blocks 41-43, 5) recommendation of the approval of the BC/SD.

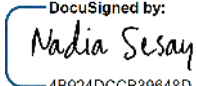
STAFF RECOMMENDATION

OCII staff recommends the Commission approve the proposed amendments to the Redevelopment Plan, the South OPA, and the D for D. Staff recommends the Commission conditionally approve the proposed amendments to the Mission Bay South Blocks 41-43 Major Phase Application and the Basic Concept/Schematic Design for the 1450 Owen Life Sciences Facility on Block 43 Parcel 7.

Upon Commission approval of each action and consistent with Community Redevelopment Law, as amended by the Redevelopment Dissolution Law, the Project Sponsor will proceed to seek necessary approval actions from the Planning Commission and the Board of Supervisors for the Plan Amendment, as well as the Oversight Board and the California Department of Finance for the OPA Amendment.

If the amendments to the Plan Documents are finally approved, ARE plans to obtain permits in 2021 and begin construction of the proposed Project in 2022 with a completion date in 2024.

(Originated by Nikki Henry, Assistant Development Specialist)

DocuSigned by:

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 Nadia Sesay
 Executive Director

Attachments:

- Attachment 1: [Mission Bay Land Use Map](#)
- Attachment 2: [Mission Bay Amenities Map](#)
- Attachment 3: [Report to Board on the Plan Amendment](#)
- Attachment 4: [Amendment to the Redevelopment Plan for the Mission Bay South Redevelopment Project](#)
- Attachment 5: [Ninth Amendment to the Mission Bay South Owner Participation Agreement](#)
- Attachment 6: [Amendment to the Design for Development for the Mission Bay South Project Area](#)
- Attachment 7: [1450 Owens Life Sciences Facility Block 43 Parcel 7 Basic Concept/Schematic Design and Major Phase Blocks 41-43 Major Phase Amendment](#)
- Attachment 8: [Addendum No. 10 to the FSEIR](#)
[Appendices](#)
- Attachment 9: [Fiscal Analysis of Proposed 1450 Owens Life Sciences Facility](#)
- Attachment 10: [Small Business Enterprise Biographies](#)