

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 11-2015

Adopted, September 14, 2015

AUTHORIZING A PERMIT TO ENTER WITH THE CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS DEPARTMENT OF PUBLIC WORKS, THE SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION, A CALIFORNIA CORPORATION NONPROFIT MUTUAL BENEFIT CORPORATION, AND WEBCOR CONSTRUCTION, LP, A CALIFORNIA LIMITED PARTNERSHIP, TO ALLOW CONSTRUCTION RELATED TO THE EXPANSION OF THE MOSCONE CONVENTION CENTER ON THE SUCCESSOR AGENCY'S YERBA BUENA GARDENS PROPERTY, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; FORMER YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

- WHEREAS, The Redevelopment Agency of the City and County of San Francisco, a public body, (the "Former Agency") was dissolved on February 1, 2012, pursuant to California Health and Safety Code Sections 34170 et seq. (the "Redevelopment Dissolution Law"); and,
- WHEREAS, Under Redevelopment Dissolution Law, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body organized and existing under the laws of the State of California (the "Successor Agency"), assumed all of the Former Agency's enforceable obligations, including ownership of the Former Agency's real property assets. As a result of these legislative acts the Successor Agency (1) became a separate legal entity, separate from the City and County of San Francisco (the "City"), and (2) owns and operates certain real property commonly known as Yerba Buena Gardens (the "Gardens"), which is located within the former Yerba Buena Center Redevelopment Project Area D-1, which was duly adopted on April 24, 1966 in accordance with Community Redevelopment Law, and which expired by its own terms on January 1, 2011 (the "Former YBC Project Area"); and,
- WHEREAS, The George R. Moscone Convention Center ("Moscone Center") spans large portions of a two-block area of the Gardens known as Central Block Two and Central Block Three in the Former YBC Redevelopment Project Area. Pursuant to enforceable obligations, the Successor Agency has transferred the south section of the Moscone Center to the City, and expects to transfer the north section of the Moscone Center to the City in May 2015; and,
- WHEREAS, The City, acting by and through its Department of Public Works ("DPW"), as owner of the Moscone Center, and the San Francisco Tourism Improvement District Management Corporation, a California non-profit, mutual benefit

corporation, in its capacity as Owners Association for the Moscone Expansion District (“SFTIDMC”) are undertaking a major expansion of the Moscone Center, which will add approximately 358,000 square feet to the existing Moscone Center above and below ground. Some of the space will be created below ground by excavating and expanding the existing below-grade exhibition halls that connect the north and south convention center buildings under Howard Street, and some of the space will be created above ground by constructing new square footage, including expanded lobbies, multipurpose space, new meeting and circulation space, and a new ballroom (the “Moscone Expansion Project”). SFTIDMC and DPW are jointly managing the Moscone Expansion Project; and,

WHEREAS, The City’s Board of Supervisors, on February 5, 2013, adopted Resolution No. 23-13, finding the Moscone Expansion Project is fiscally feasible and responsible under San Francisco Administrative Code, Chapter 29. Resolution No. 23-13 further resolved that development of the Moscone Expansion Project be conditioned upon the receipt of all required regulatory approvals. On April 22, 2015, the City’s Department of Building Inspection issued the Moscone Expansion Project site permit (Application 201406239136), which allowed SFTIDMC and DPW to proceed with the project; and,

WHEREAS, As part of the City’s Moscone Expansion Project on its property, the City wishes to make additional modifications and improvements, at its own expense, to Successor Agency-owned real property in the Gardens described the “Children’s Garden.” The Children’s Garden includes about 100,000 square feet of outdoor space with grassy areas, gardens – including a learning garden, a child-size labyrinth, an outdoor amphitheater, play circles, a sand circle, a play stream, and assorted playground equipment. The Children’s Garden is more fully described as the “Permit Area” or the “Agency Property” in the proposed Permit to Enter and Consent to Improvements between the Successor Agency, DPW, SFTIDMC, and Webcor Construction, LP, a California limited partnership, dba Webcor Builders (“Webcor”) (the “Children’s Garden Permit”); and,

WHEREAS, SFTIDMC has contracted with Webcor to provide construction services for the Moscone Expansion Project and DPW has project oversight and fiduciary responsibilities. Webcor will indemnify the Successor Agency and provide full insurance coverage for the term of the Children’s Garden Permit. DPW, SFTIDMC, and Webcor are individually referred to as a “Permittee” and collectively as the “Permittees” under the Children’s Garden Permit; and,

WHEREAS, The Agency Property was constructed and has been used for a governmental purpose (i.e., parks, recreational facilities, children’s facilities, and cultural facilities). In November 2013, the Successor Agency submitted its Long-Range Property Management Plan (“PMP”) to the State Department of Finance (“DOF”) for approval, as required by Redevelopment Dissolution Law. The PMP, which was approved by the Successor Agency’s Oversight Board and is still under review by DOF, includes a plan to transfer the Agency Property to the City for a governmental purpose. The Successor Agency will effectuate a transfer of the

Agency Property to the City after DOF approves the PMP (the “Transfer”), on a date that has not yet been determined (“Transfer Date”); and,

WHEREAS, The Permittees wish to enter into the proposed Children’s Garden Permit with the Successor Agency to begin making the contemplated modifications and improvements to the Agency Property, more fully described in Attachment B to the proposed Children’s Garden Permit, prior to the Transfer Date (the “Permanent Improvements”). By executing the proposed Children’s Garden Permit, the Successor Agency is (1) agreeing to allow the City, as future property owner, to go onto the Agency Property prior to the Transfer Date and construct the Permanent Improvements, at the City’s sole cost and expense, under the terms and conditions of the Children’s Garden Permit, and (2) consenting to the Permanent Improvements as being consistent with the governmental purpose of the Agency Property outlined in the PMP; and,

WHEREAS, The Successor Agency’s Permit to Enter Policy was adopted on April 1, 2008 by Resolution No. 13-2008 (“Permit to Enter Policy”). The Permit to Enter Policy requires Successor Agency Commission approval for a permit (or series of permits) that would cause the aggregate permit duration to exceed 12 months. The term of the Children’s Garden Permit will exceed 12 months, and, therefore, requires Successor Agency Commission approval. The Commission on Community Investment and Infrastructure conditionally authorized the Children’s Garden Permit to Enter on July 7, 2015 by Resolution No. 42-2015; and,

WHEREAS, The Children’s Garden Permit will terminate on December 31, 2018, or on the Transfer Date. After the transfer, the Children’s Garden will be under the jurisdiction of the City’s Real Estate Division, and the Moscone Expansion Project will continue to be managed by DPW; and,

WHEREAS, DOF has informed the Successor Agency that the Oversight Board and DOF must review and approve of a permit to enter on property to be transferred under the Successor Agency’s PMP, and that DOF would not object to a permit to enter if the Oversight Board approved [Electronic mail dated July 2, 2014 from J. Howard to T.Bohee]; and,

WHEREAS, Based on DOF’s directive, the proposed Children’s Garden Permit requires the approval of the Oversight Board and DOF, because the Successor Agency still owns the Agency Property and has proposed transferring it to the City under its PMP. The Children’s Garden Permit is consistent with Redevelopment Dissolution Law because (1) the Permanent Improvements are being done by the City as the future property owner and are consistent with the governmental purpose of the Agency Property outlined in the PMP, and (2) the Children’s Garden Permit will have no financial implication for the City’s taxing entities, and will in fact protect them from liability. Additionally, the Children’s Garden Permit is permissible under Redevelopment Dissolution Law Section 34177.3(b) which allows the Successor Agency to create a new enforceable obligation to “conduct the work of winding down the redevelopment agency...,” as it will

allow for a smooth transfer of the Agency Property to the City as they make changes to the Children's Garden that are consistent with the Moscone Expansion Project; and,

WHEREAS, Based on the analysis contained in the Final Environmental Impact Report for the Moscone Expansion Project (the "FEIR"), and the findings pursuant to the California Environmental Quality Act ("CEQA") adopted by the San Francisco Planning Commission (the "Planning Commission") on August 14, 2014, by Motion No. 19219 certifying the FEIR, Successor Agency staff requests that the Oversight Board adopt findings in accordance with CEQA that the Children's Garden Permit is an implementing action for the construction of the Moscone Expansion Project, including the Permanent Improvements. Staff, in making the necessary findings for the implementing action contemplated herein, considered and reviewed the FEIR. The San Francisco Planning Department is the custodian of record for the Moscone Expansion Project's environmental review, located in the File for Case No. 2013.0154E, at 1650 Mission Street, Fourth Floor, San Francisco, California. The FEIR, entitled "Moscone Center Expansion Project," can be found on the San Francisco Planning Department's webpage at <http://www.sf-planning.org/index.aspx?page=1828>; and, reference; and,

WHEREAS, The Children's Garden Permit only authorizes modifications and improvements in the Permit Area or on Agency Property that implement the Moscone Expansion Project and that were analyzed in the FEIR; and,

WHEREAS, The Oversight Board, in its capacity as a responsible agency under CEQA, hereby finds that the Children's Garden Permit is an action in furtherance of the implementation of the Moscone Expansion Project, which is covered for purposes of compliance with CEQA by the FEIR. By this Resolution, the Oversight Board adopts environmental findings that the Children's Garden Permit is in compliance with CEQA; now, therefore, be it

RESOLVED, That the Oversight Board has reviewed and considered the Final Environmental Impact Report and hereby adopts CEQA findings, and that the Oversight Board authorizes, subject to review and approval by DOF, the Executive Director to execute the Children's Garden Permit between the Successor Agency and the Permittees in substantially the form of the Children's Garden Permit on file with the Board Secretary, approved as to form by the General Counsel to the Successor Agency.

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting of September 14, 2015



Oversight Board Secretary