

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

RESOLUTION NO. 03-2020

ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND APPROVING A SEVENTH AMENDMENT TO THE MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO ALLOW HOTEL AND RESIDENTIAL USES AND INCREASE THE TOTAL RETAIL SQUARE FOOTAGE ON BLOCKS 29-32 IN THE MISSION BAY SOUTH PROJECT AREA; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

- WHEREAS, On September 17, 1998, the former Redevelopment Agency of the City and County of San Francisco (“Redevelopment Agency”) approved, by Resolution No. 190-98, the Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”). The Redevelopment Agency also conditionally authorized, by Resolution No. 193-98, the execution of the Mission Bay South Owner Participation Agreement (“South OPA”) and related documents with Catellus Development Corporation, a Delaware corporation (“Catellus”). On November 2, 1998, the San Francisco Board of Supervisors (“Board of Supervisors”), adopted, by Ordinance No. 335-98, the Redevelopment Plan; and,
- WHEREAS, FOCIL-MB, LLC, (“FOCIL-MB”), a subsidiary of Farallon Capital Management, LLC, assumed all of Catellus’ rights and obligations under the South OPA, 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 South OPA and related agreements, including the requirements of the affordable housing program, equal opportunity program, and design review process; and,
- WHEREAS, On February 1, 2012, state law dissolved the Redevelopment Agency and required the transfer of certain of its assets and obligations, including the South OPA, to the Successor Agency to the Redevelopment Agency (“Successor Agency”), commonly known as the Office of Community Investment and Infrastructure (“OCII”). Cal. Health & Safety Code §§ 34170 et seq. (the “Redevelopment Dissolution Law”); and,
- WHEREAS, Mission Bay South Blocks 29-32 is an 11-acre site bounded by Warriors Way on the north, Third Street on the west, 16th Street on the south, and by Terry A. Francois Boulevard on the east in the Mission Bay South Redevelopment Project Area (“Project Area”); and,

- WHEREAS, Relevant portions of Mission Bay South Blocks 29-32 are currently owned by GSW Arena LLC and GSW ECOP 3P Retail LLC (collectively, the “Developer”), affiliates of Golden State Warriors, LLC, which owns and operates the Golden State Warriors National Basketball Association team; the Developer is bound by the terms of the South OPA pursuant to the terms of certain Assignment, Assumption and Release Agreements; and,
- WHEREAS, The Developer proposed land use changes to the Redevelopment Plan allowing hotel and residential uses on Blocks 29-30 and increasing the total Leasable square footage of retail permitted on Blocks 29-32 (“Redevelopment Plan Amendment”), and also proposed changes to the Design for Development for the Mission Bay South Project Area related to height, bulk, tower separation, number and location of towers, and rooftop requirements with respect to Blocks 29-32; and,
- WHEREAS, The City and County of San Francisco adopted, by Board of Supervisors’ Ordinance No. 128-20 (July 31, 2020), an ordinance approving the Redevelopment Plan Amendment, *available at* <https://sfbos.org/sites/default/files/o0128-20.pdf>; and,
- WHEREAS, The Successor Agency has prepared a proposed seventh amendment to the South OPA (“OPA Amendment”), attached hereto as Attachment A, that would implement the Redevelopment Plan Amendment. The OPA Amendment authorizes hotel and residential uses on Blocks 29-30 as principally permitted uses, and authorizes as few as 129 or as many as 230 hotel rooms and as few as zero (0) or as many as 21 residential dwelling units, or any combination thereof, provided that the total Gross Floor Area of hotel rooms and residential units combined does not exceed approximately 215,000 square feet of Gross Floor Area. The OPA Amendment also increases the limitation on the total Leasable square footage of retail permitted on Blocks 29-32 in the Project Area by 65,000 square feet, including approximately 54,000 Leasable square feet of previously approved retail uses on Blocks 29-32 currently excluded from the calculation of total retail square footage in the Project Area through various exemptions. The OPA Amendment also requires the residential and hotel development on Blocks 29-30 to pay an impact fee to fund affordable housing, pay an annual amount to defray maintenance and repair costs related to use of an adjacent public park, and comply with requirements related to small business hiring and local hiring during construction, all as particularly set forth in the OPA Amendment; and,
- WHEREAS, By allowing for residential, hotel, and additional retail uses, the OPA Amendment will support the full economic use of Blocks 29-30 and will accelerate the completion of development under the Redevelopment Plan, the South OPA and the related enforceable obligations; and,

- WHEREAS, The new development permitted under the OPA Amendment would generate additional revenues from property taxes payable to the taxing entities, including the City and County of San Francisco, the Bay Area Rapid Transit District, the San Francisco Community College District, the San Francisco Unified School District, the San Francisco County Office of Education, as well as the State of California. See Attachment B or Seifel Consulting, Inc., Fiscal Analysis of Proposed Warriors Development, Mission Bay, San Francisco at page 1 (May 2020), *available at <https://sfocii.org/warriors>* as Attachment 10 to “Co-Memo GSW Plan Amendment with Attachment List” (concluding that new development “would generate ongoing annual revenues as well as upfront, one-time revenues to the City’s General Fund, OCII and other public entities, providing a substantial positive fiscal benefit to a broad range of public agencies”); and,
- WHEREAS, The OPA Amendment does not increase the liabilities of the Successor Agency and does 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 the Mission Bay South Project Area; and,
- WHEREAS, On January 9, 2020, the Mission Bay Citizens Advisory Committee considered the OPA Amendment and recommended approval of the OPA Amendment by the Successor Agency; and,
- WHEREAS, On May 19, 2020, the Successor Agency Commission (the “Commission”) adopted Resolution No. 05-2020, attached hereto as Attachment C, by which the Commission determined that the Final Subsequent Environmental Impact Report (“FSEIR”) (therein defined), together with further analysis provided in Addendum No. 1 remains adequate, accurate, and objective and in compliance with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq., “CEQA”) and the CEQA Guidelines (14 California Code of Regulations Sections 15000 et seq.), for purposes of evaluating the potential environmental impact of the OPA Amendment; and,
- WHEREAS, The environmental effects of the OPA Amendment have been analyzed in the environmental documents as described in Commission Resolution No. 05-2020. Copies of the environmental documents are on file with the Secretary to the Oversight Board; and,
- WHEREAS, On May 19, 2020, the Commission adopted Resolution No. 08-2020, attached hereto as Attachment D, conditionally approving the OPA Amendment, subject to review and approval by the Oversight Board and the Department of Finance; and,
- WHEREAS, This Oversight Board now desires to approve the OPA Amendment as contemplated by Commission Resolution No. 08-2020; now, therefore, be it

RESOLVED, That this Oversight Board hereby finds that, for purposes of compliance with CEQA, the OPA Amendment is included in the actions identified in Commission Resolution No. 05-2020; and, be it further

RESOLVED, That in Commission Resolution No. 05-2020, the Commission adopted findings that various actions, including the OPA Amendment, comply with CEQA. Said findings, which are on file with the Secretary to the Oversight Board, are in furtherance of the actions contemplated in this Resolution and are made part of this Resolution by reference herein; and, be it further

RESOLVED, That this Oversight Board finds that the OPA Amendment will benefit the taxing entities by increasing property tax revenues, facilitating completion of the Redevelopment Plan, and accelerating the wind down of redevelopment affairs and therefore finds that approval of the OPA Amendment is in the best interests of the taxing entities; and, be it further

RESOLVED, That this Oversight Board approves the OPA Amendment, substantially in the form on file with the Secretary of this Oversight Board, subject to the approval of this Resolution by the Department of Finance or by the expiration of the five-day statutory review period under Redevelopment Dissolution Law without a request by the Department of Finance to review this Resolution; and be it further

RESOLVED, That this Oversight Board authorizes the Executive Director of the Successor Agency to take all actions as may be necessary or appropriate, in consultation with counsel for the Oversight Board and the Successor Agency, to effectuate the purpose of this Resolution.

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting of September 28, 2020.

Oversight Board Secretary

Attachment A: Seventh Amendment to Mission Bay South Owner Participation Agreement
Attachment B: Fiscal Analysis of Proposed Warriors Development by Seifel Consulting, Inc.
Attachment C: Commission Resolution No. 05-2020
Attachment D: Commission Resolution No. 08-2020

ATTACHMENT A

Seventh Amendment to Mission Bay South Owner Participation Agreement

[Attached]

Free Recording Pursuant to
Government Code Section 27383 at the
Request of the Successor Agency to the
Redevelopment Agency of the City and
County of San Francisco
RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Successor Agency to the Redevelopment
Agency of the City and County of San
Francisco
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Executive Director

(SPACE ABOVE THIS LINE FOR
RECORDER'S USE ONLY)

**SEVENTH AMENDMENT TO
MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT
(BLOCKS 29-32)**

Dated [_____, 2020]

by and among

**THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO**

and

FOCIL-MB, LLC

SEVENTH AMENDMENT TO MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT (BLOCKS 29-32)

This Seventh Amendment to the Mission Bay South Owner Participation Agreement (this “**Seventh Amendment**”), dated for reference purposes only as of [_____, 2020], is by and between 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**”), commonly known as the Office of Community Investment and Infrastructure, and FOCIL-MB, LLC, a Delaware limited liability company (the “**Owner**”). As used in this Amendment, “**City**” means the City and County of San Francisco, a charter city and county. All initially capitalized terms used herein shall have the meanings set forth in the South OPA (as defined below), unless otherwise specifically provided herein.

RECITALS

This Seventh Amendment is made with reference to the following facts and circumstances:

A. The Board of Supervisors of the City and County of San Francisco (“**Board of Supervisors**”) adopted the Redevelopment Plan for the Mission Bay South Redevelopment Project on November 2, 1998 by Ordinance No. 335-98 (“**Redevelopment Plan**”) and amended the Redevelopment Plan on July 9, 2013 by Ordinance No. 143-13 and on March 6, 2018 by Ordinance 032-18. The Redevelopment Plan establishes land use controls for the Mission Bay South Project Area (“**South Plan Area**”).

B. The former Redevelopment Agency of the City and County of San Francisco (the “**Former Agency**”) and Catellus Development Corporation, a Delaware corporation (“**CDC**”), entered into that certain Mission Bay South Owner Participation Agreement dated as of November 16, 1998 (the “**Original OPA**”) and recorded December 3, 1998 as Document No. 98-G477258-00 in the Official Records of San Francisco County (the “**Official Records**”), which was subsequently amended by (i) a First Amendment to Mission Bay South Owner Participation Agreement (the “**First OPA Amendment**”) dated as of February 17, 2004 and

recorded March 4, 2004 as Document No. 04-H669955-00 in the Official Records, (ii) a Second Amendment to Mission Bay South Owner Participation Agreement (the “**Second OPA Amendment**”) dated as of November 1, 2005 and recorded November 30, 2005 as Document No. 2005-I080843 in the Official Records, (iii) a Third Amendment to Mission Bay South Owner Participation Agreement (the “**Third OPA Amendment**”) dated as of May 21, 2013 and recorded December 9, 2013 as Document No. 13-J802261-00 in the Official Records, (iv) a Fourth Amendment to Mission Bay South Owner Participation Agreement (the “**Fourth OPA Amendment**”) dated as of June 4, 2013 and recorded December 9, 2013 as Document No. 13-J802262-00 in the Official Records, (v) a Fifth Amendment to Mission Bay South Owner Participation Agreement (the “**Fifth OPA Amendment**”) dated as of April 29, 2014 and recorded August 15, 2014 as Document No. 2014-J927657 in the Official Records, and (vi) a Sixth Amendment to Mission Bay South Owner Participation Agreement (the “**Sixth OPA Amendment**”) dated as of July 26, 2018 and recorded August 13, 2018 as Document No. 2018-K654772-00 in the Official Records. The Original OPA, as amended by the First OPA Amendment, Second OPA Amendment, Third OPA Amendment, Fourth OPA Amendment, Fifth OPA Amendment, and Sixth OPA Amendment shall be referred to in this Seventh Amendment as the “**South OPA**”.

C. CDC’s rights, interests and obligations under the South OPA were transferred (i) to Catellus Operating Limited Partnership, as the successor by merger to CDC, then (ii) to Catellus Land and Development Corporation through an assignment and assumption agreement, and (iii) ultimately to Owner, through an assignment and assumption agreement.

D. On February 1, 2012, the Former Agency was dissolved pursuant to the provisions of California State Assembly Bill No. 1X 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) (“**AB 26**”), codified in relevant part in California’s Health and Safety Code Sections 34170 et seq. and upheld by the California Supreme Court in *California Redevelopment Assoc. v. Matosantos*, No. S194861 (Dec. 29, 2011). On June 27, 2012, AB 26 was subsequently amended in part by California State Assembly Bill No. 1484 (Chapter 26,

Statutes of 2011-12) (“**AB 1484**”), which among other things, provide that a successor agency is a separate public entity from the public agency that provides for its governance. (AB 26 and AB 1484, as amended from time to time, are primarily codified in California Health and Safety Code Sections 34170 et seq., and are referred to as the “**Redevelopment Dissolution Law**”).

E. Subsequent to the adoption of AB 1484, on October 2, 2012, the Board of Supervisors, acting as the legislative body of the Successor Agency, adopted Ordinance No. 215-12, which was signed by the Mayor on October 4, 2012, and which, among other matters, delegated to the Successor Agency Commission, commonly known as the Commission on Community Investment and Infrastructure (“**Commission**”), the authority, consistent with the Redevelopment Dissolution Law, to (i) act in the place of the Former Agency Commission to, among other matters, implement, modify, enforce and complete the Former Agency’s enforceable obligations, except for material changes to obligations to provide affordable housing, which require Board of Supervisors’ approval; (ii) approve all contracts and actions related to the assets transferred to or retained by the Successor Agency, consistent with the applicable enforceable obligations; and (iii) take any actions that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and other action that the Commission deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations.

F. Pursuant to the Redevelopment Dissolution Law, all of the Former Agency’s assets (other than housing assets) and obligations were transferred to the Successor Agency. Some of the Former Agency’s housing assets were transferred to the City, acting by and through the Mayor’s Office of Housing and Community Development.

G. Under the Redevelopment Dissolution Law, a successor agency has the continuing obligation, subject to certain review by an oversight board and the State of California’s Department of Finance (“**DOF**”), to implement “enforceable obligations” which were in place prior to the suspension of such redevelopment agency’s activities on June 28, 2011, the date that AB 26 was approved. The Redevelopment Dissolution Law defines

“enforceable obligations” to include bonds, loans, judgments or settlements, and any “legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy” (Cal. Health & Safety Code § 34171(d)(l)(e)), as well as certain other obligations, including but not limited to requirements of state law and agreements made in reliance on pre-existing enforceable obligations. The South OPA meets the definition of “enforceable obligations” under the Redevelopment Dissolution Law.

H. The Board of Supervisors’ delegation to the Commission includes authority to approve and amend all contracts and actions relating to assets transferred to the Successor Agency, including the South OPA, subject to approval by the Oversight Board of the City and County of San Francisco (the “**Oversight Board**”) and review by DOF, as allowed under the Redevelopment Dissolution Law.

I. Through a series of assignment, assumption and release agreements entered into in connection with the conveyances of Blocks 29-32, the Owner has assigned certain of its rights and obligations under the South OPA with respect to Blocks 29-32 to GSW ARENA LLC, a Delaware limited liability company (“**Hotel Project Owner**”) and GSW ECOP 3P Retail LLC, a Delaware limited liability company, who are the current owners of certain portions of Mission Bay South Blocks 29-32, including that certain parcel described in **Exhibit A** attached hereto (the “**Hotel Parcel**”) owned by Hotel Project Owner. Hotel Project Owner was assigned certain rights and obligations under the South OPA with respect to Blocks 29-32 in that certain Assignment, Assumption and Release Agreement dated as of October 9, 2015 and recorded on October 9, 2015 as Document No 2015 K143295 in the Official Records.

J. On November 3, 2015 pursuant to Resolution No. 71-2015 and Resolution No. 72-2015 the Commission approved the Major Phase and Basic Concept / Schematic Design application and proposed amendments to the Mission Bay South Design for Development for Blocks 29-32. On the same date, the Successor Agency Executive Director executed a Secondary Use Authorization for the Event Center. On November 5, 2015, the City’s Planning Commission pursuant to Motion No. 19502 approved the design for two buildings with a total of

approximately 577,000 gross square feet of office use, approximately 54,000 square feet of retail space, and up to 546 off-street parking spaces. Together, these approvals authorized Hotel Project Owner to construct an event center and mixed-use development, including office, retail, open space and an underground parking structure, on Blocks 29-32. Construction of this project was completed in August of 2019.

K. Hotel Project Owner currently leases the Hotel Parcel to GSW HOTEL LLC, a Delaware limited liability company (the “**Hotel Project Lessee**”), an affiliate of Hotel Project Owner. Hotel Project Lessee intends to construct a mixed-use building on the Hotel Parcel that may contain hotel rooms, Residential Units, and retail uses. The building may contain as few as 129 or as many as 230 hotel rooms, and as few as zero (0) or as many as 21 Residential Units, or any combination thereof, provided that the total Gross Floor Area (as defined in the Design for Development for the Mission Bay South Project Area (the “**Design for Development**”), as of the date of this Seventh Amendment) of hotel rooms and Residential Units combined may not exceed approximately 215,000 square feet of Gross Floor Area. In addition, the building may also contain up to approximately 12,000 Leasable square feet of retail uses. In connection therewith, Owner and Successor Agency intend to increase the total Leasable square footage of retail uses in the South OPA by 65,000 Leasable square feet to account for retail areas previously approved for Blocks 29-32, but which were excluded from the total retail Leasable square footage amount in the South OPA through various exemptions, and to account for various new and updated retail areas on Blocks 29-32 (all of the foregoing, collectively, the “**Hotel Project**”). The Hotel Project requires, among other things, an amendment to the Redevelopment Plan, the Design for Development, a Major Phase amendment, and an amendment to the South OPA.

L. The Owner and Successor Agency wish to enter into this Seventh Amendment to the South OPA to implement an amendment to the Redevelopment Plan that the Board of Supervisors approved, by Ordinance No. [____]-20 ([_____, 2020]), to allow hotel and residential use on Blocks 29-30 as a permitted use in addition to retail uses, to allocate up to 21 Dwelling Units (as defined in the Redevelopment Plan) to Blocks 29-30, increase the number of

hotels permitted in the South Plan Area, increase the number of hotel rooms permitted in the South Plan Area, and increase the amount of Leasable square feet of retail uses allowed in the South Plan Area and allocate such increase to Blocks 29-32.

M. The costs incurred by the Successor Agency and the City Agencies in connection with the negotiation of the Hotel Project and this Seventh Amendment and related documents, including, without limitation, the amendment to the Redevelopment Plan, the amendment to the Design for Development, a Major Phase amendment, and environmental review documentation to comply with the California Environmental Quality Act, shall be deemed, under Article 6 of the South OPA, to be Agency Costs.

N. The Owner and the Successor Agency wish to enter into this Seventh Amendment to implement the amended Redevelopment Plan, to permit the proposed hotel and residential use on Blocks 29-30, and to reflect the increase in the number of Residential Units, hotels, hotel rooms, and the total Leasable square footage of retail uses contemplated to be developed in the South Plan Area (the “**Additional Development**”). The Redevelopment Plan for the South Plan Area did not previously include this Additional Development, which will require the application of Development Fees or Exactions to mitigate its impacts. The Additional Development described herein is an addition to the development described in the Redevelopment Plan and South OPA immediately prior to the most recent Redevelopment Plan amendment and this Seventh Amendment, and the Additional Development described herein does not reduce the allocation of Residential Units, hotels, hotel rooms or Leasable square footage of retail uses to any areas in the South Plan Area. In addition to those Development Fees or Exactions already authorized under Section 304.9 of the Redevelopment Plan, this Seventh Amendment establishes the Block 29-30 Affordable Housing Fee and the Block 29-30 Hotel Impact Fee (as defined below) applicable to the development of Residential Units, hotel uses, and retail uses within Blocks 29-30.

O. The Seventh Amendment fulfills the following objectives:

(i) The development of a hotel and Residential Units on Blocks 29-30, in conjunction with retail uses, will fulfill the objectives of the Redevelopment Plan, including providing flexibility in the development of the South Plan Area to respond readily and appropriately to market conditions, providing opportunities for participation by owners in the redevelopment of their properties, strengthening the economic base of the South Plan Area and the community by strengthening retail and other commercial functions in the South Plan Area, and achieving these objectives in the most expeditious manner feasible;

(ii) Allowing for hotel and residential use of Blocks 29-30 will support the full economic use of Blocks 29-30, and will accelerate the completion of development under the Redevelopment Plan, the South OPA and the related enforceable obligations;

(iii) Development of Blocks 29-30 for mixed-use hotel, residential and retail will generate more revenue from property taxes payable to the taxing entities, including the City, the San Francisco Unified School District, City College of San Francisco and the Bay Area Rapid Transit district, compared with the existing undeveloped conditions; and

(iv) Providing fees to fund affordable housing and the maintenance of open space in the South Plan Area assists the Successor Agency in fulfilling its enforceable obligations.

The parties hereto (the “**Parties**”) have entered into this Seventh Amendment to memorialize their understanding and commitments concerning the matters generally described above.

P. The Parties acknowledge and agree that concurrent with the execution hereof, Owner, Hotel Project Owner, and Successor Agency will enter into an Assignment, Assumption and Release Agreement whereby Hotel Project Owner will agree to comply with all the applicable terms and conditions of this Seventh Amendment. Such Assignment Assumption and

Release Agreement, under terms and conditions set forth therein, will release Owner from the obligations in the Seventh Amendment.

Q. Under Redevelopment Dissolution Law, the Oversight Board has the authority to “approve any amendments to [any contracts between the dissolved redevelopment agency and any private parties] if [the Oversight Board] finds that amendments . . . would be in the best interests of the taxing entities.” Cal. Health & Safety Code § 34181(e). For the reasons stated above in Recital O, this Seventh Amendment meets this standard for amendment of an enforceable obligation.

R. The Oversight Board, consistent with its authority under the Redevelopment Dissolution Law, determined that an amendment to the South OPA that would permit hotel and residential use on Blocks 29-30 as principal uses and would increase residential density, the number of hotels, the total number of hotel rooms, and the total Leasable square feet of retail uses in the South Plan Area, and make other conforming changes, is in the best interests of the taxing entities.

S. Under Redevelopment Dissolution Law, DOF must receive notice and information about all Oversight Board actions, which do not take effect until DOF has either not requested review within five days of the notice or requested review and approved the action within 40 days of its review request. On [_____, 2020], the Successor Agency provided a copy of Oversight Board Resolution No. [__-2020] to DOF, which did not object to the amendment to the South OPA within the statutory time period for its review, or which approved the amendment to the South OPA within the statutory time period of the Successor Agency’s review request.

AGREEMENT

Accordingly, for good and valuable consideration, the receipt, amount and sufficiency of which is hereby acknowledged, the Owner and the Successor Agency agree as follows:

1. Maximum Number of Market Rate Residential Units. Wherever the South OPA (as amended and including without limitation any attachment thereto) makes reference to the

number of Residential Units to be developed in the South Plan Area, specifically “up to 3,393” units of housing, including “up to 2,285” market-rate units, and referring to the Owner’s property, such phrases shall be deemed to be amended to refer to “3,414” wherever the number “3,393” appears and “2,306” wherever the number “2,285” appears. The South OPA will also be amended, when the specific number of total Residential Units or market-rate Residential Units to be developed on the Owner’s property is referenced, to include the following phrase: “Up to 21 of the total number of market-rate Residential Units will be limited to Blocks 29-30. In no event shall the total number of market-rate Residential Units on Blocks 29-30 exceed 21.” Where the phrase “approximately” or “up to” precedes any number identified in this Section 1, that word or words shall be retained.

2. Number of Hotels and Maximum Number of Hotel Guest Rooms. Wherever the South OPA (as amended and including without limitation any attachment thereto) makes reference to the number of hotels or the number of hotel guest rooms to be developed on the Owner’s property, specifically “a hotel,” “an up to 500 room hotel,” “an up to 250 room hotel” or “up to 500” hotel guest rooms, such phrases shall be deemed to be amended to include the following phrase: “Notwithstanding anything herein to the contrary, in addition, a hotel with up to 230 guest rooms may be constructed on Blocks 29-30. In no event shall the total number of hotel guest rooms on Blocks 29-30 exceed 230.”
3. Maximum Amount of Leasable Square Footage of Retail Uses. Wherever the South OPA (as amended and including without limitation any attachment thereto) makes reference to “up to approximately 230,000 square feet of Leasable area of city serving retail, local serving retail and entertainment retail uses”, or some such similar phrase, such phrases shall be deemed to be amended to refer to “up to approximately 295,000 square feet of Leasable area of city serving retail, local serving retail and entertainment retail uses, of which 65,000 Leasable square feet of city serving retail will be limited to Blocks 29-32.”

Wherever the South OPA (as amended and including without limitation any attachment thereto) makes reference to “approximately up to 260,000 Leasable square feet of retail, commercial and entertainment uses”, or some such similar phrase, such phrases shall be deemed to be amended to refer to “up to approximately 325,000 Leasable square feet of retail, commercial and entertainment uses, of which 65,000 Leasable square feet of city serving retail will be limited to Blocks 29-32.” Where the phrase “approximately” or “up to” precedes any number identified in this Section 3, that word or words shall be retained.

4. Open Space Maintenance. Section 4.3 of the South OPA is amended to include the following new subsection 4.3.1:

“4.3.1 Park P22 Maintenance. Owner shall record, or have recorded, a declaration of restrictions requiring the Owner to pay the P22 Maintenance Amount (as defined below) to Successor Agency, or its designee, annually during the period beginning as of the date when Park P22 (as defined in Exhibit 8 to Attachment D to the South OPA) is operational and open to the public, and ending as of the date when either (i) Park P22 ceases to operate or (ii) both the Hotel Project and the event center on Blocks 29-32 as shown in the Land Use Plan (the “Event Center”) cease to operate, for the maintenance of Park P22 to defray certain additional ordinary, day-to-day maintenance, repair and replacement costs caused by use of Park P22 by guests of the Event Center and Hotel Project on Blocks 29-32 (such effects are referred to herein as “Park Impacts”). Notwithstanding anything else herein, the P22 Maintenance Amount shall begin to accrue as of the date when Park P22 is operational and open to the public as described herein, but shall not be due and payable to Successor Agency until the date when both (i) Park P22 is operational and open to the public and (ii) the First Construction Document (as defined in Article 4, Section 401 of the San Francisco Planning Code as of the date of this Seventh Amendment) for the Hotel Project has been issued.

(a) The “P22 Maintenance Amount” shall equal \$175,000.00 during the first calendar year that Park P22 is operational and open to the public (such calendar year the “Inaugural Year”) and shall be adjusted annually to reflect annual changes in the average Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward, CA statistical area (all items, index base period 1982-84=100), provided that such adjustment is not more than 4% nor less than 2% per annum. With respect to the initial time period beginning as of the date when Park P22 is operational and open to the public through the immediately following December 31st (the “Initial Partial Year”), the P22 Maintenance Amount shall be an amount equal to \$175,000.00 multiplied by a fraction, the numerator of which is the number of days in the Initial Partial Year and the denominator of which is 365.

(b) At least two years after Park P22 has been operational and open to the public, either the Owner or the Successor Agency may, by written notice to the other party, request a reevaluation of the amount of the P22 Maintenance Amount based on actual Park Impacts. To assess actual Park Impacts, the Successor Agency shall consider objective and independent methodology agreed to by the Successor Agency and Owner (the “Park Impact Methodology”). If the parties cannot agree on the Park Impact Methodology, either party may invoke a mutually-agreeable, neutral third-party process to establish the Park Impact Methodology. In the event that there is no mutual agreement on a third-party process, the Successor Agency Commission, or its successor, shall approve, at a public hearing, the Park Impact Methodology. Neither Successor Agency nor Owner may request to reevaluate the P22 Maintenance Amount more frequently than once every five years after the initial reevaluation. The Successor Agency shall reasonably approve the revised P22 Maintenance Amount based on the Park Impact Methodology used to evaluate actual Park Impacts, and for each successive calendar year the P22 Maintenance Amount accruing to Successor Agency shall equal such revised P22 Maintenance Amount, adjusted annually to reflect annual changes in the average CPI-U

for the San Francisco-Oakland-Hayward, CA statistical area (all items, index base period 1982-84=100), provided that such adjustment is not more than 4% nor less than 2% per annum.”

5. Redevelopment Land Use Plan Map. The Mission Bay Land Use Plan – South map contained in Attachment A (Mission Bay South Land Use Plan and Legal Description) of the South OPA is amended and replaced by **Exhibit B** attached hereto so that the label of “Commercial Industrial / Retail” in the legend reads as follows:

COMMERCIAL INDUSTRIAL / RETAIL (including Hotel and Residential on Blocks 29-30)

6. Scope of Development Section I.B.1. The first sentence of Section I.B.1 of Attachment B (“**Scope of Development**”) of the South OPA is hereby amended to read as follows:

“I.B.1. Up to approximately 2,306 market-rate Dwelling Units as defined in the Mission Bay South Redevelopment Plan, 21 of which shall be allocated only to Blocks 29-30 and to no other area in the South Plan Area as shown on Attachment A as allowed under Section I.B.11, and 350 of which shall be allocated only to Block 1 and to no other area in the South Plan Area as shown on Attachment A as allowed under Section I.B.3; provided, however, that Owner may elect to construct additional units that the Successor Agency would otherwise be permitted to construct pursuant to the terms and conditions of Section 3.4.3(b) of the South OPA.”

7. Scope of Development Section I.B.2. Section I.B.2 of the Scope of Development is hereby amended and restated to read as follows:

“I.B.2. Up to approximately 295,000 Leasable square feet of retail uses as defined in the Redevelopment Plan. The allowable retail space includes: up to 159,300 Leasable square feet of local-serving retail, up to 85,700 Leasable square feet of City-serving retail (of which, approximately 65,000 Leasable square feet will be located on Blocks 29-32), and up to 50,000 Leasable square feet of entertainment or local-serving retail on Block 1.”

8. Scope of Development Section I.B.11. A new Section I.B.11 will be added to the Scope of Development as follows:

“I.B.11. On Blocks 29-30, a mixed-use building that may contain hotel rooms (and associated facilities such as banquet and conference rooms and retail uses), Dwelling Units, and retail uses. The building may contain as few as 129 or as many as 230 hotel rooms, and as few as zero (0) or as many as 21 Dwelling Units, or any combination thereof, provided that the total Gross Floor Area (as defined in the Design for Development) of hotel rooms and Dwelling Units combined may not exceed approximately 215,000 square feet of Gross Floor Area. In addition, the building may also contain up to approximately 12,000 Leasable square feet of retail uses.”

9. Height and Density Limit. Attachment C (“**Mission Bay South Housing Program**”) of the South OPA is hereby amended to change the second sentence in Section 4.2 under “Owner Housing Program” to read as follows:

“Development of Residential Units may be provided above commercial, parking, local-serving retail and urban entertainment uses, and on Blocks 29-30, in addition to the aforementioned uses, above City-serving retail and hotel uses.”

10. Affordable Housing Requirement. The Mission Bay South Housing Program is hereby amended to include a new Section 4.7 under “Owner Housing Program” to read as follows:

“4.7 Block 29-30 Affordable Housing Fee and Block 29-30 Hotel Impact Fee.

(a) Imposition of Block 29-30 Affordable Housing Fee.

Notwithstanding anything else in this Housing Program or the South OPA, the only affordable housing requirements applicable to development of Residential Units within Blocks 29-30 shall be as set forth in this Section 4.7. The Successor Agency shall require as a condition of approval for any project containing Residential Units on Blocks 29-30 (“**Block 29-30 Residential Project**”) that Owner shall comply with Section 415 of the Planning Code, except that Owner may elect as an alternative to complying with Section

415 to instead pay an affordable housing in-lieu fee to the Successor Agency to fund affordable housing development within the South Plan Area (“**Block 29-30 Affordable Housing Fee**”), in accordance with the following conditions:

(i) the Block 29-30 Affordable Housing Fee shall be calculated based on the fee schedule produced by the City for its Inclusionary Affordable Housing Program (Planning Code Article 4, Section 415.5 or successor program) in effect at the time payment is due, as such fee schedule may be amended from time to time, per net new gross square foot of residential use (as “gross square feet of use” is defined in Planning Code Article 4, Section 401 as of the date of this Seventh Amendment) to be constructed in the Block 29-30 Residential Project, applied to 30% of the gross square feet of such use within the Block 29-30 Residential Project, regardless of the total number of Residential Units to be constructed; and

(ii) the Owner shall pay the Block 29-30 Affordable Housing Fee to the Successor Agency prior to issuance of the First Construction Document (as defined in Article 4, Section 401 of the Planning Code as of the date of this Seventh Amendment) for the Block 29-30 Residential Project, which funds shall be used by the Successor Agency to fund affordable housing development in the South Plan Area.

(b) Imposition of Block 29-30 Hotel Impact Fee. Notwithstanding anything else in this Housing Program or the South OPA, the only affordable housing requirements applicable to development of hotel and retail uses within Blocks 29-30 shall be as set forth in this Section 4.7. The Successor Agency shall require as a condition of approval for any project containing hotel or retail uses on Blocks 29-30 (“**Block 29-30 Hotel Project**”) that Owner will pay an affordable housing in-lieu fee to the Successor Agency to fund affordable housing development within the South Plan Area (“**Block 29-30 Hotel Impact Fee**”) in accordance with the following conditions:

(i) the Block 29-30 Hotel Impact Fee shall be calculated based on the fee schedule produced by the City for its Jobs-Housing Linkage Program (Planning Code Article 4, Section 413.5 or successor program) in effect at the time payment is due, as such fee schedule may be amended from time to time, per net new gross square foot of hotel or retail use (as “gross square feet of use” is defined in the Planning Code, Article 4, Section 401 as of the date of this Seventh Amendment) to be constructed in the Block 29-30 Hotel Project; and

(ii) the Owner shall pay the Block 29-30 Hotel Impact Fee to the Successor Agency prior to issuance of the First Construction Document (as defined in Article 4, Section 401 of the Planning Code as of the date of this Seventh Amendment) for the Block 29-30 Hotel Project, which funds shall be used by the Successor Agency to fund affordable housing development in the South Plan Area.”

11. Design Review and Document Approval Procedure. Section III(A) of Attachment G (“**Mission Bay South Design Review and Document Approval Procedure**”) of the South OPA is amended to include the following after the last sentence of such Section III(A): “In addition to any applicable Design Standards set forth in the Mission Bay South Design for Development, hotel and residential development on Blocks 29-30 will be governed by the Commercial Industrial Guidelines set forth in the Mission Bay South Design for Development, including but not limited to requirements related to Block Development, Street Frontage, Building Height and Form, and Architectural Details, except that retail uses associated with such hotel and residential uses are also permitted to be governed by the Retail Guidelines set forth the in the Mission Bay South Design for Development.”
12. Small Business Enterprise Policy. Owner agrees to comply with the Successor Agency’s Small Business Enterprise Policy, as adopted by Commission Resolution No. 43-2015 (July 7, 2015) in the construction of the Hotel Project on the Hotel Parcel, including all

tenant improvements constructed by the Hotel Project Owner or Hotel Project Lessee within the Hotel Project on the Hotel Parcel, but excluding all tenant improvements related to Residential Units.

13. General Provisions.

13.1 South OPA in Full Force and Effect. Except as otherwise amended hereby and as previously revised to reflect various non-material changes, all terms, covenants, conditions and provisions of the South OPA shall remain in full force and effect.

13.2 Successors and Assigns. This Seventh Amendment is binding upon and will inure to the benefit of the successors and assigns of the Former Agency, Successor Agency, and the Owner, subject to the limitations set forth in the South OPA.

13.3 Recitals. The Recitals in this Seventh Amendment are included for convenience of reference only and are not intended to create or imply covenants under this Seventh Amendment. In the event of any conflict or inconsistency between the Recitals and the terms and conditions of this Seventh Amendment, the terms and conditions of this Seventh Amendment shall control.

13.4 Counterparts. This Seventh Amendment may be executed in any number of counterparts, all of which together shall constitute the original agreement hereof.

IN WITNESS WHEREOF, the Successor Agency has caused this Seventh Amendment to be duly executed on its behalf and the Owner has signed or caused this Seventh Amendment to be signed by duly authorized persons, all as of the day first above written.

Authorized by Successor Agency Resolution
No. [__-2020], adopted [_____, 2020]

SUCCESSOR AGENCY:

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

By: _____
Name:
Title:

Approved as to Form:

By: _____
Name:
Title:

[Signatures continue on following page]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

OWNER:

FOCIL-MB, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A
Hotel Parcel Legal Description

The land referred to is situated in the County of San Francisco, City of San Francisco, State of California, and is described as follows:

Lot 5 as shown on that certain Map entitled "Final Map 8593" (the "Map"), filed for record on December 9, 2016, in Book 131 of Condominium Maps at Pages 47 through 63 inclusive, Official Records.

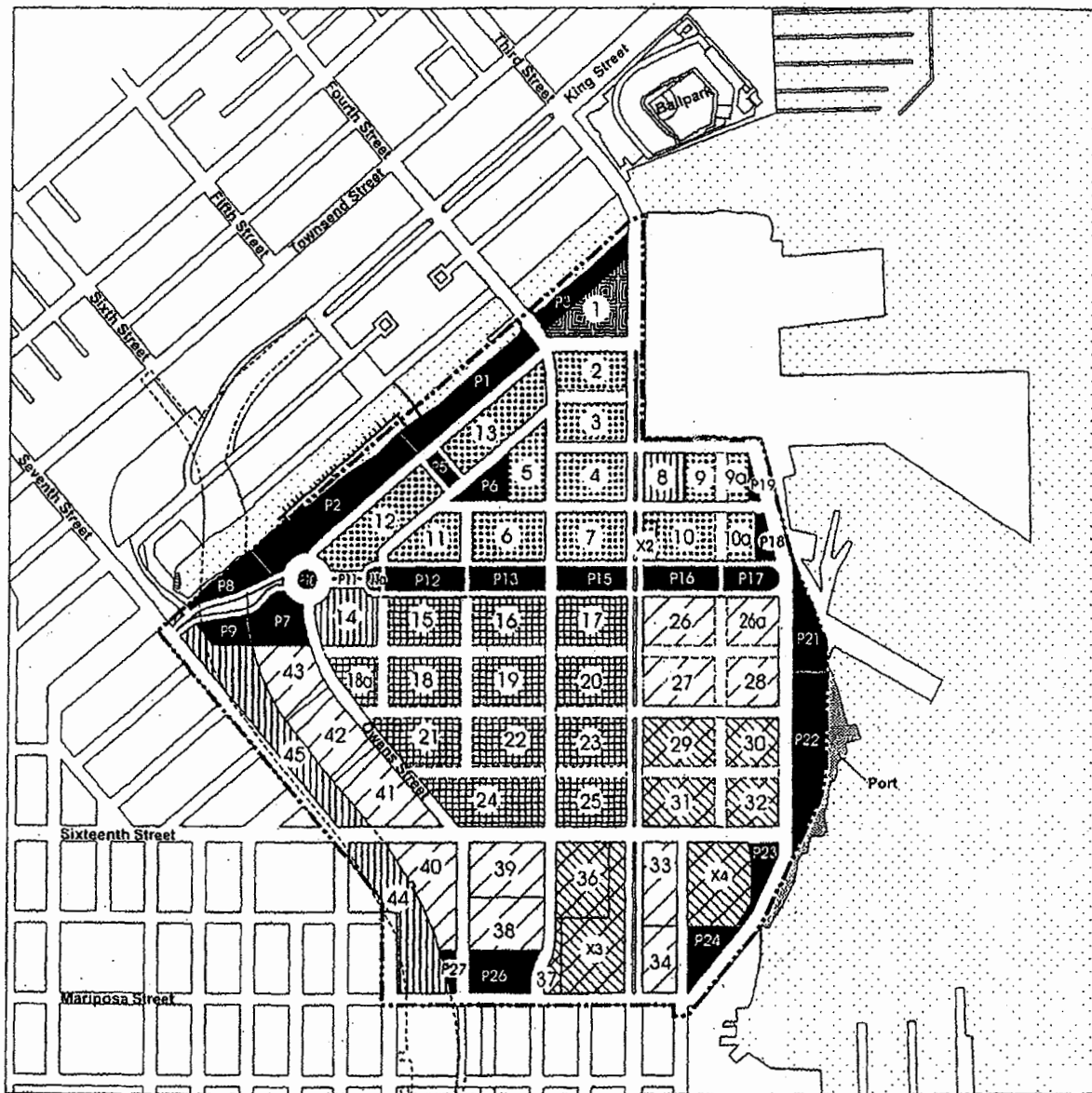
Excepting therefrom, those mineral rights reserved by the following documents, with no right of surface entry:

1. Document recorded March 31, 1987 in Reel E309, Image 1138, Official Records.
2. Document recorded July 19, 1999, Instrument No. 99-G622155, Official Records.
3. Document recorded October 29, 2004, Instrument No. 2004-H841650, Official Records.

APN: 8722-025

EXHIBIT B
Mission Bay Land Use Plan – South

(Attached)



MISSION BAY LAND USE PLAN - SOUTH

JOHNSON FAIR PARTNERS

SAN FRANCISCO, CALIFORNIA

CAYELLUS DEVELOPMENT CORPORATION

ATTACHMENT B

Fiscal Analysis of Proposed Warriors Development by Seifel Consulting, Inc.

[Attached]

REPORT

Fiscal Analysis of Proposed Warriors Development

Mission Bay, San Francisco

Prepared by:

Seifel Consulting Inc.



May 2020

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I. Introduction

This report presents the findings of the fiscal analysis conducted by Seifel Consulting for a mixed use development that is being proposed by the Golden State Warriors (“Warriors”) in Mission Bay. The fiscal analysis projects the anticipated annual and one-time fiscal benefits from this proposed development, which would be located on the northeast side of the Chase Center.

The proposed Warriors development program would include 129 hotel rooms, about 20,000 square feet of retail and 21 residential condominium units, which is referred to as the “proposed project” in this report. The Warriors are also proposing amendments to the Mission Bay South Redevelopment Plan documents that would allow them to seek a future modification of this development program. This potential modification could include between 129 to 230 hotel rooms, up to approximately 25,000 square feet of retail, and between zero (0) and 21 residential units as long as the development program occupies approximately the same floor area as the proposed project. These two alternatives are further described in Section II of this report.

Both the proposed project and a potential future variation of the project will provide additional restaurants and hotel facilities to serve the Mission Bay community as well as visitors to the Chase Center. For purposes of comparison with the proposed project in this report, a potential future variation of the project is assumed to consist of 230 hotel rooms, zero (0) residential condominium units, and about 20,000 square feet of retail uses (referred to as the “project variant”), although the alternative development program could ultimately consist of a different mix of uses.

This report begins with a summary of key findings related to the two project alternatives evaluated in this report, and the remainder of the report describes the assumptions, methodology and results of the fiscal analysis as summarized below:

- Description of the proposed mixed use Warriors development and potential variations in land use, along with a summary of the development programs for the proposed project and project variant.
- Description of the methodology and key assumptions used to project fiscal benefits to public entities that would be most affected by the proposed development.
- Projections of the annual fiscal revenues to the City and County of San Francisco’s General Fund (“City’s General Fund”) and the Office of Community Investment and Infrastructure (“OCII”), as well as projected public revenues that would be generated to fund transportation, provide other dedicated and restricted revenues for the City, and provide payments to other taxing entities from the tax increment generated by the proposed project as well as the project variant.
- Projections of one-time fiscal revenues to the City’s General Fund and to the San Francisco Unified School District (“SFUSD”) in the form of development impact fees and other payments generated by the proposed project as well as the project variant.

A. Summary of Projected Fiscal Benefits

Seifel Consulting (“Seifel”) prepared a fiscal analysis to project the potential fiscal benefits from the proposed project, which is first described below. The report then analyzes how major fiscal revenues to the City’s General Fund and OCII would be estimated to change under the project variant.

As summarized below, the proposed project or project variant would generate ongoing annual revenues as well as upfront, one-time revenues to the City’s General Fund, OCII and other public entities, providing a substantial positive fiscal benefit to a broad range of public agencies. Please refer to Section III and

Section IV of this report for further information regarding fiscal revenues from the proposed project and project variant, respectively.

1. Ongoing Annual Fiscal Revenues from the Proposed Project

As described above, the proposed project consists of 129 hotel rooms, about 20,000 square feet of retail and 21 residential condominium units. The proposed project is projected to generate the following annual fiscal revenues in fiscal year 2019/20 dollars based on the fiscal analysis presented in this report:¹

- Approximately \$5.5 million in annual revenues to all of the public entities studied in this fiscal analysis.
- Approximately \$2.0 million in annual revenues to the City's General Fund, of which the largest revenue source is approximately \$1.2 million from the Transient Occupancy Tax ("TOT") from the new hotel.
- Approximately \$1.4 million in property tax increment revenue to OCII (net of pass through payments to the taxing entities), including approximately \$395,000 set-aside for affordable housing projects and about \$1.0 million in unrestricted funding for housing and non-housing projects.
- Approximately \$150,000 in transportation related annual revenues to the San Francisco Municipal Transportation Agency ("SFMTA").
- Approximately \$1.7 million in various dedicated and restricted annual revenues to the City.
- Approximately \$257,000 in additional payments to various taxing entities from tax increment, including SFUSD.

Figure 1 illustrates the projected fiscal revenues from the proposed project to the City's General Fund and OCII, as well as projected public revenues that would be generated to fund transportation, provide other dedicated and restricted revenues for the City, and make pass through payments to other taxing entities from tax increment generated by the project.

2. Upfront and One-Time Revenues from the Proposed Project

The proposed project would also generate upfront and one-time revenue to the City and the San Francisco Unified School District ("SFUSD") through the payment of development impact fees and tax revenues from construction, as shown in Figure 2.² In summary, the proposed project is projected to generate approximately \$14.4 million in upfront and one-time revenues to the City and SFUSD, of which about \$12.4 million would be attributable to development impact fee payments to the City and about \$0.3 million in development impact fee payments to SFUSD.

¹ The key results of the fiscal analysis are presented in constant FY 2019/20 dollars throughout this report unless noted otherwise, including in this summary.

² This revenue does not include the Park P22 maintenance fee required by the Seventh Amendment to the Mission Bay South Owner Participation Agreement, an additional non-codified fee that will be paid annually. This fee is \$175,000 per year, indexed for inflation within a 2% to 4% annual collar.

Figure 1
Projected Annual Revenues from the Proposed Project
(In Constant FY 2019/20 Dollars)

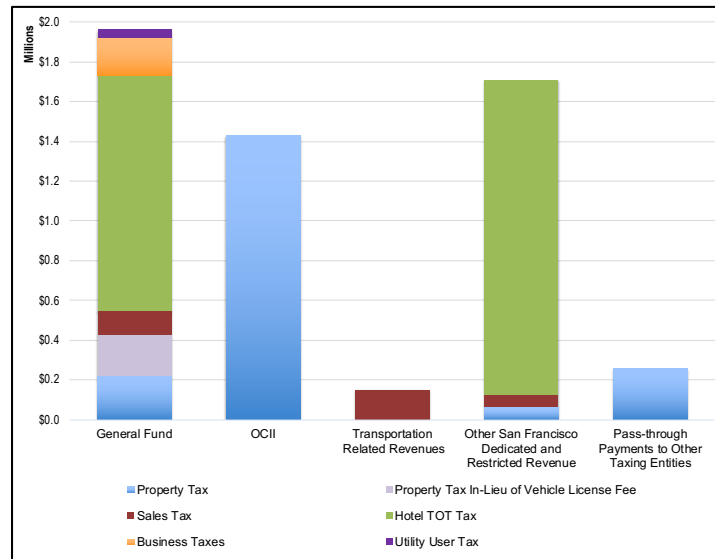
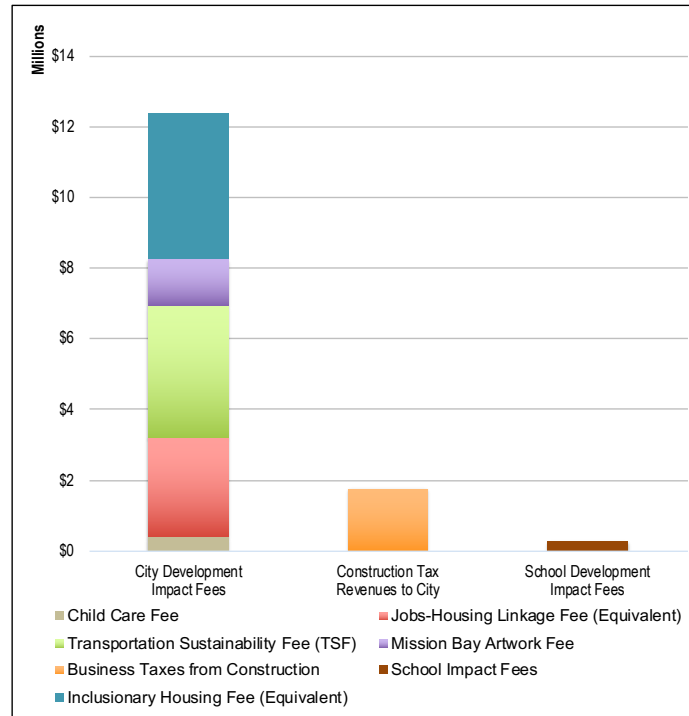


Figure 2
Projected Upfront and One-Time Revenues from the Proposed Project
(In Constant FY 2019/20 Dollars)



3. Major Changes in Fiscal Revenues from the Project Variant

As described above, the project variant is assumed to include 230 hotel rooms, about 20,000 square feet of retail and zero residential condominium units. This section summarizes the changes in fiscal revenues that would likely occur from development of the project variant in comparison to the proposed project.

a. Ongoing Annual Fiscal Revenues from the Project Variant

The following major changes in ongoing annual fiscal revenues are projected to be generated by the project variant as compared to the proposed project (in fiscal year 2019/20 dollars):

- As shown above in Figure 1, the largest revenue source to the City's General Fund from the proposed project is attributable to TOT from hotel rooms (representing about 60% of General Fund revenue sources). As the number of hotel rooms in the project variant is assumed to increase from 129 to 230 hotel rooms, TOT is projected to increase substantially from approximately \$1.2 million to about \$2.1 million annually.
- The project variant is projected to generate lower incremental property tax revenues than the proposed project, and accordingly, pass through payments to the affected taxing entities such as the City's General Fund would be reduced compared to the proposed project.
- Other revenues to the City's General Fund are anticipated to increase or stay about the same. As the project variant would include a much larger hotel, business taxes are anticipated to increase substantially from higher levels of gross receipts and payroll. Given the significant increase in TOT revenues and business taxes, the project variant is projected to generate a higher level of fiscal revenues to the City's General Fund as compared to the proposed project, \$7.3 million for the project variant versus \$5.5 million for the proposed project.
- The project variant is projected to generate about \$1.05 million in tax increment revenue to OCII (net of pass through payments to taxing entities) of which about \$290,000 would be set-aside for affordable housing projects and about \$760,000 would be generated in unrestricted funding for housing and non-housing projects. The project variant is projected to generate about \$400,000 less in tax increment to OCII as compared to the proposed project.
- Given that retail development and associated retail sales tax are anticipated to remain the same with the project variant, transportation related revenues to SFMTA would be about \$150,000 per year, the same as the proposed project.
- Additional payments to taxing entities (other than the City) from tax increment, including SFUSD, are projected to be less from the variant project, at about \$188,000 in pass through payments from the project variant as compared to the proposed project (\$257,000).

b. Upfront and One-Time Revenues from the Project Variant

The project variant is projected to generate lower upfront and one-time revenues to the City and SFUSD as compared to the proposed project because construction related revenues and impact fee revenues would decrease with the project variant. The project variant is anticipated to generate about \$13.6 million in upfront and one-time revenues of which about \$11.8 million would be attributable to development impact fee payments to the City while about \$62,000 in impact fee payments would be made to SFUSD.

II. Proposed Development

The Warriors are proposing to construct a mixed use development next to the Chase Center that will provide additional restaurants and hotel facilities to serve the Mission Bay community as well as visitors to the Chase Center and may include up to 21 residential units. This report first analyzes the potential fiscal effect from the proposed project, which consists of 129 hotel rooms, about 20,000 square feet of retail and 21 residential condominium units as shown in Table 1 below.

Table 1
Development Program for the Proposed Project

Development Program	Metric	Building Size ^a	
		Gross Square Feet (GSF)	Net Square Feet (NSF)
Hotel			
Guestrooms	129	82,600	63,500
Ancillary Hotel Retail			
Ballroom & Meeting		18,800	13,900
Fitness Center		<u>3,000</u>	<u>2,300</u>
Subtotal Ancillary Retail		21,800	16,200
Public Areas and Support Facilities		46,700	33,100
<u>Hotel Exterior</u>		<u>4,700</u>	<u>4,700</u>
Hotel Total		155,800	117,500
<i>Hotel Adjusted Gross Floor Area^b</i>	<i>GFA</i>	<i>143,200</i>	<i>N/A</i>
Retail			
Food & Beverage ^c		10,300	7,700
Retail/ Sundry		300	300
Spa		2,500	1,800
Food & Beverage Exterior ^c		<u>6,900</u>	<u>6,900</u>
Retail Total		20,000	16,700
<i>Retail Adjusted Gross Floor Area^b</i>	<i>GFA</i>	<i>11,000</i>	<i>N/A</i>
Residential			
Residential Dwelling Units	21 units	64,200	53,500
Public Areas and Support Facilities		4,400	3,100
<u>Condo Terraces</u>		<u>12,500</u>	<u>12,500</u>
Residential Total		81,100	69,100
<i>Residential Adjusted Gross Floor Area^b</i>	<i>GFA</i>	<i>65,200</i>	<i>N/A</i>
Total Area		256,900	203,300

a. Based on estimated building area as of January 2020 and parcel size of 31,351 square feet.

b. Adjusted Gross Floor Area (GFA) as defined in Section 102 of Planning code, exclusive of OCII exemptions.

Please refer to Project BCSD Application dated 05.2020 for supporting area tables.

c. Area includes Bar and Grill restaurant, bar and café. The terrace area for these facilities is included in exterior space.

Note: Development estimates rounded to the nearest 100's.

Source: Golden State Warriors, SH Hotels and Resorts, Gensler.

Alternatively, if the proposed development is revised in the future, the project could potentially include the following mix of land uses:

- Between 129 and 230 hotel rooms, as well as associated retail uses such as a ballroom, meeting rooms, and a fitness center, and between zero and 21 residential units, provided the total area of hotel rooms and residential units combined is within the same approximate floor area of such uses in the proposed project, i.e., approximately 245,000 gross square feet.
- Up to 25,000 gross square feet of retail uses, including restaurants, bars, a spa, and other retail uses.

For purposes of comparison with the proposed project, the project variant in this report is assumed to consist of 230 hotel rooms, zero residential condominium units, and about 20,000 square feet of retail uses. However, an alternative development program could be implemented that ultimately consists of a combination that falls somewhere between 129 and 230 hotel rooms plus associated retail uses, and between zero and 21 residential units, with up to 25,000 gross square feet of retail uses.

The key development program assumptions for the project variant that are used in the fiscal analysis are summarized below and compared with the proposed project:

- 230 hotel rooms (versus 129 hotel rooms for the proposed project).
- 20,000 gross square feet of retail (same as proposed project).
- Zero residential condominium units (versus 21 units for the proposed project).
- Total building area of 256,900 gross square feet (same as proposed project).
- Adjusted gross floor area (GFA) of approximately 228,800 (versus GFA of 219,400 for the proposed project) for purposes of calculating impact fees.³

These development program assumptions for the proposed project and project variant are used in the fiscal analysis to project fiscal revenues.

³ This includes the total GFA of all uses, including hotel, hotel-related retail, residential, and stand-alone retail uses, as applicable.

III. Fiscal Analysis of the Proposed Project

A. Approach

The fiscal analysis presented in Section III of this report evaluates the fiscal benefits from the proposed project upon completion and stabilized occupancy (“project build out”). A comparison of the fiscal benefits that would occur with the project variant is then presented in Section IV of the report. As described previously, this report projects the annual revenues that would be generated to the City’s General Fund, OCII, and other public entities, as well as the one-time, upfront fiscal revenues that would be generated to the City’s General Fund and SFUSD related to project construction.

1. Methodology

The fiscal analysis relies on the following methodological approaches for public revenues and costs:

- City fiscal revenues– The application of appropriate municipal tax rates to estimate public revenues to the City’s General Fund from property tax, property tax in-lieu of vehicle license fees (“VLF”), sales tax, Gross Receipts tax, business registration tax, payroll tax, transient occupancy tax (“TOT”) and utility user tax revenues.
- OCII revenues– The application of appropriate municipal tax rates to estimate incremental property tax available to OCII, of which 20% is set-aside for affordable housing. OCII receives net tax increment available for housing and non-housing projects after the 20% housing set-aside and other obligations, including pass through payments to taxing entities.
- Transportation related revenues– The application of appropriate municipal tax rates to estimate public revenues to the City’s transportation related funds from sales tax.
- Other San Francisco dedicated and restricted revenues– The application of appropriate municipal tax rates to estimate public revenues to the City’s dedicated and restricted funds from incremental property tax, sales tax, TOT and Gross Receipts tax.
- Incremental property tax revenues through pass through payments to other taxing entities– The application of appropriate municipal tax rates to estimate incremental property tax passed through from OCII to the City and other taxing entities.

Some of the fiscal analysis calculations shown in this study are rounded, which also means that some of the numbers presented in the tables may not precisely calculate due to rounding.

2. Data Sources

The base year for this study is fiscal year 2019/20 (“FY 2019/20”), the most recent fiscal year for which data was available at the time of this analysis. The information and analysis presented in this report has been gathered from the most reliable data sources available to Seifel Consulting (“Seifel”).

Information regarding the practices and methods used by the public agencies to estimate revenues has been obtained from interviews with public agency staff, analysis of public records, as well as a thorough review of documents made available to Seifel. Information regarding the development program, potential financial performance, construction information and other relevant development data for the proposed project and project variant has been obtained from the Golden State Warriors (“Warriors”), SH Hotels and Resorts, Gensler, Gibson Dunn, as well as analysis of City records, review of published documents and interviews with real estate professionals.

3. Key Assumptions

The fiscal benefit analysis is based on a variety of conditions and assumptions as summarized below:

- **Constant FY 2019/20 Dollars** – The analysis was conducted primarily on a constant dollar (FY 2019/20) basis, and the baseline assumptions were adjusted accordingly. All fiscal benefit results presented in this report are in constant FY 2019/20 dollars unless noted otherwise.
- **Property Valuation** – All valuation assumptions are based on current estimated property values on a constant dollar (FY 2019/20) basis. The projected values are estimated based on information provided by the Warriors, SH Hotels and Resorts, and interviews with real estate professionals.
- **Ongoing Revenues** – Ongoing municipal revenues from property tax, property tax in-lieu of VLF, sales tax, Gross Receipts tax, business registration tax, payroll tax, TOT, and utility user tax revenues are calculated by multiplying current municipal tax rates by the projected relevant tax base from new development.
- **Payroll Expense Tax and Gross Receipts Tax**– The City has been shifting the structure of payroll expense tax and Gross Receipts tax. In addition, voters in San Francisco recently approved additional taxes on gross receipts through Proposition C in June 2018 and Proposition C in November 2018. (The taxes authorized under these recent two propositions are currently the subject of legal challenges.) Payroll expense tax, Gross Receipts tax, and business registration tax were derived based on appropriate municipal tax rates and various City publications, supplemented by discussions with staff of the City and County of San Francisco Controller’s Office (“Controller’s Office”) and the City and County of San Francisco Treasurer’s Office.
- **Upfront and One-Time Revenues to the City**– Upfront and one-time revenues to the City are projected based on the City’s current tax rate/fee schedule applied against new development values and/or square feet of new development as well as input from staff of the OCII and the City and County of San Francisco Planning Department (“Planning Department”).
- **Transportation**– Transit revenues are projected based on information related to relevant sales tax as publicly available on relevant websites.

B. Annual Fiscal Revenues from the Proposed Project

This section presents the projections of ongoing annual fiscal revenues to the City’s General Fund, OCII and other taxing entities from the proposed project. (Please refer to Section IV for the fiscal analysis of the project variant.) As summarized in Table 2, the proposed project is projected to generate ongoing fiscal revenues to local entities from the following primary revenue categories.⁴

- Property Tax (through Tax Increment)
- Property Tax In-Lieu of Vehicle License Fee
- Transient Occupancy Tax
- Sales Tax
- Business Taxes (Payroll Expense Tax, Gross Receipts Tax, and Business Registration Tax)
- Utility User Tax

⁴ Section C below describes these revenue categories and summarizes key assumptions for revenue projections.

Table 2
Projected Annual Revenues from the Proposed Project
(In Constant FY 2019/20 Dollars)

	Annual Revenues
1. General Fund	
Property Tax (from Tax Increment Pass Through Payments)	\$219,800
Property Tax In-Lieu of Vehicle License Fee	\$205,800
Sales Tax	\$121,000
Hotel TOT Allocation to General Fund	\$1,186,500
Business Taxes (Gross Receipts Tax)	\$115,200
Business Taxes (Business Registration Tax)	\$13,400
Business Taxes (Payroll Tax)	\$58,100
<u>Utility User Tax</u>	<u>\$42,600</u>
Subtotal	\$1,962,400
2. OCII	
Tax Increment Available for Housing and Non-Housing Projects (Unrestricted)	\$1,037,400
<u>Tax Increment - Set Aside for Affordable Housing Projects</u>	<u>\$394,800</u>
Subtotal	\$1,432,200
3. Transportation Related Sales Tax Revenues	
County Transportation Authority Sales Tax (Prop K)	\$60,500
State Sales Tax (AB 1107)	\$60,500
TDA Sales Tax	<u>\$30,300</u>
Subtotal	\$151,300
4. Other San Francisco Dedicated and Restricted Revenue	
Special Fund Property Tax Pass-through Payments	\$65,300
Public Safety Sales Tax	\$60,500
Hotel TOT Allocation to Arts and Cultural Districts	\$1,582,100
Childcare Gross Receipts Tax*	\$0
<u>Homelessness Gross Receipts Tax*</u>	<u>\$0</u>
Subtotal	\$1,707,900
5. Pass-through Payments to Other Taxing Entities	
San Francisco Unified School District	\$55,900
San Francisco Community College District	\$10,500
Educational Revenue Augmentation Fund	\$184,000
<u>Other Taxing Entities</u>	<u>\$6,100</u>
Subtotal	\$256,500
Grand Total	\$5,510,300

* Subject to legal challenges

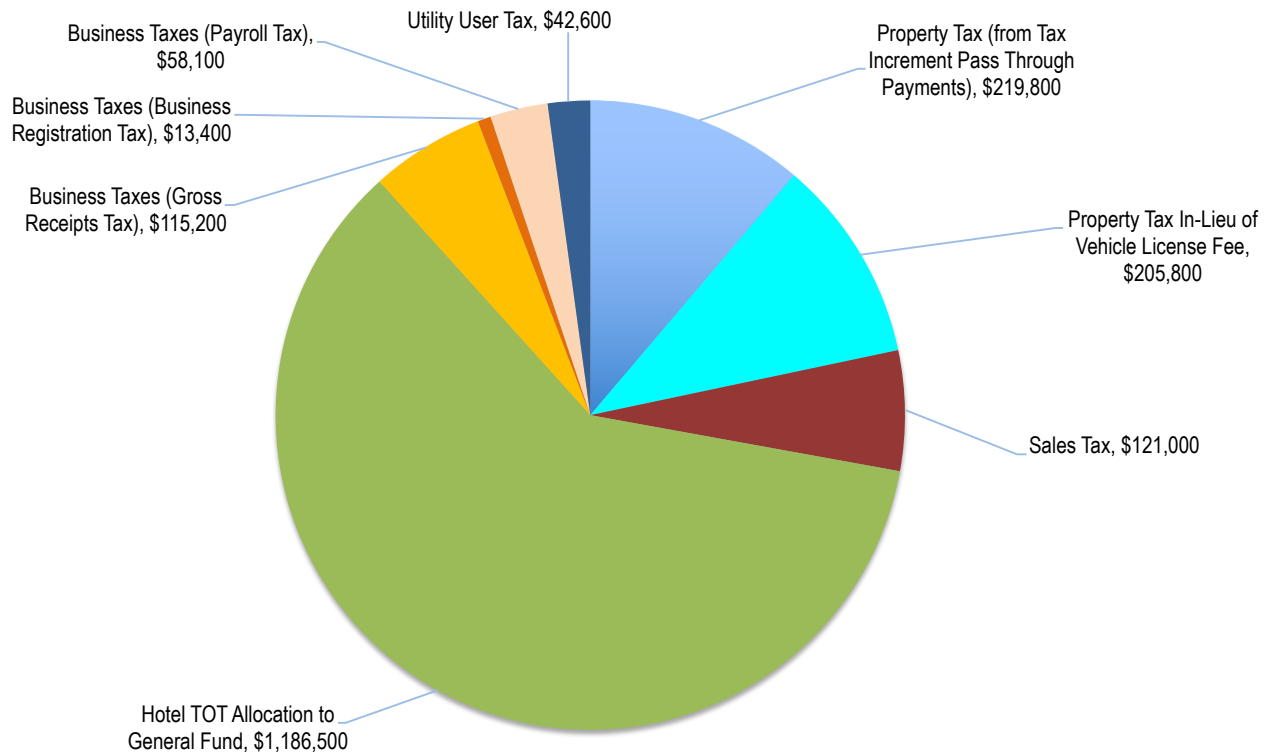
Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

1. Annual Revenues to the City's General Fund

As summarized in Table 2, the proposed project is projected to generate approximately \$2.0 million per year (in constant 2019/20 dollars) to the City's General Fund from property taxes (as pass through payments from property tax increment), sales taxes, TOT, business taxes and utility user taxes at project completion.

Figure 3 illustrates the projected annual fiscal revenues to the City's General Fund at build-out of the proposed project. The largest revenue source generated from the project is the allocation of TOT from hotel room revenues to the General Fund, followed by property tax, and property tax in-lieu of VLF.

Figure 3
Annual Fiscal Revenues to City General Fund from the Proposed Project
City and County of San Francisco
(In Constant FY 2019/20 Dollars)



2. Annual Revenues to OCII

The proposed Warriors development is located within the boundaries of the Mission Bay South Redevelopment Project Area (“Project Area”). For properties within this Project Area, OCII receives property tax increment from the incremental growth in assessed value from the base assessed value in FY 2019/20 dollars. Property tax increment is projected based on a 1 percent base tax rate multiplied by the growth in assessed value.

Upon completion, the incremental assessed value of the proposed project is projected to be about \$197 million based on the growth in value between the existing assessed value and the value of future development at build out on the property.⁵ The proposed project is projected to generate about \$2.0 million in annual property tax increment.⁶

Tax increment revenues are distributed to OCII and to the affected taxing entities according to California Redevelopment Law (“CRL”). The CRL requires OCII to set aside not less than 20% of all tax increment revenues into a low and moderate income housing fund to be used for the purpose of increasing, improving and/or preserving the supply of low and moderate income housing.

The CRL also requires OCII to make pass through payments to affected taxing entities following a tiered statutory formula. Affected taxing entities, including the City General Fund, receive pass through payments calculated based on this formula and their respective property tax shares.

OCII is projected to receive each year about \$395,000 for the 20% housing set-aside and about \$1.0 million in unrestricted tax increment funds for housing and non-housing projects from the proposed project. In addition to passing through funds to the City’s General Fund, OCII will also make pass through payments to all of the other affected taxing entities including SFUSD and the San Francisco Community College District, as further described below.⁷

3. Annual Transportation Related Revenues

The proposed project is anticipated to generate approximately \$12 million in taxable sales revenue, which would generate annual sales tax revenues for transportation of approximately \$121,000, as authorized by the San Francisco County Transportation Authority (Prop K) and State Sales Tax (AB 1107). Additionally, the proposed project is anticipated to generate about \$30,000 in revenue to the SFMTA from the Transportation Development Act (“TDA”). Total transportation related revenues from the proposed project are projected to total about \$150,000 per year.

⁵ Assessed value for each land use is estimated based on the anticipated development values for the hotel and condominium provided by the Warriors, and the incremental assessed value is calculated based on an allocated value for this Warriors development parcel (APN #8722-025) based on parcel size of approximately 31,000 square feet.

⁶ According to the Warriors, the existing FY 2019/20 value of the Warriors development parcel (APN #8722-025) does not yet reflect assessment of the entire improvement value of the property, which means that the incremental value could be less than projected.

⁷ These revenues do not include the Park P22 maintenance fee required by the Seventh Amendment to the Mission Bay South Owner Participation Agreement, an additional non-codified fee that will be paid annually. This fee is \$175,000 per year, indexed for inflation within a 2% to 4% annual collar.

Table 3
Transportation Related Revenues from the Proposed Project
(In Constant FY 2019/20 Dollars)

Annual Revenues	
Transit Revenues	
County Transportation Authority Sales Tax (Prop K)	\$60,500
State Sales Tax (AB 1107) ^a	\$60,500
<u>TDA Sales Tax</u>	<u>\$30,300</u>
Subtotal - Non-General Fund Transit Revenues	\$151,300

a. State sales tax (AB 1107) is a one-half cent sales tax, which allocates 25% to MTC and 75% to BART.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

4. Other San Francisco Dedicated and Restricted Annual Revenues

The City and County of San Francisco receives tax increment in Special Funds separately in addition to the City's General Fund. The City's Special Funds include a property tax set-aside for Library, Open Space, and Children's Fund.

5. Pass through Payments to Other Taxing Entities

A portion of tax increment revenue is also distributed as pass through payments to other taxing entities, including the San Francisco Unified School District ("SFUSD"), San Francisco Community College District ("SFCCD"), and the Educational Revenue Augmentation Fund ("ERAF").

C. Ongoing Revenue Sources

This section describes ongoing fiscal revenue categories and summarizes key assumptions for the fiscal revenue projections for the proposed project. (The same methodology is used to project ongoing revenue sources for the project variant as further described in Section IV.)

1. Property Tax

As of FY 2019/20, the assessed value of the Warriors development site (i.e., the parcel within Blocks 29-32 where the proposed project or project variant will be constructed) is approximately \$40 million. The projected assessed value at buildout of the proposed project is estimated to be \$237 million in FY 2019/20 constant dollars based on information provided by the Warriors and SH Hotels and Resorts, and interviews with real estate professionals. The property tax projections and supporting market and valuation assumptions are summarized in Appendix Table 1 for the proposed project.

The Warriors development is located within the boundaries of the Mission Bay South Redevelopment Plan Area. For properties in the Mission Bay South Redevelopment Plan Area, the General Fund receives property taxes from the base assessed value in the Project Area (at the time of Project Adoption in FY 1998/99), and tiered pass through payments that are calculated based on the property tax increment that is generated from the growth in assessed values as shown in Appendix Table 2.

Property tax increment is projected based on a 1 percent base tax rate multiplied by the growth in assessed value. State law requires OCII to set aside not less than 20% of all tax increment revenues into a low and moderate income housing fund to be used for the purpose of increasing, improving and/or preserving the supply of low and moderate income housing and meeting outstanding City housing obligations. State law also requires OCII to make pass through payments to affected taxing entities following a tiered statutory formula. Affected taxing entities, including the City and County of San Francisco, receive pass through payments calculated based on this formula and their respective property tax shares.⁸

2. Property Tax In-Lieu of VLF Revenue

The City also receives an additional share of property taxes in lieu of vehicle license fee (“VLF”) revenues, which is based on growth in assessed valuation, as presented in Appendix Table 3. These revenues are the result of a revenue swap enacted as part of the State Budget Act of 2004 when the Legislature voted to provide additional property tax revenue to cities and counties to help compensate for reductions in VLF revenues that had been received previously.

Property tax in lieu of VLF revenue is calculated by applying the future percentage increase in assessed value from the Warriors development to the City’s FY 2019/20 VLF revenue.⁹ This analysis only assumes growth in assessed value from the proposed development and does not take into consideration citywide growth in assessed value. (See Appendix Table 3 for projected revenues from the proposed project.)

3. Transient Occupancy Tax

Hotel Transient Occupancy Tax (also known as “TOT” or hotel tax) is generated from room revenues based on hotel occupancy. The City currently receives 14 percent of room revenues as TOT. While the entire TOT can be allocated to the City’s General Fund, the City has historically used a share of TOT to fund special programs and events related to arts and culture, including cultural centers, a cultural equity endowment fund, marketing, and War Memorial. The actual allocations of TOT each year may vary depending on policy decisions by the Board of Supervisors and voter initiatives.

In 2019, voters in San Francisco passed Proposition E, Hotel Tax for the Arts, which would allocate a portion of San Francisco’s existing TOT for arts-related programs, including cultural districts, and financial support. According to summaries of Proposition E, these allocations would currently be equivalent to an 8 percent TOT rate. Given this, the fiscal analysis in this report uses an allocation of 6 percent of TOT for the City’s General Fund and 8 percent for Arts and Cultural Districts. However, a higher amount could be allocated to the City’s General Fund according to Proposition E depending on certain conditions.

⁸ OCII is a separate legal entity from the City and County of San Francisco. The assessed valuation of property located within a redevelopment project area is “frozen” in the year when the redevelopment plan is adopted and is referred to as the base year value. The increase in assessed valuation above the base year value is the basis on which the “tax increment revenue” and pass through payments are calculated. Each entity levying property taxes receives an annual pass through payment in proportion to its property tax levy. The City and County of San Francisco, as the sponsoring entity, elected to receive a tier one pass through payment. Thus, all taxing entities (including the City) receive the tier one payment, equal to each taxing entity’s share of 20 percent of the gross tax increment allocated to OCII from assessed value growth above the project area’s base year assessed value. In addition, all affected taxing entities except the City receive additional tiered pass through payments. The tier two and tier three payments are equal to each taxing entity’s share of 16.8% and 11.2% of the gross tax increment respectively.

⁹ Per SF Open Book by the City and County of San Francisco.

Hotel room revenues from the proposed project are projected based on information provided by SH Hotels and Resorts regarding hotel occupancy and an average daily rate for hotel rooms given their experience operating similar upscale hotel properties to what is proposed. (See Appendix Table 4 for projected revenues from the proposed project.)

4. Sales Tax

The proposed project is projected to generate increased sales tax from taxable sales from retail, food & beverage and spa operations. Retail revenues from the proposed project are projected based on information provided by SH Hotels and Resorts given their experience operating similar retail and hotel facilities. The City's General Fund receives 1 percent of sales tax from businesses generating taxable sales within the City of San Francisco.¹⁰ Furthermore, the City and other transportation related entities receive additional sales tax revenues as described below:

- **State Sales Tax for Public Safety (0.5%)**—Also known as the Half-Percent Sales Tax for Public Safety, proceeds from this tax go toward the Local Public Safety Fund to support local criminal justice activities.¹¹
- **San Francisco County Transportation Authority (Prop K) (0.5%)**— The State of California collects and remits 0.50 percent of taxable sales to the County Transportation Authority (“CTA”) through Proposition K. Approved in 2003, Proposition K is a half-cent local sales tax for transportation. Sales tax revenues from Prop K are invested in projects and programs under four categories: transit, paratransit, streets and traffic safety, and transportation systems management/strategic initiatives. Projects are identified in the Prop K Strategic Plan’s 5-Year Prioritization Programs, updated every five years by the Transportation Authority.¹²
- **State Sales Tax (AB 1107 or BART) to SFMTA (0.125%)**—Also referred to as Assembly Bill (AB) 1107, this half-cent sales tax for the three BART counties of Alameda, Contra Costa and San Francisco is distributed 75 percent to BART and the remaining 25 percent to MTC, which allocates its share of the funds evenly between the San Francisco Municipal Transportation Agency (“SFMTA”) and AC Transit.¹³
- **TDA Sales Tax to SFMTA (0.25%)**—A state sales tax equal to one-quarter of one percent of all taxable retail sales within San Francisco County is generated to fund transit operations, and bus and rail projects as well as special paratransit services for disabled passengers, and bicycle and pedestrian projects. (In non-urban areas TDA funds may be used in some cases for maintenance of local streets and roads.)¹⁴

¹⁰ As a part of the 2004 Budget package, the State Legislature adopted a mechanism to fund the state’s economic recovery bond program with a ¼ cent of sales tax. Under a mechanism commonly known as the “Triple Flip” (outlined in Revenue and Taxation Code Section 97.68), the City’s sales tax rate was reduced by ¼ cent, which was used to repay the economic recovery bonds. The City is then reimbursed by the County Auditor with property tax revenue from the County Education Revenue Augmentation Fund. Thus, this analysis assumes that the City collects 1 percent of sales tax.

¹¹ Per California Department of Tax and Fee Administration (<https://www.cdfta.ca.gov/taxes-and-fees/sut-rates-description.htm>).

¹² Per San Francisco County Transportation Authority California (<https://www.sfcta.org/prop-k-home>).

¹³ Per Metropolitan Transportation Commission (<https://mtc.ca.gov/our-work/fund-invest/sales-tax-and-gas-tax-funding>) and “Plan Bay Area 2014 Final Supplemental Report” by Metropolitan Transportation Commission and Association of Bay Area Governments (July 2017).

¹⁴ Per Metropolitan Transportation Commission (<https://mtc.ca.gov/our-work/invest-protect/investment-strategies-commitments/transit-21st-century/transit-operating-0>).

Please refer to Appendix Table 5 for the annual sales tax projections for the proposed project.

5. Business Taxes

Business Tax revenue is comprised of payroll tax, gross receipts tax, new taxes from two recently adopted voter initiatives in 2018, and business license registration tax. Payroll expense is defined as compensation paid to individuals including salaries, wages, bonuses, commissions, or property issued or transferred in exchange for the performance of services (including but not limited to stock options). Until 2013, San Francisco levied a 1.5% tax on the payroll expense of larger businesses in the City.

In 2012, voters approved a shift from the payroll expense tax to one based on gross receipts. The 2012 Gross Receipts Tax Ordinance set the Gross Receipts Tax (“GRT”) to phase in during a five-year period from 2014 to 2018, and 2018 was to be the last year of the payroll expense tax when, beginning 2019, businesses were to pay only the GRT.¹⁵ However, the City has since announced that because “GRT revenue has been less than expected, the payroll expense tax will apply for future tax years as well,” rather than be fully phased out by the GRT.

Payroll Expense Tax

Payroll expense taxes are levied on all businesses in the City except that smaller businesses with less than \$320,000 in annual payroll expenses are currently exempt from this tax. The proposed project is estimated to have approximately 223 employees according to data provided by SH Hotels and Resorts (see Appendix Table 6). Seifel estimated the average wages per employee for the types of businesses that are anticipated to occupy the proposed project based on the data from SH Hotels and Resort and the US Bureau of Labor Statistics (“BLS”). The projected annual payroll expense tax shown in Appendix Table 7 is based on projected payroll from the proposed project and the applicable 2019 payroll expense tax rate of 0.38% according to the Controller’s Office.¹⁶

Gross Receipts Tax and Tax Revenues from Propositions C (June and November 2018)

Gross receipts and the associated GRT vary depending on the type of business and their annual business activity in the City. Small businesses are exempt from the GRT if their combined annual taxable gross receipts in the City are less than the current annual threshold set by the City, which is about \$1.1 million dollars currently.

To project annual GRT revenue from the proposed project, Seifel estimated gross receipts from the proposed project at about \$33.5 million based on information provided by SH Hotels and Resorts regarding hotel and retail revenues given their experience operating similar upscale hotel properties to what is proposed. (See Appendix Table 8 for gross receipts and tax revenue from the proposed project.)

In June 2018, San Francisco voters approved Proposition C, the “Commercial Rent Tax for Childcare and Early Education” which is also referred to as the Universal Childcare for San Francisco Families Initiative. The Proposition authorized an additional tax on the lease of commercial property for landlords with annual gross receipts over \$1 million. The measure was designed to levy a new tax in the amount of 1 percent of gross receipts for warehouse space and 3.5 percent of gross receipts for other commercial

¹⁵ The tax change was designed to be revenue-neutral: revenue raised by the new gross receipts tax would be used to retire the payroll expense tax.

¹⁶ This is down from 0.711% for 2017 and has remained at the same rate as of 2018.

properties to fund childcare and early education programs.¹⁷ According to information provided by the Warriors, no portion of the proposed project (or project variant) would be subject to the lease of commercial property, and therefore would not generate annual taxes for childcare and education from gross receipts.

The following November, San Francisco voters approved a new Proposition C, “Gross Receipts Tax for Homelessness Services.” The approved Proposition authorizes the City and County of San Francisco to fund housing and homelessness services by taxing certain businesses at the following rates:

- 0.175 to 0.69% on gross receipts for businesses with over \$50 million in gross annual receipts, or
- 1.5% of payroll expenses for certain businesses with over \$1 billion in gross annual receipts and administrative offices in San Francisco

Seifel estimated the gross receipts for the proposed project based on information provided by the Warriors and SH Hotels and Resorts, which is estimated to be less than the \$50 million threshold. Given that the proposed project would be the only development that is operated by SH Hotels and Resorts in San Francisco, no GRT is estimated from this proposition.

While authorization of additional GRT according to both Propositions C is currently the subject of legal challenges, this report analyzes potential GRT as if both measures would be implemented. However, based on information provided by the Warriors and SH Hotels and Resorts regarding the characteristics of the proposed development, its ownership and its operation, no annual revenues from these measures would be generated from the proposed development. (See Appendix Table 8 for gross receipts revenues from the proposed project.)

Business Registration Tax

In addition to payroll expense tax and GRT, the City and County of San Francisco annually collects a tax on the business registration. The Controller's Office provided a summary of business registration tax revenues based on actual tax filings for 2017. Based on this information, Seifel estimated business registration tax per employee and multiplied it by estimated number of employees to project annual business registration tax revenue generated from the Warriors development. (See Appendix Table 8.)

6. Utility Users Tax

Utility User Taxes (“UUT”) are taxes imposed on the consumption of certain utility services. Total annual UUT received by the City’s General Fund for the proposed project is projected to be approximately \$42,000 based on anticipated utility utilization at the hotel and condominiums. Total annual Utility Users tax received by the City’s General Fund from the proposed project is summarized in Appendix Table 9.

¹⁷ Per the City of San Francisco and Ballotpedia
([https://ballotpedia.org/San_Francisco,_California,_Proposition_C,_Commercial_Rent_Tax_for_Childcare_and_Early_Education_\(June_2018\)](https://ballotpedia.org/San_Francisco,_California,_Proposition_C,_Commercial_Rent_Tax_for_Childcare_and_Early_Education_(June_2018))).

D. Upfront and One-Time Revenues from the Proposed Project

The proposed project is projected to generate upfront and one-time revenues of approximately \$14.4 million to the City and SFUSD, as summarized in Table 4.¹⁸ These key one-time revenues include development impact fee revenues, construction-related sales tax revenues, payroll tax revenues and Gross Receipts tax from construction.¹⁹

Table 4
Projected Upfront and One-Time Revenues from the Proposed Project
(In Constant FY 2019/20 Dollars)

	One-Time Revenues
City and County of San Francisco	
Development Impact Fees	
Child Care Fee	\$413,800
Jobs-Housing Linkage Program Fee (Equivalent)	\$2,782,900
Inclusionary Housing Program Fee (Equivalent)	\$4,116,800
Transportation Sustainability Fee (TSF)	\$3,753,500
<u>Mission Bay Artwork Fee</u>	<u>\$1,300,300</u>
Subtotal	\$12,367,300
Construction Tax Revenues	
Sales Taxes During Construction	\$46,300
Gross Receipts Tax During Construction	\$832,500
Payroll Tax During Construction	\$246,100
<u>Homelessness Gross Receipts Tax During Construction*</u>	<u>\$641,300</u>
Subtotal	\$1,766,200
Total	\$14,133,500
SFUSD	
School Development Impact Fee	\$285,800
Grand Total	\$14,419,300

* Subject to legal challenges

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

¹⁸ Section E below describes development impact fees and one-time tax revenues from construction and summarizes key assumptions for revenue projections.

¹⁹ These revenues do not include the Park P22 maintenance fee required by the Seventh Amendment to the Mission Bay South Owner Participation Agreement, an additional non-codified fee that will be paid annually. This fee is \$175,000 per year, indexed for inflation within a 2% to 4% annual collar. Assuming this fee is paid for thirty years and escalates at an annual rate of 2%, the net present value of this fee payment (using a discount rate of 2.37% based on current San Francisco municipal bond rate) is approximately \$5 million, or approximately \$22.80 per square foot of Adjusted GFA for the proposed project.

1. Development Impact Fees

The City would impose development impact fees to help pay for the increased costs of public facilities and improvements as the result of new development. Based on information provided by OCII, the Planning Department and the Warriors, the proposed project is subject to certain San Francisco development impact fees (Child Care Fee, Transportation Sustainability Fee, and Mission Bay Artwork Fee) as well as other fees payable to OCII pursuant to the proposed Seventh Amendment to the Mission Bay South Owner Participation Agreement (“OPA”) for the production of affordable housing in the Mission Bay South Plan area which are equivalent to or greater than the Jobs-Housing Linkage Program Fee and the Inclusionary Housing Fee.

Generally, these City fees would be calculated according to provisions of the City’s Master Impact Fee schedule based on adjusted gross floor area in accordance with Planning Code Section 102 as modified by Section 401 of the Planning Code, except as otherwise provided in the proposed Seventh Amendment to the OPA. The development will also need to pay a School Facilities Impact Fee to SFUSD. Development impact fee revenues that would be paid to the City and SFUSD from the proposed project are summarized in Appendix Table 10.

As described earlier, the proposed development will be developed adjacent to the Chase Center, and new development will replace approximately 31,000 square feet of existing building square feet, which consists of commercial and retail uses. According to information provided by the Warriors development team and the Planning Department, the applicable square feet for the fee calculation for several of the fees will be calculated based on the net additional amount of adjusted gross floor area after taking into account existing building square feet, as further described in Appendix Table 10.

2. Sales Tax from Construction

One-time sales tax revenue would be generated from building supplies and materials that are purchased in the City during construction. Based on information provided by the Warriors and its construction team, the construction cost is estimated to be \$185 million for the proposed project based on recent experience with similar projects, of which 50 percent is assumed to be attributable to building supplies and materials. This analysis assumes that 5 percent of these materials would be purchased and taxable in the City based on estimates from the Warriors construction team. Calculations of the one-time sales tax to the City’s General Fund from the proposed project are summarized in Appendix Table 11.

3. Business Taxes (Payroll Expense Tax and Gross Receipts Tax) from Construction

As previously described in this report, businesses in the City of San Francisco are subject to business taxes such as payroll tax and Gross Receipts Tax (“GRT”).

Payroll Expense Tax

Total payroll related to construction of the proposed project or project variant is projected to be approximately \$65 million based on estimates from the Warriors construction team. Appendix Table 12 estimates payroll tax revenue generated from the proposed project based on the FY 2019/20 payroll expense tax rate of 0.38%.

Gross Receipts Tax and Prop C Revenues

The total construction cost for the proposed project is projected to be \$185 million. According to the Controller's Office, the effective tax rate for construction businesses is 0.45%. Appendix Table 13 shows the supporting calculations of GRT generated from construction of the proposed project.²⁰

Given the scale of development, this analysis assumes that the general contractor who undertakes the construction of the Warriors development would generate additional taxes for homelessness. This analysis conservatively assumes that the first \$50,000,000 of gross receipts would be subject to a 0% tax rate while the construction cost above \$50,000,000 would be subject to a 0.475% tax rate for gross receipts for homelessness according to the November 2018 Proposition C.

²⁰ As explained in Section C.5, small businesses of a certain size are exempt from the Gross Receipts Tax and payroll tax. This analysis assumes that the businesses undertaking construction of the proposed project would not be exempt from payroll expense tax and Gross Receipts tax.

IV. Fiscal Analysis of the Project Variant

The fiscal analysis for the project variant follows the same methodology and relies on the same data sources as the fiscal analysis for the proposed project that was previously described.

The difference in projected fiscal revenues between the proposed project and the project variant are attributable to the differences in their respective development program assumptions. As described in Section II, the project variant is assumed to include 230 hotel rooms, about 20,000 square feet of retail and zero residential condominium units, while the proposed project includes fewer hotel rooms (129 hotel rooms) but a greater number of residential units (21).

The following findings summarize the major changes in annual fiscal revenues that would likely occur from development of the project variant in comparison to the proposed project (in constant FY 2019/20 dollars). Section A summarizes the projected annual revenues that would be generated to the City's General Fund, OCII and other public entities, while Section B summarizes the one-time, upfront fiscal revenues that would be generated to San Francisco and SFUSD from the project variant.

A. Annual Fiscal Revenues from the Project Variant

Table 5 summarizes and compares the annual fiscal revenues that are projected to be generated to the City's General Fund, OCII and other public entities by the project variant with the proposed project from major revenue sources such as property taxes, TOT, sales taxes and business taxes.²¹

As described earlier, the largest revenue source to the City's General Fund from the proposed project is attributable to TOT from hotel rooms (representing about 60% of fiscal revenues). As the number of hotel rooms in the project variant is assumed to increase from 129 to 230 hotel rooms, TOT is projected to increase substantially from about \$1.2 million to \$2.1 million annually. (See Appendix Table 14 for the projection of TOT revenues for the project variant.)

The next largest revenue source to the City's General Fund would be generated by property taxes from pass through payments generated by property tax increment from new development. Future assessed value of the project variant is projected to be less than the proposed project as no residential condominiums are assumed to be included as part of the project variant.

As of FY 2019/20, the assessed value of the Warriors development site (i.e., the parcel within Blocks 29-32 where the proposed project or project variant is to be constructed) is approximately \$40 million. The projected assessed value at buildout of the project variant is estimated to be approximately \$184 million in FY 2019/20 constant dollars based on information provided by the Warriors and SH Hotels and Resorts, and interviews with real estate professionals, resulting in projected incremental value of about \$144.4 million or about \$1.4 million in incremental property taxes. (See Appendix Table 15 for property tax projections and supporting market and valuation assumptions for the project variant.)

The City's General Fund is projected to receive about \$161,000 in pass through revenues and San Francisco's special funds are anticipated to receive about \$48,000 in pass through revenues from incremental property taxes (tax increment) from the project variant. While incremental property taxes and associated pass through revenues are projected to be lower from the project variant as compared to the

²¹ Please refer to Section III for the description of the fiscal revenue methodology and the key assumptions that were used to project fiscal revenues for both the proposed project and the project variant.

proposed project, the substantial increase in TOT revenues would more than offset the smaller amount of property tax revenues that would be distributed to the City's General Fund from pass through payments.

Table 5
Projected Annual Revenues from the Project Variant
(In Constant FY 2019/20 Dollars)

Projected Annual Revenues	Project Variant	Proposed Project
1. General Fund		
Property Tax (from Tax Increment Pass Through Payments)	\$160,800	\$219,800
Property Tax In-Lieu of Vehicle License Fee	\$150,500	\$205,800
Sales Tax	\$121,000	\$121,000
Hotel TOT Allocation to General Fund	\$2,115,500	\$1,186,500
Business Taxes (Gross Receipts Tax)	\$220,200	\$115,200
Business Taxes (Business Registration Tax)	\$21,400	\$13,400
Business Taxes (Payroll Tax)	\$103,700	\$58,100
<u>Utility User Tax</u>	<u>\$70,700</u>	<u>\$42,600</u>
Subtotal	\$2,963,800	\$1,962,400
2. OCH		
Tax Increment Available for Housing and Non-Housing Projects (Unrestricted)	\$758,900	\$1,037,400
<u>Tax Increment - Set Aside for Affordable Housing Projects</u>	<u>\$288,800</u>	<u>\$394,800</u>
Subtotal	\$1,047,700	\$1,432,200
3. Transportation Related Sales Tax Revenues		
County Transportation Authority Sales Tax (Prop K)	\$60,500	\$60,500
State Sales Tax (AB 1107)	\$60,500	\$60,500
TDA Sales Tax	<u>\$30,300</u>	<u>\$30,300</u>
Subtotal	\$151,300	\$151,300
4. Other San Francisco Dedicated and Restricted Revenue		
Special Fund Property Tax Pass-through Payments	\$47,800	\$65,300
Public Safety Sales Tax	\$60,500	\$60,500
Hotel TOT Allocation to Arts and Cultural Districts	\$2,820,700	\$1,582,100
Childcare Gross Receipts Tax*	\$0	\$0
<u>Homelessness Gross Receipts Tax*</u>	<u>\$0</u>	<u>\$0</u>
Subtotal	\$2,929,000	\$1,707,900
5. Pass-through Payments to Other Taxing Entities		
San Francisco Unified School District	\$40,900	\$55,900
San Francisco Community College District	\$7,700	\$10,500
Educational Revenue Augmentation Fund	\$134,700	\$184,000
<u>Other Taxing Entities</u>	<u>\$4,400</u>	<u>\$6,100</u>
Subtotal	\$187,700	\$256,500
Grand Total	\$7,279,500	\$5,510,300

* Subject to legal challenges

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

As retail development in the project variant is about the same as the proposed project, the amount of retail sales tax is projected to be the same in the project variant and the proposed project. Given that the project variant would include a much larger hotel, business taxes are anticipated to increase substantially from higher levels of gross receipts and payroll. Thus, fiscal revenues to the City's General Fund are anticipated to be significantly greater from the project variant than from the proposed project. San Francisco would also receive a significant amount of funding in the form of dedicated and restricted funding. As indicated in Table 5, projected annual revenues to the City's General Fund from the project variant are projected to be about \$3.0 million, and about \$2.9 million annually is anticipated to be generated in dedicated and restricted revenue.

Annual property tax increment to OCII from the project variant is anticipated to be about \$400,000 less than the proposed project. After pass through payments to affected taxing entities, property tax increment to OCII is anticipated to be about \$1.05 million per year for the project variant, including about \$290,000 in set-aside for affordable housing projects and about \$760,000 in unrestricted funding for housing and non-housing projects.

As the amount of retail sales is anticipated to remain the same with the project variant as the proposed project, the amount of transportation related revenues to SFMTA is projected to be the same for both project alternatives at about \$150,000 per year.

A portion of tax increment revenue would also be distributed as pass through payments to SFUSD, SFCCD and ERAF from the project variant. Pass through payments to these taxing entities would be about \$190,000 under the project variant (or about \$70,000 less than the proposed project). Please refer to Appendix Table 16 for projected pass through payments to San Francisco and other taxing entities from the project variant.

B. Upfront and One-Time Revenues from the Project Variant

Table 6 summarizes and compares the upfront and one-time revenues that are projected to be generated by the project variant and the proposed project. The project variant is projected to generate upfront and one-time revenues of approximately \$13.6 million to the City and SFUSD. These one-time revenues include development impact fee revenues and sales tax revenues, payroll tax revenues and Gross Receipts tax from construction, and the project variant would generate about \$800,000 less in one-time revenues as compared to the proposed project.²²

Development impact fees represent the most significant share of one-time revenues with \$11.8 million attributable to development impact fee payments to San Francisco and about \$62,000 in development impact fee payments to SFUSD. (See Appendix Table 17 for impact fee projections for the project variant, which are anticipated to be lower than the proposed project.)

One-time revenues from sales tax revenues, payroll tax revenues and Gross Receipts tax that would be generated from construction are anticipated to be the same for the project variant and the proposed project at approximately \$1.8 million.

²² This revenue does not include the Park P22 maintenance fee required by the Seventh Amendment to the Mission Bay South Owner Participation Agreement, an additional non-codified fee that will be paid annually. This fee is \$175,000 per year, indexed for inflation within a 2% to 4% annual collar.

Table 6
Projected Upfront and One-Time Revenues from the Project Variant
(In Constant FY 2019/20 Dollars)

One-Time Revenues	Project Variant	Proposed Project
City and County of San Francisco		
Development Impact Fees		
Child Care Fee	\$411,300	\$413,800
Jobs-Housing Linkage Program Fee (Equivalent)	\$4,468,900	\$2,782,900
Inclusionary Housing Program Fee (Equivalent)	\$0	\$4,116,800
Transportation Sustainability Fee (TSF)	\$5,021,300	\$3,753,500
<u>Mission Bay Artwork Fee</u>	<u>\$1,850,000</u>	<u>\$1,300,300</u>
Subtotal	\$11,751,500	\$12,367,300
Construction Tax Revenues		
Sales Taxes During Construction	\$46,300	\$46,300
Gross Receipts Tax During Construction	\$832,500	\$832,500
Payroll Tax During Construction	\$246,100	\$246,100
<u>Homelessness Gross Receipts Tax During Construction*</u>	<u>\$641,300</u>	<u>\$641,300</u>
Subtotal	\$1,766,200	\$1,766,200
Total	\$13,517,700	\$14,133,500
SFUSD		
School Development Impact Fee	\$62,200	\$285,800
Grand Total	\$13,579,900	\$14,419,300

* Subject to legal challenges

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts,
Seifel Consulting Inc.

V. Conclusion

The fiscal analysis presented in this report evaluates the public revenue implications from the proposed project, as well as from a potential future project variant. As detailed in this report, the proposed project is anticipated to increase ongoing annual revenues to the City's General Fund, OCII and other taxing entities by approximately \$5.5 million. In contrast, the project variant would generate approximately \$7.3 million in annual revenues to the City's General Fund, OCII and other taxing entities.

After pass through payments to affected taxing entities, property tax increment to OCII is anticipated to be about \$1.4 million per year for the proposed project and about \$1.05 million per year for the project variant, including the set-aside for affordable housing projects and unrestricted funding for housing and non-housing projects.

In addition, the proposed project is anticipated to generate approximately \$14.4 million in upfront and one-time revenue to the City and SFUSD, or approximately \$13.6 million in upfront and one-time revenue to the City and SFUSD if the project variant is implemented.

In conclusion, both the proposed project and a potential future project variant would have a substantial positive fiscal benefit to the City, OCII and other taxing entities, which would help to fund general operations and services, transportation, child care, housing, and homelessness initiatives as well as substantially contribute to needed public infrastructure and facilities.

A. Limitations to this Analysis

While Seifel has made reasonable efforts to verify the accuracy of the figures, information and analysis presented in this report and presumes that the information relied upon is timely and accurate, Seifel makes no warranty or guarantee as to the accuracy of this information or to the projections that are based on this information. Although Seifel has prepared the analysis in this report based on reasonable assumptions and information, projections of current and future revenues may be lower or higher than what is shown in this report and may not reflect actual future revenue received by public entities. The tables and analysis in this report have been prepared for the sole purpose of providing background information and analysis to assist the City, OCII and other public agencies in understanding the fiscal characteristics of the proposed project and project variant.

The information presented in this report and the fiscal projections were prepared based on economic, financial and real estate data collected as of February 2020 before the coronavirus shelter-in-place order occurred, and this report does not represent any modifications to this data that may have occurred after February 2020.

Appendix Tables

Proposed Project

Appendix Table 1
Annual Property Tax Generation at Build-out
Mission Bay Warriors Proposed Project
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

	Assumptions	Total
Existing (FY 2019/20) Assessed Value		
Assessor Parcel Number (APN) #8722-025 ^a		\$39,573,461
Estimated Assessed Value^b		
<u>Land Use</u>		
Hotel & Retail 129 Rooms	\$800,000 /room	\$103,200,000
Residential		
Residential Living Area 53,500 NSF	\$2,500 /NSF	\$133,750,000
Residential Count 21 units		
<u>Total</u>		<u>\$236,950,000</u>
Incremental Assessed Value^c		\$197,400,000
Tax Increment to OCII		
Incremental Property Tax	Property Tax Rate: 1.0%	\$1,974,000
Less: Housing Set-Aside	20.0%	\$394,800
Less: Tier 1 Pass Through Payments	20.0%	\$394,800
<u>Less: Tier 2 Pass Through Payments^d</u>	16.8%	<u>\$147,000</u>
Net Tax Increment		\$1,037,400

a. According to the Warriors, the existing value does not yet reflect assessment of the entire improvement value on the property.

b. This value reflects the projected future value of the property including land and improvements.

Value assumption combines both hotel and retail valuations and assigns this estimate as a per room value.

c. The incremental value and tax increment may be different than projected because the existing property value may be understated.

d. The City and County of San Francisco General Fund only receives the share of Tier 1 pass through. The City's share of Tiers 2 and 3 goes to OCII. This analysis excludes Tier 3 pass through payments.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Economic and Planning Systems, Seifel Consulting Inc.

Appendix Table 2
Annual Pass Through Payments to Taxing Entities at Build-out
Mission Bay Warriors Proposed Project
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

Taxing Entity	Property Tax Share^a	Tier 1 Pass Through Payments	Tier 2 Pass Through Payments	Total Pass Through Payments^b
San Francisco General Fund^c	55.69%	\$219,800	\$0	\$219,800
San Francisco Special Funds^d	9.00%	\$35,500	\$29,800	\$65,300
San Francisco Unified School District	7.70%	\$30,400	\$25,500	\$55,900
San Francisco Community College District	1.44%	\$5,700	\$4,800	\$10,500
Educational Revenue Augmentation Fund^e	25.33%	\$100,000	\$84,000	\$184,000
Other Taxing Entities^f	0.84%	\$3,300	\$2,800	\$6,100
Total^g	100.00%	\$394,700	\$146,900	\$541,600

a. Post ERAF property tax shares. Property tax shares of City General Fund and Special Fund reflect San Francisco voter approved Proposition C on November 4, 2015, which shifted property tax allocation from General Fund to Children's Fund by 1% in FY 2018/19.

b. This analysis excludes Tier 3 pass through payments.

c. City General Fund only receives the share of Tier 1 pass through. The City's share of Tiers 2 and 3 goes to OCII.

d. Special funds include property tax set aside for Library, Open Space, and Children's Fund.

e. Educational Revenue Augmentation Fund (ERAF) is a mechanism, enacted in July of 1992 by the State Legislature to shift local property tax revenues from cities, counties, and special districts to an Educational Revenue Augmentation Fund.

Property tax to ERAF in San Francisco is allocated to school entities, primarily to San Francisco Unified School District to help meet minimum funding requirements.

f. Includes Bay Area Air Quality Management District and Bay Area Rapid Transit District.

g. Note: Totals may not precisely agree between tables due to computer rounding errors.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

Appendix Table 3
Annual Property Tax In-Lieu of Vehicle License Fee (VLF) Revenue
Mission Bay Warriors Proposed Project
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

Total Assessed Value (AV) in City of San Francisco in FY 2019/20 ^a	\$281,073,306,581
Annual Property Tax In-Lieu of VLF Revenue in FY 2019/20 ^b	\$293,010,000
Incremental Growth in AV due to Mission Bay Warriors Proposed Project	\$197,400,000
Percent Increase in Total City AV	0.0702%
Growth in Potential Annual Property Tax In-Lieu of VLF Revenue^c	\$205,800

- a. Total AV in City of San Francisco is net of homeowner exemptions as indicated in the FY 2019/20 Certificate of Assessed Valuation by the Controller's Office.
- b. FY 2019-2020 Adopted Budget per SF Open Book, City and County of San Francisco.
- c. Calculated by multiplying percent increase in total citywide assessed value times the current In-Lieu of VLF payment.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

Appendix Table 4
Annual Transient Occupancy Tax (TOT) Revenue
Mission Bay Warriors Proposed Project
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

	Assumptions	Revenues
On-Site Hotel		
Number of Hotel Rooms	129	
Occupancy	85%	
Increase in Annual Occupied Room Nights	365 days /year	
Average Daily Rate (ADR)	\$495	
Revenue Per Average Room (RevPAR)	\$420	
Total Annual Room Revenues		\$19,775,700
TOT Revenues to City and County	TOT Rate: 14%	\$2,768,600
TOT Revenues for Arts and Cultural Districts	TOT Allocation: 8%	\$1,582,100
TOT Revenues for General Fund^a	TOT Allocation: 6%	\$1,186,500

- a. This analysis assumes a six percent allocation of TOT revenues to the General Fund, but a higher amount of TOT revenues could be allocated to the City's General Fund and a lesser amount could be allocated to the arts and cultural districts.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

Appendix Table 5
Projected Annual Sales Tax Revenues
Mission Bay Warriors Proposed Project
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

Development Program	NSF	Sales per NSF	Estimated Sales	Assumed % Taxable	Estimated Taxable Sales	Sales Tax Rate	Estimated Sales Tax Revenue ^a
Retail							
Food & Beverage ^b	14,600	\$810	\$11,818,300	100%	\$11,818,300		
Retail/ Sundry	300	\$670	\$200,000	90%	\$180,000		
<u>Spa</u>	<u>1,800</u>	<u>\$570</u>	<u>\$1,025,000</u>	10%	<u>\$102,500</u>		
Retail Subtotal	16,700		\$13,043,300		\$12,100,800		
Sales Tax Revenues to City and County of San Francisco							
State Sales Tax to the City General Fund						1.00%	\$121,000
State Sales Tax for Public Safety						0.50%	\$60,500
Transportation Related Sales Tax Revenues							
San Francisco County Transportation Authority (Prop K)						0.50%	\$60,500
State Sales Tax (AB 1107)						0.50%	\$60,500
Transportation Development Act (TDA) Sales Tax to SFMTA						0.25%	\$30,300

a. State sales tax (AB 1107) is a one-half cent sales tax, which allocates 25% to MTC and 75% to BART.

b. Food and Beverage NSF includes Bar and Grill restaurant, bar and cafe, and exterior terrace areas. No other taxable retail sales from hotel are assumed.

Source: SH Hotels and Resorts, San Francisco City and County, Golden State Warriors, Seifel Consulting Inc.

Appendix Table 6
Projected Employment for Business Tax Calculations
Mission Bay Warriors Proposed Project

Development Program	Unit	Employee Assumptions	Number of Employees
Hotel	129 rooms	1.3 employees/room	166
Retail	20,000 GSF	350 GSF/employee	57
Total			223

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

Appendix Table 7
Annual Payroll Expense Tax Revenues
Mission Bay Warriors Proposed Project
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

Development Program	Number of Employees ^a	Average Annual Payroll per Employee ^b	Estimated Payroll Expenses ^c	Effective Payroll Tax Rate ^d	Estimated Payroll Tax Revenue
Hotel	166	\$72,900	\$12,100,000	0.38%	\$46,000
Retail	57	\$55,800	\$3,200,000	0.38%	\$12,200
Total	223	\$68,600	\$15,300,000	0.38%	\$58,100

Note: Totals may not add up due to computer rounding.

a. Estimated number of hotel employees and payroll expenses from SH Hotels and Resorts.

b. Estimated average wage per employee.

c. Wages are stated in FY 2019/20 dollars, based on 2022 estimated hotel and retail payroll. A 3.0% annual inflation rate in wages is assumed.

d. Per the Controller's Office memorandum dated August 30, 2018 on the Payroll Expense Tax rate for 2018.

Source: City and County of San Francisco, United States Department of Labor Bureau of Labor Statistics, Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

Appendix Table 8
Other Business Tax Revenues
Mission Bay Warriors Proposed Project
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

Annual Gross Receipts								
Estimated Hotel/Retail Gross Receipts ^a	Gross Receipts Tax Rate for Accommodations ^b					Estimated Gross Receipts Tax Revenue ^c		
	\$0 to \$1 million		\$1+ million to \$25 million		\$25 million and over			
\$33,540,000	0.3000%		0.3250%		0.4000%	\$115,200		
Annual Business Registration Tax								
2017 Business Registration Tax Revenues ^d	Est. FY 2019/20 Business Registration Tax Revenues ^e		Citywide Private Employees ^f	Business Registration Tax Revenue Per Employee	Project Employees	Estimated Business Registration Tax Revenue		
\$30,600,000	\$37,026,000		617,246	\$60	223	\$13,400		
Annual Early Care and Education Rents Tax (Prop C June 2018)*								
Development Program	Leasable NSF	Annual Lease Rate (NNN)	Vacancy Rate	Est. Total Annual Lease Revenue	SF Gross Receipts as % of Total	Estimated SF Gross Receipts Base	Effective Gross Tax Rate	Est. Gross Receipts Tax Revenue
Warriors Development	0	N/A	N/A	\$0	100%	\$0		
Total Leasable Area ^g	0			\$0		\$0	3.50%	\$0
Homelessness Gross Receipts Tax (Prop C November 2018)*								
Estimated Hotel/Retail Gross Receipts ^a	Gross Receipts Tax Revenues Over \$50 million in San Francisco					Gross Tax Rate	Estimated Gross Receipts Tax Revenue	
\$33,540,000	\$0	(This hotel will be SH Hotel's only facility in San Francisco)				0.50%	\$0	

* Subject to legal challenges

a. Based on estimated gross receipts from the hotel and retail at stabilized occupancy of \$260,000 per room.

b. Based on the Treasurer's Office published gross receipts tax rates for accommodations for FY 2018/19.

c. Based on the Treasurer's Office gross receipts calculation methodology for accommodations, assuming all of the hotel gross receipts are taxable.

d. The Controller's Office provided a summary of Business Registration Tax revenues based on actual tax filings for 2017.

e. Business Registration Tax revenues are projected to increase by 10% from 2017 to FY 2019/20 based on data from the Controller's Office.

f. Citywide private employee number of employees estimated based on the 2017 data from U.S. Department of Labor, Bureau of Labor Statistics.

g. At this time, the Warriors do not intend to lease any "Commercial Space" as defined in Section 2103(b) of the San Francisco Business and Tax Regulations Code. If the Warriors were to lease Commercial Space, Annual Early Care and Education Rent tax would be paid and would potentially generate additional fiscal revenues.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

Appendix Table 9
Projected Annual Utility User Tax Revenue
Mission Bay Warriors Proposed Project
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

Development Program	Annual Utility Billing		Utility User Tax
	Assumption ^a	Annual Billing	7.50%
Warriors Development			
Hotel	\$3,600 /room	\$462,000	\$34,700
Retail	\$3.33 /GSF	\$67,000	\$5,000
Residential	\$1,800 /unit	\$38,000	\$2,900
Total		\$567,000	\$42,600

a. Annual utility billing is based on Golden State Warriors utilization estimates.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts,
Economic and Planning Systems, Seifel Consulting Inc.

Appendix Table 10
Projected Impact Fee Revenue
Mission Bay Warriors Proposed Project
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

Impact Fee ^a	Land Use			Total
	Hotel	Retail	Residential	
<i>Adjusted Gross Floor Area (GFA)</i> ^b	143,200	11,000	65,200	219,400
Jobs-Housing Linkage Program Fee (Equivalent)				
Applicable Square Feet (GFA Net of Existing) ^c	123,300	0		
<i>Fee Schedule</i>	\$22.57 /GSF	\$28.13 /GSF		
Estimated Fee Amount	\$2,782,900	\$0		\$2,782,900
Inclusionary Housing Program Fee (Equivalent)				
Applicable Square Feet (GFA)			65,200	
<i>Fee Schedule (Based on 30% requirement)</i>			\$63.14 /GSF	
Estimated Fee Amount			\$4,116,800	\$4,116,800
Child Care Fee				
Applicable Square Feet (GFA Net of Existing) ^d	136,300		65,200	
<i>Fee Schedule</i>	\$1.95 /GSF		\$2.27 /GSF	
Estimated Fee Amount	\$265,800		\$148,000	\$413,800
Transportation Sustainability Fee				
Applicable Square Feet (GFA Net of Existing) ^e	123,300	0	65,200	
<i>Fee Schedule</i>	\$25.36 /GSF	\$25.36 /GSF	\$9.61 /GSF	
Estimated Fee Amount	\$3,126,900	\$0	\$626,600	\$3,753,500
Mission Bay Artwork Fee ^f				
Applicable Square Feet (GFA)	143,200	11,000		
<i>1% of construction cost</i>				
Estimated Fee Amount	\$1,207,500	\$92,800		\$1,300,300
Total City Development Fees				\$12,367,300
School Facilities Impact Fee				
Applicable Square Feet (GFA Net of Existing) ^g	123,300	0	65,200	
<i>Fee Schedule</i>	\$0.314 /GSF	\$0.596 /GSF	\$3.79 /GSF	
Estimated Fee Amount	\$38,700	\$0	\$247,100	\$285,800

a. Fee levels are based on 2020 San Francisco Citywide Development Impact Fee register, unless otherwise noted.

b. Adjusted Gross Floor Area (GFA) as defined in Section 102 and modified by Section 401 of the Planning code, exclusive of OCII exemptions. Please refer to Project BCSD Application dated 05.2020 for supporting area tables.

c. Adjusted GFA is reduced by existing Commercial and Retail areas for Hotel and Retail components, resulting in applicable square feet. No fee for replacement of Retail or Office uses with Hotel or Retail uses.

d. Adjusted GFA is reduced by existing Commercial areas for Hotel component, resulting in applicable square feet. Hotel fee applies to net additional office or hotel space.

e. Adjusted GFA is reduced by existing commercial and Retail areas for Hotel and Retail components, resulting in Credit given for existing uses on site.

f. Mission Bay Artwork Fee may be waived if artwork is incorporated into the building. Fees are estimated based on the share of construction cost related to non-residential uses, apportioned by GFA.

g. Adjusted GFA is reduced by existing Commercial and Retail areas for Hotel and Retail components, resulting in applicable square feet. Fee applies only on increased floor area.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

Appendix Table 11
Projected One-Time Sales Tax Revenue from Construction
Mission Bay Warriors Proposed Project

	Assumptions	Tax Calculations
Construction Cost Estimate		
San Francisco Mission Bay Warriors Development ^a	\$720 /GSF	\$185,000,000
Supply/Materials Portion of Development Value	50%	\$92,500,000
San Francisco Capture of Taxable Sales	5%	\$4,625,000
Total Sales Tax Revenue to City	1.00%	\$46,300

a. Cost estimate from Golden State Warriors, which includes construction cost for hotel and residential based on gross square feet inclusive of existing area to be redeveloped.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

Appendix Table 12
One-Time Payroll Expense Tax Revenues from Construction
Mission Bay Warriors Proposed Project
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

Business Category	Estimated Payroll Expenses ^a	Effective Gross Tax Rate	Estimated Payroll Tax Revenue
Construction	\$64,750,000	0.38%	\$246,100

a. 35% of hard construction cost including contingency is assumed to be payroll expenses.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

Appendix Table 13
One-Time Gross Receipts Tax Revenue Project Construction
Mission Bay Warriors Proposed Project
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

One-Time Gross Receipts Tax From Project Construction						
Business Category	Business and Tax Regulation Code	Direct Construction Cost^a	SF Gross Receipts as % of Total	Estimated SF Gross Receipts Base	Effective Gross Receipts Tax Rate	Estimated Gross Receipts Tax Revenue
Construction	SEC. 953.5	\$185,000,000	100%	\$185,000,000	0.45%	\$832,500
Homelessness Gross Receipts Tax (Prop C November 2018) From Construction*						
Business Category	Business and Tax Regulation Code	Direct Construction Cost^a	SF Gross Receipts as % of Total	Estimated SF Gross Receipts Base^b	Effective Gross Receipts Tax Rate^b	Estimated Gross Receipts Tax Revenue
Construction	SEC. 953.5	\$185,000,000	100%	\$135,000,000	0.475%	\$641,300

* Subject to legal challenges

a. Golden State Warriors estimated construction cost

b. This analysis conservatively assumes that the first \$50,000,000 would be subject to a 0% rate and a 0.475% rate for the construction cost above \$50,000,000 for the Homeless Gross Receipts Tax under November 2018 Proposition C.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

Appendix Tables

Project Variant

Appendix Table 14
Annual Transient Occupancy Tax (TOT) Revenue
Mission Bay Warriors Project Variant
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

	Assumptions	Revenues
On-Site Hotel		
Number of Hotel Rooms	230	
Occupancy	85%	
Increase in Annual Occupied Room Nights	365 days /year	
Average Daily Rate (ADR)	\$495	
Revenue Per Average Room (RevPAR)	\$420	
Total Annual Room Revenues		\$35,259,000
TOT Revenues to City and County	TOT Rate: 14%	\$4,936,300
TOT Revenues for Arts and Cultural Districts	TOT Allocation: 8%	\$2,820,700
TOT Revenues for General Fund^a	TOT Allocation: 6%	\$2,115,500

a. This analysis assumes a six percent allocation of TOT revenues to the General Fund, but a higher amount of TOT revenues could be allocated to the City's General Fund and a lesser amount could be allocated to the arts and cultural districts.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

Appendix Table 15
Annual Property Tax Generation at Build-out
Mission Bay Warriors Project Variant
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

	Assumptions	Total
Existing (FY 2019/20) Assessed Value^a		
Assessor Parcel Number (APN) #8722-025		\$39,573,461
Estimated Assessed Value^b		
<u>Land Use</u>		
Hotel and Retail 230 Rooms	\$800,000 /room	\$184,000,000
Residential 0 units		\$0
<u>Total</u>		<u>\$184,000,000</u>
Incremental Assessed Value^c		\$144,400,000
Tax Increment to OCII		
Incremental Property Tax	Property Tax Rate: 1.0%	\$1,444,000
Less: Housing Set-Aside	20.0%	\$288,800
Less: Tier 1 Pass Through Payments	20.0%	\$288,800
<u>Less: Tier 2 Pass Through Payments^d</u>	16.8%	<u>\$107,500</u>
Net Tax Increment		\$758,900

a. According to the Warriors, the existing value does not yet reflect assessment of the entire improvement value on the property.

b. This value reflects the projected future value of the property including land and improvements.

Value assumption combines both hotel and retail valuations and assigns this estimate as a per room value.

c. The incremental value and tax increment may be different than projected because the existing property value may be understated.

d. The City and County of San Francisco General Fund only receives the share of Tier 1 pass through. The City's share of Tiers 2 and 3 goes to OCII. This analysis excludes Tier 3 pass through payments.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Economic and Planning Systems, Seifel Consulting Inc.

Appendix Table 16
Annual Pass Through Payments to Taxing Entities at Build-out
Mission Bay Warriors Project Variant
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

Taxing Entity	Property Tax Share^a	Tier 1 Pass Through Payments	Tier 2 Pass Through Payments	Total Pass Through Payments^b
San Francisco General Fund^c	55.69%	\$160,800	\$0	\$160,800
San Francisco Special Funds^d	9.00%	\$26,000	\$21,800	\$47,800
San Francisco Unified School District	7.70%	\$22,200	\$18,700	\$40,900
San Francisco Community College District	1.44%	\$4,200	\$3,500	\$7,700
Educational Revenue Augmentation Fund^e	25.33%	\$73,200	\$61,500	\$134,700
Other Taxing Entities^f	0.84%	\$2,400	\$2,000	\$4,400
Total^g	100.00%	\$288,800	\$107,500	\$396,300

- a. Post ERAF property tax shares. Property tax shares of City General Fund and Special Fund reflect San Francisco voter approved Proposition C on November 4, 2015, which shifted property tax allocation from General Fund to Children's Fund by 1% in FY 2018/19.
- b. This analysis excludes Tier 3 pass through payments.
- c. City General Fund only receives the share of Tier 1 pass through. The City's share of Tiers 2 and 3 goes to OCIL.
- d. Special funds include property tax set aside for Library, Open Space, and Children's Fund.
- e. Educational Revenue Augmentation Fund (ERAF) is a mechanism, enacted in July of 1992 by the State Legislature to shift local property tax revenues from cities, counties, and special districts to an Educational Revenue Augmentation Fund. Property tax to ERAF in San Francisco is allocated to school entities, primarily to San Francisco Unified School District to help meet minimum funding requirements.
- f. Includes Bay Area Air Quality Management District and Bay Area Rapid Transit District.
- g. Note: Totals may not precisely agree between tables due to computer rounding errors.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

Appendix Table 17
Projected Impact Fee Revenue
Mission Bay Warriors Project Variant
(All Figures in Constant FY 2019/20 Dollars Unless Otherwise Noted)

Impact Fee ^a	Land Use		Total
	Hotel	Retail	
<i>Adjusted Gross Floor Area (GFA)^b</i>	217,800	11,000	228,800
Jobs-Housing Linkage Program Fee (Equivalent)			
Applicable Square Feet (GFA Net of Existing) ^c	198,000	0	
<i>Fee Schedule</i>	<i>\$22.57 /GSF</i>	<i>\$28.13 /GSF</i>	
Estimated Fee Amount	\$4,468,900	\$0	\$4,468,900
Inclusionary Housing Program Fee (Equivalent)			
Applicable Square Feet (GFA)			
<i>Fee Schedule (Based on 30% requirement)</i>			
Estimated Fee Amount			\$0
Child Care Fee			
Applicable Square Feet (GFA Net of Existing) ^d	210,900		
<i>Fee Schedule</i>	<i>\$1.95 /GSF</i>		
Estimated Fee Amount	\$411,300		\$411,300
Transportation Sustainability Fee			
Applicable Square Feet (GFA Net of Existing) ^e	198,000	0	
<i>Fee Schedule</i>	<i>\$25.36 /GSF</i>	<i>\$25.36 /GSF</i>	
Estimated Fee Amount	\$5,021,300	\$0	\$5,021,300
Mission Bay Artwork Fee^f			
Applicable Square Feet (GFA)	217,800	11,000	
<i>1% of construction cost</i>			\$1,850,000
Total City Development Fees			\$11,751,500
School Facilities Impact Fee			
Applicable Square Feet (GFA Net of Existing) ^g	198,000	0	
<i>Fee Schedule</i>	<i>\$0.314 /GSF</i>	<i>\$0.596 /GSF</i>	
Estimated Fee Amount	\$62,200	\$0	\$62,200

- a. Fee levels are based on 2020 San Francisco Citywide Development Impact Fee register, unless otherwise noted.
- b. Adjusted Gross Floor Area (GFA) as defined in Section 102 and modified by Section 401 of the Planning code, exclusive of OCII exemptions. Please refer to Project BCSD Application dated 05.2020 for supporting area tables.
- c. Adjusted GFA is reduced by existing Commercial and Retail areas for Hotel and Retail components, resulting in applicable square feet. No fee for replacement of Retail or Office uses with Hotel or Retail uses.
- d. Adjusted GFA is reduced by existing Commercial areas for Hotel component, resulting in applicable square feet. Hotel fee applies to net additional office or hotel space.
- e. Adjusted GFA is reduced by existing Commercial and Retail areas for Hotel and Retail components, resulting in Credit given for existing uses on site.
- f. Mission Bay Artwork Fee may be waived if artwork is incorporated into the building. Fees are based on an estimated cost of construction for the Project Variant of \$185M.
- g. Adjusted GFA is reduced by existing Commercial and Retail areas for Hotel and Retail components, resulting in applicable square feet. Fee applies only on increased floor area.

Source: San Francisco City and County, Golden State Warriors, SH Hotels and Resorts, Seifel Consulting Inc.

ATTACHMENT C

Commission Resolution No. 05-2020

[Attached]

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 05-2020

Adopted May 19, 2020

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 MISSION BAY BLOCKS 29-32 MAJOR PHASE APPLICATION, AND THE BASIC CONCEPT DESIGN / SCHEMATIC DESIGN FOR MISSION BAY SOUTH BLOCKS 29-32, INCLUDING FINDINGS CONCERNING THE IMPLEMENTATION OF A THRESHOLD OF SIGNIFICANCE FOR EVALUATING TRANSPORTATION IMPACTS BASED ON VEHICLE MILES TRAVELED; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

- WHEREAS, In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 et seq. the “Community Redevelopment Law”), the Redevelopment Agency of the City and County of San Francisco (the “Redevelopment Agency”) undertook programs for the reconstruction and construction of blighted areas in the City and County of San Francisco (“City”), including the Mission Bay South Redevelopment Project Area (“South Project Area”) and the Mission Bay North Redevelopment Project Area (“North Project Area”); and,
- WHEREAS, The Commission of the Redevelopment Agency and the San Francisco Planning Commission (“Planning Commission”), together acting as co-lead agencies for conducting environmental review for the Redevelopment Plan for the Mission Bay North Redevelopment Project (the “North Redevelopment Plan”) and the Redevelopment Plan for the Mission Bay South Redevelopment Project (the “South Redevelopment Plan” and together with the North Redevelopment Plan, the “Plans”), the Mission Bay North Owner Participation Agreement (“North OPA”) and the Mission Bay South Owner Participation Agreement (“South OPA”), and other permits, approvals and related and collateral action (the “Mission Bay Project”), prepared and certified a Final Subsequent Environmental Impact Report (collectively referred to as the “Mission Bay FSEIR”); and,
- WHEREAS, On September 17, 1998, the Commission of the Redevelopment Agency adopted Resolution No. 182-98 which certified the Mission Bay FSEIR as a program EIR for the Mission Bay North Project Area and South Project Area pursuant to the California Environmental Quality Act (“CEQA”) and State CEQA Guidelines Sections 15168 (Program EIR) and 15180 (Redevelopment Plan EIR). On the same date, the Redevelopment Commission also adopted Resolution No. 183-98, which adopted environmental findings (including without limitation a statement of overriding considerations and mitigation monitoring and reporting program) (“CEQA Findings”), in connection with the approval of the Mission Bay Project. The Planning Commission certified the Mission Bay FSEIR by Resolution No. 14696 on the same date. On October 19, 1998, the San Francisco Board of Supervisors (“Board of Supervisors”) adopted Motion No. 98-132 affirming certification of the Mission Bay FSEIR by the Planning Commission and the Redevelopment Agency Commission, and Resolution No. 854-98 adopting

environmental findings (including without limitation a statement of overriding considerations and a mitigation monitoring and reporting program) for the Mission Bay Project; and,

WHEREAS, On September 17, 1998, the Redevelopment Agency approved, by Resolution No. 190-98, the South Redevelopment Plan. The Redevelopment Agency also conditionally authorized, by Resolution No. 193-98, execution of the South OPA and related documents with Catellus Development Corporation, a Delaware corporation (“Catellus”). On November 2, 1998, the Board of Supervisors adopted, by Ordinance No. 335-98, the South Redevelopment Plan; and,

WHEREAS, Catellus, the original master developer of the Mission Bay North and South 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 the South Project Area. FOCIL-MB assumed all of Catellus’ obligations under the North OPA and South OPA, as well as all responsibilities under the related public improvement agreements and land transfer agreements with the City. FOCIL-MB is 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; and,

WHEREAS, On February 1, 2012, state law dissolved the former Redevelopment Agency and required the transfer of certain of its assets and obligations to the Successor Agency to the Redevelopment Agency (“Successor Agency”), commonly known as the Office of Community Investment and Infrastructure (“OCII”) (Cal. Health & Safety Code §§ 34170 et seq., “Redevelopment Dissolution Law”). On June 27, 2012, the Redevelopment Dissolution Law was amended to clarify that successor agencies are separate public entities from the city or county that had originally established a redevelopment agency; and,

WHEREAS, On October 2, 2012 the Board of Supervisors of the City, acting as the legislative body of the Successor Agency, adopted Ordinance No. 215-12 (the “Implementing Ordinance”), which Implementing Ordinance was signed by the Mayor on October 4, 2012, and which, among other matters: (a) acknowledged and confirmed that the Successor Agency is a separate legal entity from the City, and (b) established this Successor Agency Commission (“Commission”) and delegated to it the authority to (i) act in place of the Commission of the Redevelopment Agency to, among other matters, implement, modify, enforce and complete the former Redevelopment Agency’s enforceable obligations, (ii) approve all contracts and actions related to the assets transferred to or retained by the Successor Agency, including, without limitation, the authority to exercise land use, development, and design approval, and to approve amendments to redevelopment plans as allowed under the Redevelopment Dissolution Law, and (iii) take any action that Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that this Commission deems appropriate, consistent with Redevelopment Dissolution Law, to comply with such obligations; and,

WHEREAS, On June 5, 2015, the Successor Agency released for public review and comment the Draft Subsequent Environmental Impact Report for the Event Center and Mixed-Use Development at Mission Bay Blocks 29-32 (the “Event Center DSEIR”), and other permits, approvals and related and collateral action (OCII Case No. ER-2014-919-97, Planning Department Case No. 2014.1441E, State

Clearinghouse No. 2014112045) (the “Event Center Project”). This document is tiered from the Mission Bay FSEIR; and,

WHEREAS, The Successor Agency prepared a Final Subsequent Environmental Impact Report for the Event Center Project (“FSEIR”) consisting of the Event Center DSEIR, the comments received during the review period, any additional information that became available after the publication of the Event Center DSEIR, and the Responses to Comments document, all as required by law; and,

WHEREAS, On November 3, 2015, the Commission reviewed and considered the FSEIR and adopted Resolution No. 69-2015 which certified the FSEIR for the Event Center Project. On the same date, the Commission also adopted Resolution No. 70-2015, which adopted environmental findings (including without limitation a statement of overriding considerations and mitigation monitoring and reporting program) (“Event Center CEQA Findings”), in connection with the approval of the Event Center Project; and,

WHEREAS, The Successor Agency now proposes to take actions facilitating certain modifications to the Event Center Project, collectively the “2020 Actions”, comprised of an amendment to the South Redevelopment Plan; an amendment to the South OPA; an amendment to the Design for Development for the Mission Bay South Project Area; an amendment to the Mission Bay Blocks 29-32 Major Phase Application for the Golden State Warriors Event Center and Mixed Use Development (“Blocks 29-32 Major Phase”); an amendment to the Combined Basic Concept / Schematic Design Submittal for Mission Bay South Blocks 29-32 for the Golden State Warriors Event Center and Mixed-Use Development (“Blocks 29-32 BC/SD”); and a Blocks 29-32 GSW Hotel Project Basic Concept / Schematic Design (“GSW Hotel/Residential BC/SD”); and,

WHEREAS, The 2020 Actions would permit the development of a mixed-use building on Mission Bay South Blocks 29-30 with hotel rooms, dwelling units, and retail uses. The building proposed in the GSW Hotel/Residential BC/SD would contain up to 129 hotel rooms, up to 21 dwelling units, and various retail spaces, in addition to facilities associated with hotel use, such as banquet and conference rooms (the “Proposed Project”). The 2020 Actions would also amend the South Redevelopment Plan, South OPA, and Blocks 29-32 Major Phase to permit the development of a mixed-use building on Mission Bay South Blocks 29-30 that may contain as few as 129 or as many as 230 hotel rooms, and as few as zero (0) or as many as 21 dwelling units, or any combination thereof, provided the building does not exceed approximately 245,000 gross square feet of hotel and residential uses combined, provided subsequent approvals were obtained (“Project Variant”). The Project Variant may also include up to approximately 25,000 gross square feet of retail uses, in addition to facilities associated with the hotel use such as banquet and conference rooms and retail uses. The 2020 Actions would also increase the Leasable square footage of retail permitted by the South Redevelopment Plan on Mission Bay South Blocks 29-32 by 65,000 Leasable square feet to account for retail areas on Mission Bay South Blocks 29-32 currently excluded from the total Leasable retail area permitted by the South Redevelopment Plan through various exemptions and to account for various outdoor areas on Mission Bay South Blocks 29-32 that will be partially enclosed or covered and thus considered retail areas, to permit more flexible use and leasing of these areas; and,

- WHEREAS, The Successor Agency, in consultation with the City's Planning Department ("Planning Department"), has prepared Addendum No. 1 to the FSEIR, dated May 13, 2020. Addendum No. 1 evaluates the potential environmental effects of the 2020 Actions; and,
- WHEREAS, Addendum No. 1 has been prepared in accordance with CEQA Section 21099 and CEQA Guidelines Section 15064.3, which identify the amount and distance of automobile travel, known as vehicle miles travelled or "VMT", as the most appropriate measure of transportation impacts and require that prospective environmental analyses use a VMT-based approach; and,
- WHEREAS, Addendum No. 1 is prepared in compliance with CEQA and reflects the independent judgment and analysis of the Successor Agency, and concludes that the 2020 Actions (including the Proposed Project and Project Variant therein) are within the scope of the Event Center 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 for the reasons stated in Addendum No. 1; and,
- WHEREAS, In making the necessary findings for the proposed 2020 Actions, the Successor Agency considered and reviewed the FSEIR and prepared necessary documents in support of the Addendum No. 1, which documents it has made available for review by the Commission and the public, and these files are part of the record before the Commission. Copies of the FSEIR, Addendum No. 1, and the supporting documentation to Addendum No. 1, are on file with the Commission Secretary and incorporated in this Resolution by this reference; and,
- WHEREAS, Based on the analysis in Addendum No. 1, the Successor Agency concludes that the analyses conducted and the conclusions reached in the FSEIR on November 3, 2015 remain valid and the proposed 2020 Actions 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. 1, no changes have occurred, with respect to either the Event Center Project itself or the circumstances surrounding the Event Center 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 Event Center Project will cause new or more severe significant environmental impacts. Therefore, no subsequent or supplemental environmental review is required under CEQA beyond Addendum No. 1 to approve the 2020 Actions; now therefore be it,
- RESOLVED, The Commission adopts a VMT-based threshold of significance and methodology for analysis of transportation impacts, consistent with the Governor's Office of Planning and Research publication *Technical Advisory on Evaluating Transportation Impacts Under CEQA* (December 2018) as appropriately modified by discussion of VMT-based significance criteria and methodology for vehicle trips in the San Francisco Planning Department publication *Transportation Impact Analysis Guidelines* (February 2019, updated October 2019), which the Commission finds to be in conformance with the requirements of CEQA Section 21099 and CEQA Guidelines 15064.3, and directs Successor Agency staff to apply this threshold of significance and methodology in analyzing the 2020 Actions; and, be it further

RESOLVED, That the Commission has reviewed and considered the FSEIR and Event Center CEQA Findings as modified by Addendum No. 1 and related findings previously adopted by the Redevelopment Agency Commission and the Commission, including the statement of overriding considerations and mitigation monitoring and reporting program, Addendum No. 1, the findings as set forth in Addendum No. 1, and the supporting documentation in the Successor Agency's files related to Addendum No. 1. The Commission adopts the findings made in Addendum No. 1; and, be it further

RESOLVED, That the Commission finds and determines that the Event Center Project as modified by the 2020 Actions (including the Proposed Project and Project Variant identified therein) is within the scope of the Event Center Project analyzed in the FSEIR (as modified by the subsequent Addendum No. 1, including the Proposed Project and Project Variant identified and analyzed therein) and requires no further environmental review pursuant to CEQA and the CEQA Guidelines Section 15180, 15162, and 15163 for the following reasons:

- (1) implementation of the 2020 Actions does not require major revisions to the FSEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; and,
- (2) no substantial changes have occurred with respect to the circumstances under which the project analyzed in the FSEIR will be 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; and,
- (3) no new information of substantial importance to the project analyzed in the FSEIR has become available, which would indicate that (i) the Event Center Project as modified by the 2020 Actions will have significant effects not discussed in the FSEIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible, which would reduce one or more significant effects, have become feasible; or (iv) mitigation measures or alternatives, which are considerably different from those in the FSEIR, will substantially reduce one or more significant effects on the environment that would change the conclusions set forth in the FSEIR.

I hereby certify that the foregoing resolution was adopted by the Successor Agency Commission at its meeting of May 19, 2020.



Commission Secretary

ATTACHMENT D

Commission Resolution No. 08-2020

[Attached]

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 08-2020

Adopted May 19, 2020

CONDITIONALLY AUTHORIZING A SEVENTH AMENDMENT TO THE MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

- WHEREAS, On September 17, 1998, the former Redevelopment Agency of the City and County of San Francisco (“Redevelopment Agency”) approved, by Resolution No. 190-98, the Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”). The Redevelopment Agency also conditionally authorized, by Resolution No. 193-98, the execution of the Mission Bay South Owner Participation Agreement (“South OPA”) and related documents with Catellus Development Corporation, a Delaware corporation (“Catellus”). On November 2, 1998, the San Francisco Board of Supervisors (“Board of Supervisors”), adopted, by Ordinance No. 335-98, the Redevelopment Plan; and,
- WHEREAS, FOCIL-MB, LLC, (“FOCIL-MB”), a subsidiary of Farallon Capital Management, LLC, assumed all of Catellus’ obligations under the South OPA, 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 South OPA and related agreements, including the requirements of the affordable housing program, equal opportunity program, and design review process; and,
- WHEREAS, On February 1, 2012, state law dissolved the Redevelopment Agency and required the transfer of certain of its assets and obligations to the Successor Agency to the Redevelopment Agency (“Successor Agency”), commonly known as the Office of Community Investment and Infrastructure (“OCII”) (Cal. Health & Safety Code §§ 34170 et seq., “Redevelopment Dissolution Law”). On June 27, 2012, the Redevelopment Dissolution Law was amended to clarify that successor agencies are separate public entities from the city or county that had originally established a redevelopment agency; and,
- WHEREAS, On October 2, 2012 the Board of Supervisors of the City, acting as the legislative body of the Successor Agency, adopted Ordinance No. 215-12 (the “Implementing Ordinance”), which Implementing Ordinance was signed by the Mayor on October 4, 2012, and which, among other matters: (a) acknowledged and confirmed that the Successor Agency is a separate legal entity from the City, and (b) established this Successor Agency Commission (“Commission”) and delegated to it the authority to (i) act in place of the Redevelopment Commission to, among other matters, implement, modify, enforce and complete the Redevelopment Agency’s enforceable obligations, (ii) approve all contracts and actions related to the assets transferred to or retained by the Successor Agency, including, without limitation, the authority to exercise land use, development, and design approval, consistent

with applicable enforceable obligations, and (iii) take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that this Commission deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations; and,

WHEREAS, The Board of Supervisors' delegation to this Commission includes the authority to grant approvals under specified land use controls for the Mission Bay Project consistent with the approved Redevelopment Plan and enforceable obligations, including amending an existing obligation as allowed by the Redevelopment Dissolution Law; and,

WHEREAS, Redevelopment Dissolution Law required creation of an oversight board to the successor agency and provided that with approval from its oversight board and the State Department of Finance ("DOF"), a successor agency may continue to implement "enforceable obligations" such as existing contracts, bonds and leases, that were executed prior to the suspension of redevelopment agencies' activities. On January 24, 2014, DOF finally and conclusively determined, among other things, that the South OPA is an enforceable obligation pursuant to Health and Safety Code Section 34177.5(i); and,

WHEREAS, Redevelopment Dissolution Law authorizes an oversight board, subject to review by DOF, to amend an enforceable obligation, if "it finds that amendments . . . would be in the best interests of the taxing entities." Health and Safety Code Section 34181(e); and,

WHEREAS, Mission Bay South Blocks 29-32 is an 11-acre site bounded by Warriors Way on the north, Third Street on the west, 16th Street on the south, and by the future planned realigned Terry A. Francois Boulevard on the east; and,

WHEREAS, Relevant portions of Mission Bay South Blocks 29-32 are currently owned by GSW Arena LLC and GSW ECOP 3P Retail LLC, affiliates of Golden State Warriors, LLC, which owns and operates the Golden State Warriors National Basketball Association team; GSW Arena LLC and GSW ECOP 3P Retail LLC are bound by the terms of the South OPA pursuant to the terms of certain Assignment, Assumption and Release Agreements; and,

WHEREAS, The Successor Agency has prepared a proposed seventh amendment to the South OPA ("OPA Amendment") in conjunction with an amendment to the Redevelopment Plan to allow a mixture of hotel and residential use on Blocks 29-30 and to increase the total Leasable square footage of retail permitted on Blocks 29-32, and also in conjunction with an amendment to the Design for Development for the Mission Bay South Project Area ("D for D Amendment") that would change certain standards related to height, bulk, tower separation, number and location of towers, and rooftop requirements with respect to Blocks 29-32; and,

WHEREAS, The proposed OPA Amendment would provide for development on Blocks 29-30 of up to 230 hotel rooms and up to 21 residential dwelling units, as principally permitted uses, and provide for a corresponding increase in the total number of hotels, hotel rooms, and residential dwelling units the South OPA permits in the Redevelopment Plan Project Area ("Plan Area"). The OPA Amendment would also increase the limitation on the total Leasable square footage of retail permitted on Blocks 29-32 in the Plan Area by 65,000 square feet, including approximately 54,000 Leasable square feet of previously approved retail uses on Blocks 29-32

currently excluded from the calculation of total retail square footage in the Plan Area through various exemptions. Residential and hotel development on Blocks 29-30 would be required to pay an impact fee to fund affordable housing, as well as comply with certain requirements related to small business hiring and local hiring and fund certain open space maintenance costs; and,

WHEREAS, By allowing for residential and hotel use, the OPA Amendment will support the full economic use of Blocks 29-30 and will accelerate the completion of development under the Redevelopment Plan, the South OPA and the related enforceable obligations. The change in permitted uses on Blocks 29-30 is expected to result in its development, which would generate more revenues from property taxes payable to the taxing entities, including the City and County of San Francisco, the Bay Area Rapid Transit District, the San Francisco Community College District, the San Francisco Unified School District, the San Francisco County Office of Education, as well as the State of California, compared with the existing conditions. The OPA Amendment does 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 the Mission Bay South Project Area, and will accelerate the completion of development under the Redevelopment Plan and the South OPA; and,

WHEREAS, The OPA Amendment will benefit the taxing entities by increasing property tax revenues and accelerating the wind down of redevelopment affairs in the Plan Area; and,

WHEREAS, Successor Agency staff has reviewed the OPA Amendment, and finds it acceptable and recommends approval thereof; and,

WHEREAS, On January 9, 2020, the Mission Bay Citizens Advisory Committee considered the OPA Amendment and recommended approval of the OPA Amendment by the Successor Agency Commission; and,

WHEREAS, On May 19, 2020, the Commission adopted Resolution No. 05-2020, by which the Commission determined that the Final Subsequent Environmental Impact Report ("FSEIR") (therein defined), together with further analysis provided in Addendum No. 1 remains adequate, accurate, and objective and in compliance with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq., "CEQA") and the CEQA Guidelines (14 California Code of Regulations Sections 15000 et seq.), for purposes of evaluating the potential environmental impact of the OPA Amendment; and,

WHEREAS, The environmental effects of the OPA Amendment have been analyzed in the environmental documents as described in Commission Resolution No. 05-2020. Copies of the environmental documents are on file with the Commission Secretary; and,

WHEREAS, Successor Agency staff has reviewed the OPA Amendment, and finds it acceptable and recommends approval thereof; now, therefore be it:

RESOLVED, That the Commission hereby finds that for purposes of compliance with CEQA, the OPA Amendment is included in the actions identified in Resolution No. 05-2020 adopted concurrently with this Resolution; and, be it further

RESOLVED, That in Resolution No. 05-2020, the Commission adopted findings that various actions, including the OPA Amendment, were in compliance with CEQA. Said

findings, which are on file with the Commission Secretary, are in furtherance of the actions contemplated in this Resolution and are made part of this Resolution by reference herein; and, be it further

RESOLVED, That the Commission approves the OPA Amendment, substantially in the form lodged with the Commission Secretary, subject to the following conditions:

1. The Seventh Amendment to the Mission Bay South Owner Participation Agreement is conditioned on the final approval of the third amendment of the Redevelopment Plan by all legally required bodies.
2. The Seventh Amendment to the Mission Bay South Owner Participation Agreement is conditioned on the final approval by the Oversight Board and California Department of Finance.

I hereby certify that the foregoing resolution was adopted by the Successor Agency Commission at its meeting of May 19, 2020.


Commission Secretary

Exhibit A: Seventh Amendment to the Mission Bay South Owner Participation Agreement

Free Recording Pursuant to
Government Code Section 27383 at the
Request of the Successor Agency to the
Redevelopment Agency of the City and
County of San Francisco
RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Successor Agency to the Redevelopment
Agency of the City and County of San
Francisco
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Executive Director

(SPACE ABOVE THIS LINE FOR
RECORDER'S USE ONLY)

**SEVENTH AMENDMENT TO
MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT
(BLOCKS 29-32)**

Dated [_____, 2020]

by and among

**THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO**

and

FOCIL-MB, LLC

SEVENTH AMENDMENT TO MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT (BLOCKS 29-32)

This Seventh Amendment to the Mission Bay South Owner Participation Agreement (this “**Seventh Amendment**”), dated for reference purposes only as of [_____, 2020], is by and between 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**”), commonly known as the Office of Community Investment and Infrastructure, and FOCIL-MB, LLC, a Delaware limited liability company (the “**Owner**”). As used in this Amendment, “**City**” means the City and County of San Francisco, a charter city and county. All initially capitalized terms used herein shall have the meanings set forth in the South OPA (as defined below), unless otherwise specifically provided herein.

RECITALS

This Seventh Amendment is made with reference to the following facts and circumstances:

A. The Board of Supervisors of the City and County of San Francisco (“**Board of Supervisors**”) adopted the Redevelopment Plan for the Mission Bay South Redevelopment Project on November 2, 1998 by Ordinance No. 335-98 (“**Redevelopment Plan**”) and amended the Redevelopment Plan on July 9, 2013 by Ordinance No. 143-13 and on March 6, 2018 by Ordinance 032-18. The Redevelopment Plan establishes land use controls for the Mission Bay South Project Area (“**South Plan Area**”).

B. The former Redevelopment Agency of the City and County of San Francisco (the “**Former Agency**”) and Catellus Development Corporation, a Delaware corporation (“**CDC**”), entered into that certain Mission Bay South Owner Participation Agreement dated as of November 16, 1998 (the “**Original OPA**”) and recorded December 3, 1998 as Document No. 98-G477258-00 in the Official Records of San Francisco County (the “**Official Records**”), which was subsequently amended by (i) a First Amendment to Mission Bay South Owner Participation Agreement (the “**First OPA Amendment**”) dated as of February 17, 2004 and

recorded March 4, 2004 as Document No. 04-H669955-00 in the Official Records, (ii) a Second Amendment to Mission Bay South Owner Participation Agreement (the “**Second OPA Amendment**”) dated as of November 1, 2005 and recorded November 30, 2005 as Document No. 2005-I080843 in the Official Records, (iii) a Third Amendment to Mission Bay South Owner Participation Agreement (the “**Third OPA Amendment**”) dated as of May 21, 2013 and recorded December 9, 2013 as Document No. 13-J802261-00 in the Official Records, (iv) a Fourth Amendment to Mission Bay South Owner Participation Agreement (the “**Fourth OPA Amendment**”) dated as of June 4, 2013 and recorded December 9, 2013 as Document No. 13-J802262-00 in the Official Records, (v) a Fifth Amendment to Mission Bay South Owner Participation Agreement (the “**Fifth OPA Amendment**”) dated as of April 29, 2014 and recorded August 15, 2014 as Document No. 2014-J927657 in the Official Records, and (vi) a Sixth Amendment to Mission Bay South Owner Participation Agreement (the “**Sixth OPA Amendment**”) dated as of July 26, 2018 and recorded August 13, 2018 as Document No. 2018-K654772-00 in the Official Records. The Original OPA, as amended by the First OPA Amendment, Second OPA Amendment, Third OPA Amendment, Fourth OPA Amendment, Fifth OPA Amendment, and Sixth OPA Amendment shall be referred to in this Seventh Amendment as the “**South OPA**”.

C. CDC’s rights, interests and obligations under the South OPA were transferred (i) to Catellus Operating Limited Partnership, as the successor by merger to CDC, then (ii) to Catellus Land and Development Corporation through an assignment and assumption agreement, and (iii) ultimately to Owner, through an assignment and assumption agreement.

D. On February 1, 2012, the Former Agency was dissolved pursuant to the provisions of California State Assembly Bill No. 1X 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) (“**AB 26**”), codified in relevant part in California’s Health and Safety Code Sections 34170 et seq. and upheld by the California Supreme Court in *California Redevelopment Assoc. v. Matosantos*, No. S194861 (Dec. 29, 2011). On June 27, 2012, AB 26 was subsequently amended in part by California State Assembly Bill No. 1484 (Chapter 26,

Statutes of 2011-12) (“**AB 1484**”), which among other things, provide that a successor agency is a separate public entity from the public agency that provides for its governance. (AB 26 and AB 1484, as amended from time to time, are primarily codified in California Health and Safety Code Sections 34170 et seq., and are referred to as the “**Redevelopment Dissolution Law**”).

E. Subsequent to the adoption of AB 1484, on October 2, 2012, the Board of Supervisors, acting as the legislative body of the Successor Agency, adopted Ordinance No. 215-12, which was signed by the Mayor on October 4, 2012, and which, among other matters, delegated to the Successor Agency Commission, commonly known as the Commission on Community Investment and Infrastructure (“**Commission**”), the authority, consistent with the Redevelopment Dissolution Law, to (i) act in the place of the Former Agency Commission to, among other matters, implement, modify, enforce and complete the Former Agency’s enforceable obligations, except for material changes to obligations to provide affordable housing, which require Board of Supervisors’ approval; (ii) approve all contracts and actions related to the assets transferred to or retained by the Successor Agency, consistent with the applicable enforceable obligations; and (iii) take any actions that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and other action that the Commission deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations.

F. Pursuant to the Redevelopment Dissolution Law, all of the Former Agency’s assets (other than housing assets) and obligations were transferred to the Successor Agency. Some of the Former Agency’s housing assets were transferred to the City, acting by and through the Mayor’s Office of Housing and Community Development.

G. Under the Redevelopment Dissolution Law, a successor agency has the continuing obligation, subject to certain review by an oversight board and the State of California’s Department of Finance (“**DOF**”), to implement “enforceable obligations” which were in place prior to the suspension of such redevelopment agency’s activities on June 28, 2011, the date that AB 26 was approved. The Redevelopment Dissolution Law defines

“enforceable obligations” to include bonds, loans, judgments or settlements, and any “legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy” (Cal. Health & Safety Code § 34171(d)(l)(e)), as well as certain other obligations, including but not limited to requirements of state law and agreements made in reliance on pre-existing enforceable obligations. The South OPA meets the definition of “enforceable obligations” under the Redevelopment Dissolution Law.

H. The Board of Supervisors’ delegation to the Commission includes authority to approve and amend all contracts and actions relating to assets transferred to the Successor Agency, including the South OPA, subject to approval by the Oversight Board of the City and County of San Francisco (the “**Oversight Board**”) and review by DOF, as allowed under the Redevelopment Dissolution Law.

I. Through a series of assignment, assumption and release agreements entered into in connection with the conveyances of Blocks 29-32, the Owner has assigned certain of its rights and obligations under the South OPA with respect to Blocks 29-32 to GSW ARENA LLC, a Delaware limited liability company (“**Hotel Project Owner**”) and GSW ECOP 3P Retail LLC, a Delaware limited liability company, who are the current owners of certain portions of Mission Bay South Blocks 29-32, including that certain parcel described in **Exhibit A** attached hereto (the “**Hotel Parcel**”) owned by Hotel Project Owner. Hotel Project Owner was assigned certain rights and obligations under the South OPA with respect to Blocks 29-32 in that certain Assignment, Assumption and Release Agreement dated as of October 9, 2015 and recorded on October 9, 2015 as Document No 2015 K143295 in the Official Records.

J. On November 3, 2015 pursuant to Resolution No. 71-2015 and Resolution No. 72-2015 the Commission approved the Major Phase and Basic Concept / Schematic Design application and proposed amendments to the Mission Bay South Design for Development for Blocks 29-32. On the same date, the Successor Agency Executive Director executed a Secondary Use Authorization for the Event Center. On November 5, 2015, the City’s Planning Commission pursuant to Motion No. 19502 approved the design for two buildings with a total of

approximately 577,000 gross square feet of office use, approximately 54,000 square feet of retail space, and up to 546 off-street parking spaces. Together, these approvals authorized Hotel Project Owner to construct an event center and mixed-use development, including office, retail, open space and an underground parking structure, on Blocks 29-32. Construction of this project was completed in August of 2019.

K. Hotel Project Owner currently leases the Hotel Parcel to GSW HOTEL LLC, a Delaware limited liability company (the “**Hotel Project Lessee**”), an affiliate of Hotel Project Owner. Hotel Project Lessee intends to construct a mixed-use building on the Hotel Parcel that may contain hotel rooms, Residential Units, and retail uses. The building may contain as few as 129 or as many as 230 hotel rooms, and as few as zero (0) or as many as 21 Residential Units, or any combination thereof, provided that the total Gross Floor Area (as defined in the Design for Development for the Mission Bay South Project Area (the “**Design for Development**”), as of the date of this Seventh Amendment) of hotel rooms and Residential Units combined may not exceed approximately 215,000 square feet of Gross Floor Area. In addition, the building may also contain up to approximately 12,000 Leasable square feet of retail uses. In connection therewith, Owner and Successor Agency intend to increase the total Leasable square footage of retail uses in the South OPA by 65,000 Leasable square feet to account for retail areas previously approved for Blocks 29-32, but which were excluded from the total retail Leasable square footage amount in the South OPA through various exemptions, and to account for various new and updated retail areas on Blocks 29-32 (all of the foregoing, collectively, the “**Hotel Project**”). The Hotel Project requires, among other things, an amendment to the Redevelopment Plan, the Design for Development, a Major Phase amendment, and an amendment to the South OPA.

L. The Owner and Successor Agency wish to enter into this Seventh Amendment to the South OPA to implement an amendment to the Redevelopment Plan that the Board of Supervisors approved, by Ordinance No. [____-20] ([_____, 2020]), to allow hotel and residential use on Blocks 29-30 as a permitted use in addition to retail uses, to allocate up to 21 Dwelling Units (as defined in the Redevelopment Plan) to Blocks 29-30, increase the number of

hotels permitted in the South Plan Area, increase the number of hotel rooms permitted in the South Plan Area, and increase the amount of Leasable square feet of retail uses allowed in the South Plan Area and allocate such increase to Blocks 29-32.

M. The costs incurred by the Successor Agency and the City Agencies in connection with the negotiation of the Hotel Project and this Seventh Amendment and related documents, including, without limitation, the amendment to the Redevelopment Plan, the amendment to the Design for Development, a Major Phase amendment, and environmental review documentation to comply with the California Environmental Quality Act, shall be deemed, under Article 6 of the South OPA, to be Agency Costs.

N. The Owner and the Successor Agency wish to enter into this Seventh Amendment to implement the amended Redevelopment Plan, to permit the proposed hotel and residential use on Blocks 29-30, and to reflect the increase in the number of Residential Units, hotels, hotel rooms, and the total Leasable square footage of retail uses contemplated to be developed in the South Plan Area (the “**Additional Development**”). The Redevelopment Plan for the South Plan Area did not previously include this Additional Development, which will require the application of Development Fees or Exactions to mitigate its impacts. The Additional Development described herein is an addition to the development described in the Redevelopment Plan and South OPA immediately prior to the most recent Redevelopment Plan amendment and this Seventh Amendment, and the Additional Development described herein does not reduce the allocation of Residential Units, hotels, hotel rooms or Leasable square footage of retail uses to any areas in the South Plan Area. In addition to those Development Fees or Exactions already authorized under Section 304.9 of the Redevelopment Plan, this Seventh Amendment establishes the Block 29-30 Affordable Housing Fee and the Block 29-30 Hotel Impact Fee (as defined below) applicable to the development of Residential Units, hotel uses, and retail uses within Blocks 29-30.

O. The Seventh Amendment fulfills the following objectives:

(i) The development of a hotel and Residential Units on Blocks 29-30, in conjunction with retail uses, will fulfill the objectives of the Redevelopment Plan, including providing flexibility in the development of the South Plan Area to respond readily and appropriately to market conditions, providing opportunities for participation by owners in the redevelopment of their properties, strengthening the economic base of the South Plan Area and the community by strengthening retail and other commercial functions in the South Plan Area, and achieving these objectives in the most expeditious manner feasible;

(ii) Allowing for hotel and residential use of Blocks 29-30 will support the full economic use of Blocks 29-30, and will accelerate the completion of development under the Redevelopment Plan, the South OPA and the related enforceable obligations;

(iii) Development of Blocks 29-30 for mixed-use hotel, residential and retail will generate more revenue from property taxes payable to the taxing entities, including the City, the San Francisco Unified School District, City College of San Francisco and the Bay Area Rapid Transit district, compared with the existing undeveloped conditions; and

(iv) Providing fees to fund affordable housing and the maintenance of open space in the South Plan Area assists the Successor Agency in fulfilling its enforceable obligations.

The parties hereto (the “**Parties**”) have entered into this Seventh Amendment to memorialize their understanding and commitments concerning the matters generally described above.

P. The Parties acknowledge and agree that concurrent with the execution hereof, Owner, Hotel Project Owner, and Successor Agency will enter into an Assignment, Assumption and Release Agreement whereby Hotel Project Owner will agree to comply with all the applicable terms and conditions of this Seventh Amendment. Such Assignment Assumption and

Release Agreement, under terms and conditions set forth therein, will release Owner from the obligations in the Seventh Amendment.

Q. Under Redevelopment Dissolution Law, the Oversight Board has the authority to “approve any amendments to [any contracts between the dissolved redevelopment agency and any private parties] if [the Oversight Board] finds that amendments . . . would be in the best interests of the taxing entities.” Cal. Health & Safety Code § 34181(e). For the reasons stated above in Recital O, this Seventh Amendment meets this standard for amendment of an enforceable obligation.

R. The Oversight Board, consistent with its authority under the Redevelopment Dissolution Law, determined that an amendment to the South OPA that would permit hotel and residential use on Blocks 29-30 as principal uses and would increase residential density, the number of hotels, the total number of hotel rooms, and the total Leasable square feet of retail uses in the South Plan Area, and make other conforming changes, is in the best interests of the taxing entities.

S. Under Redevelopment Dissolution Law, DOF must receive notice and information about all Oversight Board actions, which do not take effect until DOF has either not requested review within five days of the notice or requested review and approved the action within 40 days of its review request. On [_____, 2020], the Successor Agency provided a copy of Oversight Board Resolution No. [__-2020] to DOF, which did not object to the amendment to the South OPA within the statutory time period for its review, or which approved the amendment to the South OPA within the statutory time period of the Successor Agency’s review request.

AGREEMENT

Accordingly, for good and valuable consideration, the receipt, amount and sufficiency of which is hereby acknowledged, the Owner and the Successor Agency agree as follows:

1. Maximum Number of Market Rate Residential Units. Wherever the South OPA (as amended and including without limitation any attachment thereto) makes reference to the

number of Residential Units to be developed in the South Plan Area, specifically “up to 3,393” units of housing, including “up to 2,285” market-rate units, and referring to the Owner’s property, such phrases shall be deemed to be amended to refer to “3,414” wherever the number “3,393” appears and “2,306” wherever the number “2,285” appears. The South OPA will also be amended, when the specific number of total Residential Units or market-rate Residential Units to be developed on the Owner’s property is referenced, to include the following phrase: “Up to 21 of the total number of market-rate Residential Units will be limited to Blocks 29-30. In no event shall the total number of market-rate Residential Units on Blocks 29-30 exceed 21.” Where the phrase “approximately” or “up to” precedes any number identified in this Section 1, that word or words shall be retained.

2. Number of Hotels and Maximum Number of Hotel Guest Rooms. Wherever the South OPA (as amended and including without limitation any attachment thereto) makes reference to the number of hotels or the number of hotel guest rooms to be developed on the Owner’s property, specifically “a hotel,” “an up to 500 room hotel,” “an up to 250 room hotel” or “up to 500” hotel guest rooms, such phrases shall be deemed to be amended to include the following phrase: “Notwithstanding anything herein to the contrary, in addition, a hotel with up to 230 guest rooms may be constructed on Blocks 29-30. In no event shall the total number of hotel guest rooms on Blocks 29-30 exceed 230.”
3. Maximum Amount of Leasable Square Footage of Retail Uses. Wherever the South OPA (as amended and including without limitation any attachment thereto) makes reference to “up to approximately 230,000 square feet of Leasable area of city serving retail, local serving retail and entertainment retail uses”, or some such similar phrase, such phrases shall be deemed to be amended to refer to “up to approximately 295,000 square feet of Leasable area of city serving retail, local serving retail and entertainment retail uses, of which 65,000 Leasable square feet of city serving retail will be limited to Blocks 29-32.”

Wherever the South OPA (as amended and including without limitation any attachment thereto) makes reference to “approximately up to 260,000 Leasable square feet of retail, commercial and entertainment uses”, or some such similar phrase, such phrases shall be deemed to be amended to refer to “up to approximately 325,000 Leasable square feet of retail, commercial and entertainment uses, of which 65,000 Leasable square feet of city serving retail will be limited to Blocks 29-32.” Where the phrase “approximately” or “up to” precedes any number identified in this Section 3, that word or words shall be retained.

4. Open Space Maintenance. Section 4.3 of the South OPA is amended to include the following new subsection 4.3.1:

“4.3.1 Park P22 Maintenance. Owner shall record, or have recorded, a declaration of restrictions requiring the Owner to pay the P22 Maintenance Amount (as defined below) to Successor Agency, or its designee, annually during the period beginning as of the date when Park P22 (as defined in Exhibit 8 to Attachment D to the South OPA) is operational and open to the public, and ending as of the date when either (i) Park P22 ceases to operate or (ii) both the Hotel Project and the event center on Blocks 29-32 as shown in the Land Use Plan (the “Event Center”) cease to operate, for the maintenance of Park P22 to defray certain additional ordinary, day-to-day maintenance, repair and replacement costs caused by use of Park P22 by guests of the Event Center and Hotel Project on Blocks 29-32 (such effects are referred to herein as “Park Impacts”). Notwithstanding anything else herein, the P22 Maintenance Amount shall begin to accrue as of the date when Park P22 is operational and open to the public as described herein, but shall not be due and payable to Successor Agency until the date when both (i) Park P22 is operational and open to the public and (ii) the First Construction Document (as defined in Article 4, Section 401 of the San Francisco Planning Code as of the date of this Seventh Amendment) for the Hotel Project has been issued.

(a) The “P22 Maintenance Amount” shall equal \$175,000.00 during the first calendar year that Park P22 is operational and open to the public (such calendar year the “Inaugural Year”) and shall be adjusted annually to reflect annual changes in the average Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward, CA statistical area (all items, index base period 1982-84=100), provided that such adjustment is not more than 4% nor less than 2% per annum. With respect to the initial time period beginning as of the date when Park P22 is operational and open to the public through the immediately following December 31st (the “Initial Partial Year”), the P22 Maintenance Amount shall be an amount equal to \$175,000.00 multiplied by a fraction, the numerator of which is the number of days in the Initial Partial Year and the denominator of which is 365.

(b) At least two years after Park P22 has been operational and open to the public, either the Owner or the Successor Agency may, by written notice to the other party, request a reevaluation of the amount of the P22 Maintenance Amount based on actual Park Impacts. To assess actual Park Impacts, the Successor Agency shall consider objective and independent methodology agreed to by the Successor Agency and Owner (the “Park Impact Methodology”). If the parties cannot agree on the Park Impact Methodology, either party may invoke a mutually-agreeable, neutral third-party process to establish the Park Impact Methodology. In the event that there is no mutual agreement on a third-party process, the Successor Agency Commission, or its successor, shall approve, at a public hearing, the Park Impact Methodology. Neither Successor Agency nor Owner may request to reevaluate the P22 Maintenance Amount more frequently than once every five years after the initial reevaluation. The Successor Agency shall reasonably approve the revised P22 Maintenance Amount based on the Park Impact Methodology used to evaluate actual Park Impacts, and for each successive calendar year the P22 Maintenance Amount accruing to Successor Agency shall equal such revised P22 Maintenance Amount, adjusted annually to reflect annual changes in the average CPI-U

for the San Francisco-Oakland-Hayward, CA statistical area (all items, index base period 1982-84=100), provided that such adjustment is not more than 4% nor less than 2% per annum.”

5. Redevelopment Land Use Plan Map. The Mission Bay Land Use Plan – South map contained in Attachment A (Mission Bay South Land Use Plan and Legal Description) of the South OPA is amended and replaced by **Exhibit B** attached hereto so that the label of “Commercial Industrial / Retail” in the legend reads as follows:

COMMERCIAL INDUSTRIAL / RETAIL (including Hotel and Residential on Blocks 29-30)

6. Scope of Development Section I.B.1. The first sentence of Section I.B.1 of Attachment B (“**Scope of Development**”) of the South OPA is hereby amended to read as follows:

“I.B.1. Up to approximately 2,306 market-rate Dwelling Units as defined in the Mission Bay South Redevelopment Plan, 21 of which shall be allocated only to Blocks 29-30 and to no other area in the South Plan Area as shown on Attachment A as allowed under Section I.B.11, and 350 of which shall be allocated only to Block 1 and to no other area in the South Plan Area as shown on Attachment A as allowed under Section I.B.3; provided, however, that Owner may elect to construct additional units that the Successor Agency would otherwise be permitted to construct pursuant to the terms and conditions of Section 3.4.3(b) of the South OPA.”

7. Scope of Development Section I.B.2. Section I.B.2 of the Scope of Development is hereby amended and restated to read as follows:

“I.B.2. Up to approximately 295,000 Leasable square feet of retail uses as defined in the Redevelopment Plan. The allowable retail space includes: up to 159,300 Leasable square feet of local-serving retail, up to 85,700 Leasable square feet of City-serving retail (of which, approximately 65,000 Leasable square feet will be located on Blocks 29-32), and up to 50,000 Leasable square feet of entertainment or local-serving retail on Block 1.”

8. Scope of Development Section I.B.11. A new Section I.B.11 will be added to the Scope of Development as follows:

“I.B.11. On Blocks 29-30, a mixed-use building that may contain hotel rooms (and associated facilities such as banquet and conference rooms and retail uses), Dwelling Units, and retail uses. The building may contain as few as 129 or as many as 230 hotel rooms, and as few as zero (0) or as many as 21 Dwelling Units, or any combination thereof, provided that the total Gross Floor Area (as defined in the Design for Development) of hotel rooms and Dwelling Units combined may not exceed approximately 215,000 square feet of Gross Floor Area. In addition, the building may also contain up to approximately 12,000 Leasable square feet of retail uses.”

9. Height and Density Limit. Attachment C (“**Mission Bay South Housing Program**”) of the South OPA is hereby amended to change the second sentence in Section 4.2 under “Owner Housing Program” to read as follows:

“Development of Residential Units may be provided above commercial, parking, local-serving retail and urban entertainment uses, and on Blocks 29-30, in addition to the aforementioned uses, above City-serving retail and hotel uses.”

10. Affordable Housing Requirement. The Mission Bay South Housing Program is hereby amended to include a new Section 4.7 under “Owner Housing Program” to read as follows:

“4.7 Block 29-30 Affordable Housing Fee and Block 29-30 Hotel Impact Fee.

(a) Imposition of Block 29-30 Affordable Housing Fee.

Notwithstanding anything else in this Housing Program or the South OPA, the only affordable housing requirements applicable to development of Residential Units within Blocks 29-30 shall be as set forth in this Section 4.7. The Successor Agency shall require as a condition of approval for any project containing Residential Units on Blocks 29-30 (“**Block 29-30 Residential Project**”) that Owner shall comply with Section 415 of the Planning Code, except that Owner may elect as an alternative to complying with Section

415 to instead pay an affordable housing in-lieu fee to the Successor Agency to fund affordable housing development within the South Plan Area (“**Block 29-30 Affordable Housing Fee**”), in accordance with the following conditions:

(i) the Block 29-30 Affordable Housing Fee shall be calculated based on the fee schedule produced by the City for its Inclusionary Affordable Housing Program (Planning Code Article 4, Section 415.5 or successor program) in effect at the time payment is due, as such fee schedule may be amended from time to time, per net new gross square foot of residential use (as “gross square feet of use” is defined in Planning Code Article 4, Section 401 as of the date of this Seventh Amendment) to be constructed in the Block 29-30 Residential Project, applied to 30% of the gross square feet of such use within the Block 29-30 Residential Project, regardless of the total number of Residential Units to be constructed; and

(ii) the Owner shall pay the Block 29-30 Affordable Housing Fee to the Successor Agency prior to issuance of the First Construction Document (as defined in Article 4, Section 401 of the Planning Code as of the date of this Seventh Amendment) for the Block 29-30 Residential Project, which funds shall be used by the Successor Agency to fund affordable housing development in the South Plan Area.

(b) Imposition of Block 29-30 Hotel Impact Fee. Notwithstanding anything else in this Housing Program or the South OPA, the only affordable housing requirements applicable to development of hotel and retail uses within Blocks 29-30 shall be as set forth in this Section 4.7. The Successor Agency shall require as a condition of approval for any project containing hotel or retail uses on Blocks 29-30 (“**Block 29-30 Hotel Project**”) that Owner will pay an affordable housing in-lieu fee to the Successor Agency to fund affordable housing development within the South Plan Area (“**Block 29-30 Hotel Impact Fee**”) in accordance with the following conditions:

(i) the Block 29-30 Hotel Impact Fee shall be calculated based on the fee schedule produced by the City for its Jobs-Housing Linkage Program (Planning Code Article 4, Section 413.5 or successor program) in effect at the time payment is due, as such fee schedule may be amended from time to time, per net new gross square foot of hotel or retail use (as “gross square feet of use” is defined in the Planning Code, Article 4, Section 401 as of the date of this Seventh Amendment) to be constructed in the Block 29-30 Hotel Project; and

(ii) the Owner shall pay the Block 29-30 Hotel Impact Fee to the Successor Agency prior to issuance of the First Construction Document (as defined in Article 4, Section 401 of the Planning Code as of the date of this Seventh Amendment) for the Block 29-30 Hotel Project, which funds shall be used by the Successor Agency to fund affordable housing development in the South Plan Area.”

11. Design Review and Document Approval Procedure. Section III(A) of Attachment G (“**Mission Bay South Design Review and Document Approval Procedure**”) of the South OPA is amended to include the following after the last sentence of such Section III(A): “In addition to any applicable Design Standards set forth in the Mission Bay South Design for Development, hotel and residential development on Blocks 29-30 will be governed by the Commercial Industrial Guidelines set forth in the Mission Bay South Design for Development, including but not limited to requirements related to Block Development, Street Frontage, Building Height and Form, and Architectural Details, except that retail uses associated with such hotel and residential uses are also permitted to be governed by the Retail Guidelines set forth the in the Mission Bay South Design for Development.”
12. Small Business Enterprise Policy. Owner agrees to comply with the Successor Agency’s Small Business Enterprise Policy, as adopted by Commission Resolution No. 43-2015 (July 7, 2015) in the construction of the Hotel Project on the Hotel Parcel, including all

tenant improvements constructed by the Hotel Project Owner or Hotel Project Lessee within the Hotel Project on the Hotel Parcel, but excluding all tenant improvements related to Residential Units.

13. General Provisions.

13.1 South OPA in Full Force and Effect. Except as otherwise amended hereby and as previously revised to reflect various non-material changes, all terms, covenants, conditions and provisions of the South OPA shall remain in full force and effect.

13.2 Successors and Assigns. This Seventh Amendment is binding upon and will inure to the benefit of the successors and assigns of the Former Agency, Successor Agency, and the Owner, subject to the limitations set forth in the South OPA.

13.3 Recitals. The Recitals in this Seventh Amendment are included for convenience of reference only and are not intended to create or imply covenants under this Seventh Amendment. In the event of any conflict or inconsistency between the Recitals and the terms and conditions of this Seventh Amendment, the terms and conditions of this Seventh Amendment shall control.

13.4 Counterparts. This Seventh Amendment may be executed in any number of counterparts, all of which together shall constitute the original agreement hereof.

IN WITNESS WHEREOF, the Successor Agency has caused this Seventh Amendment to be duly executed on its behalf and the Owner has signed or caused this Seventh Amendment to be signed by duly authorized persons, all as of the day first above written.

Authorized by Successor Agency Resolution
No. [__-2020], adopted [_____, 2020]

SUCCESSOR AGENCY:

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

By: _____
Name:
Title:

Approved as to Form:

By: _____
Name:
Title:

[Signatures continue on following page]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

OWNER:

FOCIL-MB, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A
Hotel Parcel Legal Description

The land referred to is situated in the County of San Francisco, City of San Francisco, State of California, and is described as follows:

Lot 5 as shown on that certain Map entitled "Final Map 8593" (the "Map"), filed for record on December 9, 2016, in Book 131 of Condominium Maps at Pages 47 through 63 inclusive, Official Records.

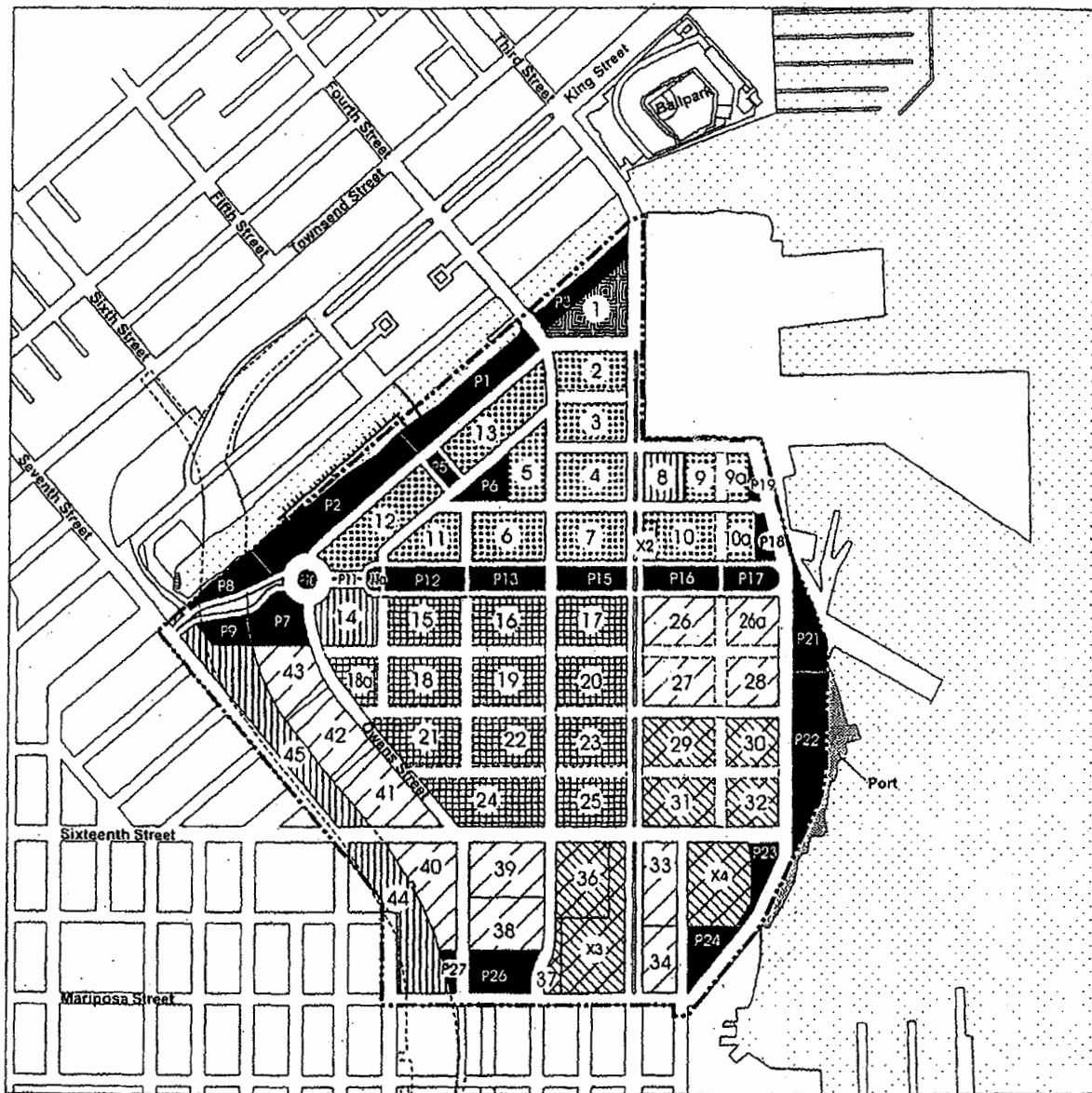
Excepting therefrom, those mineral rights reserved by the following documents, with no right of surface entry:

1. Document recorded March 31, 1987 in Reel E309, Image 1138, Official Records.
2. Document recorded July 19, 1999, Instrument No. 99-G622155, Official Records.
3. Document recorded October 29, 2004, Instrument No. 2004-H841650, Official Records.

APN: 8722-025

EXHIBIT B
Mission Bay Land Use Plan – South

(Attached)



OPEN SPACE
 HOTEL
 (Mixed use including Retail)
 UCSF
 COMMERCIAL INDUSTRIAL /
 RETAIL (including Hotel
 and Residential on
 Blocks 29-30)
 MISSION BAY RESIDENTIAL
 (Mixed use including
 neighborhood serving Retail)
 COMMERCIAL INDUSTRIAL
 (Mixed use including
 neighborhood serving Retail)
 PUBLIC FACILITIES
 (School, Police, Fire, Rail
 and Area below Freeway)

MISSION BAY LAND USE PLAN - SOUTH

JOHNSON FAHN PARTNERS

SAN FRANCISCO, CALIFORNIA

CAYELLUS DEVELOPMENT CORPORATION