INFORMATIONAL MEMORANDUM

TO: Agency Commissioners

FROM: Fred Blackwell, Executive Director

SUBJECT: Media Clippings from 07.01.11 to 07.14.11

Enclosed is a collection of supportive and positive newspaper/media clippings that refer to the Redevelopment Agency or an Agency-related project or program.

(Originated by Gia Casteel-Brown, Executive Assistant)

Fred Blackwell
Executive Director

TRANSBAY / MISSION BAY / BVHSP:


Attachment 2: SAN FRANCISCO Business Times: “Salesforce picks HQ prep partner,” July 1, 2011


Attachment 4: The Examiner/sfexaminer.com: “Redevelopment agencies key to SF communities,” July 9, 2011


Attachment 7: The Examiner/sfexaminer.com: “AT&T upgrades its network in Bayview-Hunters Point,” July 12, 2011

Attachment 8: The Examiner/sfexaminer.com: “Killing redevelopment will hurt Hunters Point,” July 13, 2011
REDEVELOPMENT:


Attachment 10: The Examiner/sfexaminer.com: “State reform strips redevelopment; agencies must shutter or pay billions,” July 9, 2011


San Francisco seeks developer for Transbay parcels -- again

San Francisco Business Times - by JK Dineen

Date: Thursday, July 7, 2011, 4:46pm PDT

San Francisco's on-again, off-again attempt to develop housing near the Transbay Terminal is on again.

With developable land a hot commodity once again, the San Francisco Redevelopment Agency is seeking a developer to buy two parcels along Folsom Street.

The winning team -- probably a combination of a market rate builder and an affordable housing group -- would construct approximately 350 market-rate and inclusionary housing units, as well as 150 affordable housing units. The project also must include neighborhood serving retail, and a child care facility integrated into two master-planned blocks.

The larger project includes a 300-foot tower, a 50-foot townhouse development, and 15 percent of the units must be affordable. The affordable project includes a range of 100 to 150 family rental units.

The request for proposals was originally issued in December of last year, but was put on hold after Gov. Jerry Brown proposed abolishing redevelopment agencies. While the proposal is still in limbo it seems like that some form of the redevelopment agency will continue to exist, although it might have to pay a portion of its collected revenue to essential services such as schools and fire departments.

The decision to test the market comes two years after the recession hobbled the agency's effort to develop another Transbay parcel, Block 8. At the time Redevelopment Executive Director Fred Blackwell said the agency suspended the process after bids for the property came in "well below the potential value of the site in a healthier real estate market."

Development teams that chased the Block 8 opportunity included AvalonBay with Bridge Housing; Golub Real Estate with Mercy Housing; and Avant Housing with Citizens Housing.

Email J.K. Dineen at jkdineen@bizjournals.com
From the San Francisco Business Times:

Salesforce picks HQ prep partner

It taps Hathaway Dinwiddie for plan

Premium content from San Francisco Business Times - by Patrick Hoge

Date: Friday, July 1, 2011, 3:00am PDT

Related:

Commercial Real Estate

Salesforce.com has chosen Hathaway Dinwiddie Construction Co. to provide “preconstruction services” for the business computing company’s new San Francisco headquarters, which could be the city’s largest ever private commercial construction project.

Neither company would discuss the award in detail, but Salesforce did allow that Hathaway Dinwiddie beat out nine other firms for the coveted job, which will entail determining “the optimum schedule, efficiency and cost effectiveness of the construction process,” according to Rochelle Garner, Salesforce’s director of strategic communications.

Salesforce’s proposed Mission Bay campus will include up to 2 million square feet of space in eight buildings on 14 acres. Construction is expected to begin about a year from now, but first the company must get approvals from the city for an overall conceptual plan and designs for individual buildings, as well as all of the necessary building permits.

Salesforce has not announced the order or timing contemplated for construction of the buildings and outdoor spaces, which will include a large, publicly accessible plaza at the center. Initial designs were done by architects Legorreta + Legorreta of Mexico City, a firm known for using strong geometric shapes and bright colors.

Nor has Salesforce named a contractor or contractors to handle the actual construction, but Hathaway Dinwiddie’s selection for the preconstruction work could give it the inside track.

Hathaway Dinwiddie President and CEO Greg Cosko referred questions about the preconstruction services contract to another company official, who simply confirmed the win.
Salesforce began the selection process in April starting with 10 firms that submitted qualifications and narrowed the list to four finalists before settling on Hathaway Dinwiddie, Garner said.

According to data gathered by Salesforce, its new Mission Bay campus would be the largest private commercial development in the city’s history in both acreage and square footage of interior space.

By contrast, the San Francisco Giants’ ballpark covers 13 acres and the Bank of America building at 555 California St. contains 1.5 million square feet of office space and 110,000 square feet of retail and bank space. Other major projects, such as the Transamerica Pyramid, the Spear Street Tower at One Market Plaza and Levi’s Plaza in North Beach are less than 1 million square feet.

Hathaway Dinwiddie is a century-old firm that has built more than 50 major buildings in San Francisco comprising more than 25 million square feet of space, including the Transamerica building, the Bank of America building, Grace Cathedral and Davies Symphony Hall.

It has roughly 450 employees, 260 of them in San Francisco, and 2010 revenue of $405 million, putting it at No. 18 on the San Francisco Business Times’ list of largest private companies in the Bay Area.

Other major projects Hathaway Dinwiddie is currently working on include 50 United Nations Plaza, a renovation, seismic retrofit and interior redesign of 350,000 square feet; the 21-story, 350,000-square-foot second Centennial Tower in South San Francisco; and a 172,000-square-foot Center for Information Technology Research in the Interest of Society at UC Berkeley.

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Mission Bay Innovation Hub

Biotech game planner

San Francisco hires get-it-done exec Sally Ann Reiss to manage full-court press for the industry

Premium content from San Francisco Business Times - by Ron Leuty

Date: Friday, July 8, 2011, 3:00am PDT

Related:

Health Care, Technology

Sally Ann Reiss loves playing point guard.

From her involvement in the early days of television technology pioneer TiVo Inc. to leading efforts to raise millions of dollars for a Portola Valley community project, Reiss is all about turning game plans into victories. Now in her new job directing San Francisco’s biotech attraction and retention efforts, Reiss is hoping to build on the success of the city’s Mission Bay biotech enclave to score the economic development equivalent of a slam dunk.

The leadership role comes naturally to Reiss, on the court and off. At 5 feet, 8 inches, Reiss plays in a co-ed basketball league that includes many venture capitalists, played roundball at the University of Victoria in British Columbia and coaches a girls’ basketball team at Woodside Priory High School, where her team plays a full-court transitional game.

“If you’re walking, you’re off,” Reiss said.

That philosophy is at the heart of Reiss’ biotech game plan for San Francisco.

Getting ‘strategical’

A month after being named director of BioSF, Reiss had drawn up a four-point plan aimed at nurturing startups, attracting additional established life sciences players, finding space and people to help those companies grow, and building a biotech culture that will help them thrive.
"I'm a true believer that if you foster things without trying to control things, you can get a lot of goodwill and spirit around things," Reiss said.

Reiss' position was built on that premise. A collaboration of the City of San Francisco, the San Francisco Center for Economic Development and the California Institute for Quantitative Biosciences, or QB3, at the University of California, San Francisco, the BioSF program is funded by $200,000 in U.S. Small Business Administration money that is funneled through Humboldt State University to the state's nascent Innovation Hub program.

"If someone would have said, 'In this position we want you to do X, Y and Z,' that's boring," Reiss said. "But they called and said, 'We have a vision that San Francisco could be a center for life sciences and you could help us achieve that vision.'

"My best skill is hearing a group vision, taking it and managing it into tactical events," Reiss said, "and actually getting it done."

Reiss already is familiar to Mission Bay followers. She was chief operating officer at Omniox Inc., a startup at QB3's Garage incubator on UCSF's Mission Bay campus.

In developing her plan among those, Reiss talked to post-doctoral fellows at UCSF and executives, for example, at Bayer HealthCare and Nektar Therapeutics Inc. Those two recent arrivals in Mission Bay have moved close to 300 jobs to the city in less than a year.

In all, there are more than 70 life sciences companies in the city, most of them centered in and around Mission Bay. Those numbers could grow, however, as the Port of San Francisco and developer Forest City seek to entitle 2.5 million square feet at nearby Pier 70.

"This is a business plan," Reiss said, tapping a folder. "It's a startup business plan, with milestones and budgets and strategical plans."

Yes, that's "strategical" — Reiss' combination of a "strategy" and a "tactical" plan. But don't laugh, because she's executed similar plans before.

Making a difference

At TiVo in the late 1990s, for example, as she and co-founder Mike Ramsay would drive around, Ramsay would pour out his thoughts, then turn to Reiss and say, "Got all that? OK, go make it happen."

Ramsay didn't want to be bogged down with "operational stuff," Reiss said.

"He was the first person to give me an order to go out and do it," she said.
The difference with BioSF, she said, is that she no longer is leading a team but supporting one. That team includes startup biotech companies, international companies, real estate developers, UCSF and the city.

"It's a real team now, but we have a quarterback on the team," said Douglas Crawford, associate director of QB3.

Reiss' BioSF role is not at all dissimilar to an effort to transform an abandoned school into the 11 1/2-acre Portola Town Center. Interested initially in a better playground for her children, Reiss realized that earthquake issues were stalling development of anything on the property.

Reiss pulled together a group of people that created a community fund advisory group and raised $20 million for a campus that includes the Portola Valley library, community hall, playing fields and the town hall.

In the end, it's about team, Reiss said. "It's all personalities," she said. "Everybody has roles and works nicely together."

Sally Ann Reiss
Job: Director, BioSF. Business experience: Founding team member for entertainment technology company TiVo Inc.; helped raise $100 million for venture capital firm Proteus Ventures; was vice president of corporate communications for OpenTV; COO at Mission Bay biotech startup Omniox Inc.; on the board of Girl360, a Chicago-based interactive website for girls age 9-12; focused on airline fleet financing for the investment group of La Banque Indosuez in Japan. Personal file: Speaks fluent French and Japanese; organized efforts to raise $20 million for the Portola Valley Community Fund; worked for a member of the Australian Parliament, researching the international mobility of companies. Family: Husband, Peter Reiss, is an industrial organization economist and a director at Stanford University's Center for Entrepreneurial Studies. Two sons, 15 and 12, and a daughter, 10. Residence: Portola Valley. Education: Bachelor's degree from the University of Victoria in British Columbia. Hobbies: Basketball, tennis, camping, hiking.

Ron Leuty covers biotechnology for the San Francisco Business Times. rleuty@bizjournals.com / (415) 288-4939 / Twitter: rleuty biotech Read his blog postings at Bay Area BizTalk.
Redevelopment agencies key to SF communities

07/09/11 9:00 PM

The elimination of California’s redevelopment agencies will have a tremendous negative impact on under-resourced San Francisco communities such as Bayview-Hunters Point.

Renaissance Bayview, a program of Renaissance Entrepreneurship Center, has partnered with The City’s Redevelopment Agency to provide emerging and established entrepreneurs with critical small business support services. Bayview Renaissance manages the Third Street Corridor Program and neighborhood Marketplace Initiative while also staffing the Bayview Merchants Association.

Renaissance Bayview clients have opened 12 retail stores and restaurants on the Third Street commercial corridor, triggered more than 200 jobs and are launching businesses such as security and construction firms, caterers and hair salons.

Without the vital support of the redevelopment agencies, these vital entrepreneurship activities will be greatly reduced or eliminated.

Sharon Miller, Renaissance Entrepreneurship Center, San Francisco

Widespread placard abuse

Thank you for exposing the disabled placard abuse at the San Francisco Municipal Transportation Agency’s Fisherman’s Wharf bus lot. Such abuse, unfortunately, is citywide and even statewide. The real culprit is California’s Department of Motor Vehicles, which issues tens of thousands of placards and permanent disabled license plates without any internal checks and balances.

Anyone can get a doctor’s note stating they are “handicapped” for a variety of conditions that, as you say, are not obvious to onlookers seeing these individuals park. But now even truly handicapped individuals who have specially designed vehicles to transport their electric wheelchairs are now finding it difficult to find parking due to the proliferation of undeserved disabled placards.

If you suspect handicapped placard abuse, provide the license plate and handicapped placard number to the SFMTA Enforcement Division. They really will investigate.

B. L. Greenfield, San Francisco

URL: http://www.sfexaminer.com/opinion/letters-editor/2011/07/redevelopment-agencies-key-sf-communities
Hunters Point

Court gives Hunters Point redevelopment OK

San Francisco Business Times

Date: Tuesday, July 12, 2011, 6:54am PDT

A San Francisco judge has ruled that the environmental review for the massive redevelopment of the shuttered Hunters Point Naval Shipyard and nearby Candlestick Point was adequate in all but one regard, paving the way for work to begin on the project, the San Francisco Chronicle reports.

The only flaw found in the ruling was the early transfer of some parcels of the shipyard.

Developers had hoped to take control of two parcels before the Navy finished remediation. The ruling will delay their timetable.

Plans for the new neighborhood include more than 10,500 homes.

The project raised legal challenges from the Sierra Club and the Golden Gate Audubon Society, both of which settled their suits in January, and Power, a local activist organization, which has continued its fight.
Bulk of Hunters Point development plan upheld by judge

By: Dan Schreiber | Examiner Staff Writer | 07/12/11 1:00 PM

A plan to build more than 10,000 new homes in southeastern San Francisco is set to move forward — albeit in a somewhat delayed fashion — after a San Francisco Superior Court judge ruled Monday on a lawsuit arguing homebuilder Lennar Corp. failed to identify potential health impacts at the Hunters Point Shipyard site.

In a 37-page ruling, Judge Ernest Goldsmith sided with Lennar on upholding the adequacy of its environmental impact report in all but one regard — the early transfer of land from the U.S. Navy to the company for cleanup.

The shuttered naval base is listed as a highly toxic Superfund site by the U.S. Environmental Protection Agency and the activist groups POWER and Greenaction laid out their case based on the report’s failure to address the health risks.

Goldsmith ruled that the report includes measures to address the health risks as they become known, and that the federal remediation process must determine the site’s level of safety before the parcels are officially transferred to the company, which had planned to move or cap off the contamination on behalf of the Navy.

Both sides of the debate are claiming victory. Lennar noted in a statement that the project can move forward because the bulk of its report was upheld, despite contentions over the health risks and other issues like earthquake liquefaction. The activist groups are hailing the decision because the report will be modified to address the Navy’s role in the cleanup.

The lawsuit was the last of three holding up the second phase of the project. Initial construction on the first phase of the project is set to take place this month.

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AT&T upgrades its network in Bayview-Hunters Point

By: Mike Koozmin | Examiner Staff Writer | 07/12/11 6:14 PM

AT&T showed off a recent cell site upgrade to the network that serves the Bayview-Hunters Point area of San Francisco, and representatives said the neighborhood will benefit.

“People don’t just want to talk -- they want to connect,” said AT&T spokesman John Britton.

AT&T representatives said the upgrades would enhance mobile broadband coverage to the area.

“Clearly there is a tremendous demand for smartphones, so we are adding capacity. It’s like taking the Bay Bridge and adding another lane,” Britton said.

The cell site upgrade was added to an existing site within the past two months and is located on the 3000 block of Third street.

“An installation of this type takes approximately three weeks to install,” according to AT&T technician Andy Chang.

“Stealthing” antennas is something the provider does to help equipment blend into the landscape, explained Britton. In this case, the antennas were disguised as smokestacks.

According to a recent Public Policy Institute of America statewide survey, Californians and Information Technology, the use of cellphones to go online has increased across racial and ethnic groups. Today, 57 percent of blacks (31 percent in 2008), 43 percent of whites (18 percent in 2008), 41 percent of Asians (24 percent in 2008), and 32 percent of Latinos (16 percent in 2008) say they have accessed the Internet via cellphone.

Although Latinos are the group least likely to have a computer or Internet access at home, Latinos who use their cell phones to go online are twice as likely as whites (40 percent to 21 percent) to say that they mostly access the Internet this way.

"Californians are increasingly using their cellphones and a variety of other mobile devices to gather useful information throughout the course of their daily lives,” says Mark Baldassare,
PPIC president and CEO. "The growing use of cellphones for accessing the Internet is changing the way that Californians relate to work, and this trend also has promise for reducing the digital divide."

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Killing redevelopment will hurt Hunters Point

07/13/11 9:00 PM

The dismantling of California’s redevelopment agencies is yet another overreaction to the state budget woes. It will have dire consequences to future economic development for local municipalities. This is especially evident in San Francisco’s southeastern neighborhoods.

As chair of the Bayview-Hunters Point Project Area Committee, I have witnessed the positives of recent redevelopment. Now that it is Bayview-Hunters Point’s turn to be improved, the state wants to eliminate the economic instruments that have transformed other blighted communities in San Francisco.

True reform is needed, not elimination. The San Francisco Redevelopment Agency is one of the best managed and most successful of these agencies. Even Gov. Jerry Brown has alluded to this fact.

We need our elected representatives in Sacramento to come out and tell us how to save our disadvantaged communities.

Angelo P. King, San Francisco

BART protest was criminal

Your Tuesday cover story, “BART besieged,” prompted my anger against those who besieged the BART station.

The man on top of the train and all the other 75 or so lawbreakers should be brought up on all possible charges that the laws can inflict on these individuals who have caused unnecessary havoc. The commission that reviews all aspects of BART police activity should be involved.

These lawbreakers are just another reminder of why so many people in so many other places look at San Francisco as a silly city instead of the world-class city it was before our leaders lost sight of reality.

Cleaning up the mess this city has become is long overdue.

B.W. Haggard, San Francisco

Taxes are necessary

Your Monday editorial, “Legislature should ctrl+alt+delete Internet tax,” said, “State legislators should be finding ways to improve the business climate by reducing taxes, lowering regulations and letting the free market and entrepreneurial spirit ... thrive.”
Twitter effect spurs Mid-Market buys

New Urban pounces on urban ‘oasis’

Premium content from San Francisco Business Times - by J.K. Dineen

Date: Friday, July 1, 2011, 3:00am PDT

Related:

Commercial Real Estate

New Urban Properties is swooping into the Mid-Market with the $26 million purchase of 989 Market St., the latest example of the rush of capital and tenants coming into the neighborhood since the city lured Twitter there with a tax break.

The property New Urban acquired is one of the few Mid-Market buildings that is included in the enterprise zone the city created to keep micro-blogging company Twitter from leaving San Francisco. Companies in the enterprise zone with payrolls over $250,000 are exempt from the city’s 1.5 percent payroll tax on new hires.

New Urban paid approximately $235 per square foot for the 110,000-square-foot building in an off-market deal. The price is 20 percent higher than the building sold for in 2005, when it was bought by a Texas-based family partnership. New Urban Properties Principal David Skyhawk said they were drawn by three things: the enterprise zone, other redevelopment plans slated for Market Street between Fifth and Sixth streets and the immaculate condition of the building itself.

“From an improvement standpoint there is almost nothing to do,” said Skyhawk. “It’s totally renovated and it’s got the high-ceilinged creative space that everyone wants.”

The building has already attracted two major tech tenants since Twitter inked its deal in early April. ZenDesk Inc. took a floor in the building earlier this month, citing the tax break as a key incentive. Another social media company, Huddler.com, is reportedly in negotiations to take another full floor in the building.

“989 is one of the finest creative space renovations in the city — it’s an oasis on Market Street,” said Rob Dumas of Sansome Street Advisors, who represented the buyers in the building deal. “You can count on one hand the number of good 15,000- to 20,000-square-foot, full-floor creative space options in the city and 989 happens to be the only one in the Mid-Market tax incentive zone.”

Meanwhile, a number of property owners are looking to take advantage of the newfound interest in the long-slumping neighborhood. The brokerage Holliday Feneglio Folwer is listing for sale 10 United Nations Plaza, which is 100 percent occupied by the Art Institute of California's San Francisco campus. And the longtime owners of 995 Market St., a 97,578-square-foot building right next to the building New Urban Properties bought, recently put that building on the market. The Black Rock Arts Foundation, the nonprofit that runs Burning Man, recently signed a deal to move to move into 19,000 square feet at 995 Market St.

"The momentum we see is the direct result of the payroll tax incentive and the Twitter announcement, exactly what we want to see in the Central Market area," said San Francisco Mayor Edwin Lee. "Even more exciting is that the new real estate activity is not limited to the immediate area around Twitter's future headquarters at Ninth Street, but is trickling down to Sixth and Market," he said.

Skyhawk and partner Tom Owens already own 944 Market St., on the corner of Mason and Market, and have been carefully monitoring the march of progress down Market Street. Across Market Street from the building New Urban bought, the American Conservatory Theater is looking into building a new facility. Another group of buildings on the 900 block of Market, 935-965 Market St., has been approved for the 250,000-square-foot CityPlace retail development. That development has been held up somewhat by the fact that the equity partner on the development, Commonfund Realty, filed for bankruptcy.

"We are fervent believers that someday CityPlace will rise," said Owens.

New Urban's 989 Market St. has 16,000-square-foot floorplates that are well-suited to maturing social media companies outgrowing their 6,000- or 7,000-square-foot start-up space.

"We are seeing that as more social media companies become successful they are graduating from 40 to 80 employees," said Skyhawk. "If you are looking for 16,000 square feet in the South of Market, there is nothing available."

New Urban is becoming an active investor after a few quiet years. In December, New Urban paid over $10 million for the two buildings at 144-154 Second St. and 156-160 Second St. Between March 2006 and February 2008, the investment firm bought nine historic class B buildings, a burst of investment that included 166 Geary St., 171 Maiden Lane, 944 Market St., 625 Market St. and 580 Market St. From 1998 to 2007 the company invested $450 million in San Francisco and Silicon Valley.

J.K. Dineen covers real estate for the San Francisco Business Times. Contact him at jkdineen@bizjournals.com or (415) 288-4971. Read his blog postings at Bay Area BizTalk.
State reform strips redevelopment; agencies must shutter or pay billions

By: Niko Kyriakou | Examiner Staff Writer | 07/09/11 11:00 AM

Cities across San Mateo County are analyzing whether their redevelopment agencies can afford the annual payments mandated by new state laws or whether they will be forced to close.

Each city is handling things differently, but Foster City’s Redevelopment Agency looks sure to perish. Two new state laws order these agencies to surrender $1.7 billion in 2012, and $400 million each year after that. Cities are hoping these changes will be derailed by a planned lawsuit against the state, but if redevelopment agencies fail, they must surrender the funds starting in January.

"It's essentially holding a gun to the redevelopment agencies' head saying, 'We'll eliminate all of you, but if you want to give money to us voluntarily, you can stay in business,'" said Kathy Fairbanks, spokeswoman for the California Redevelopment Association.

Established in the 1970s, redevelopment agencies funnel property taxes into development projects in areas where private investors are reluctant to spend.

Foster City’s agency, which has financed major projects over three decades, including the 20-story Metro Center Tower, would owe $6.2 million next year and $1.5 million every year thereafter. But because it recently closed its largest redevelopment area, it only expects revenues of $825,000 next year, Finance Director Steve Toler said.

Yet the new legislation is indifferent to that, and bases payments on 2008 and 2009 property tax revenues — before the development zone closed, and when property tax revenues were much higher.

Although the agency expects to complete two ongoing projects — Miramar Apartments and Marlin Cover Shopping Center — it will have to give up on plans to develop a 15-acre site next to city hall, a big affordable housing development for seniors and upgrades to two aging shopping centers.

Other cities are less certain of their futures, although the pictures are rosier than in Foster City. In San Mateo, Community Development Director Lisa Grote said some downtown projects in the shoreline area might be canceled, while partly funded projects might not go through.
"We are assessing which projects we would need to defund to make that payment," Grote said. The state’s ruling would leave San Mateo’s agency with just $300,000 a year for nonhousing-related projects, she noted.

Redwood City Mayor Jeff Ira said the reforms could cut funding for downtown police patrols, which get redevelopment money.

“It puts everything in limbo,” Ira said.

If the agency is to survive, it may need infusions from the city’s reserves or budget amendments, the latter of which is “probably more likely,” Ira said.

Belmont Finance Director Thomas Fil noted that if redevelopment agencies cannot afford payments to the state, they may seek life support from their cities or other lenders.

In Millbrae, a number of planned redevelopment projects look likely to get the boot.

“There are long-term projects that we would appreciate the opportunity to use RDA funding to support,” City Attorney Joan Cafsman said. That particularly includes projects around Millbrae’s BART station, which she said are now on hold.

South San Francisco city manager Barry Nagel said that his city is “still analyzing impacts and options at this time.”

Law changes may force Belmont to pull plug on job-creation plans

Belmont officials say their efforts to develop a greater sense of community and create thousands of new jobs could be lost to changes to state law regarding city redevelopment agencies.

Shoreway Place Project — a 300,000-square-foot development along U.S. Highway 101 that was to include two hotels, an office building and a 1,200-spot parking garage — was supposed to create about 1,000 jobs, but that’s no longer certain. The city has a negotiating agreement with Bohannon Development, a company run by Scott Bohannon — the man who last week landed his Cessna on Interstate 280.

“There’s some glimmer of hope that the project will be able to proceed because we entered into it prior to June 29,” City Manager Greg Scoles said.

According to John Shirey, executive director of the California Redevelopment Agency, legislation permits redevelopment agencies to keep funding projects to which they are legally obligated. But the complicated process typical of developments such as Shoreway makes it unclear whether those obligations have been met.

Officials also hope that SunEdison’s pledge to open a 400- to 500-job solar plant in Belmont won’t be threatened. The project is slotted to receive “marginal investment from redevelopment,” Scoles said. Finance Director Thomas Fil said the Belmont Redevelopment Agency faces annual payments to the state that it cannot afford.

Fil said the agency, which earned $8.5 million last year, can afford its 2012 $2.3 million payment to the state, but not the subsequent annual payments of $500,000. So the city is considering options such as loaning money to the agency to keep it alive, he said.
Other threatened Belmont projects include:
- The Firehouse Square development, currently a vacant building on El Camino Real.
- Emmett’s Place, which occupies a block of El Camino Real.
- Belmont Station, near the railroad.
- A development at the corner of Hill Street and El Camino Real.

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Will California redevelopment emerge in a similar new form?

By Dan Walters | Special To The Examiner | 07/10/11 5:51 PM

Redevelopment, a powerful and controversial tool that has remade — for better or worse — California’s urban landscape for the past six decades, will soon die. Or will it?

Two pieces of last month’s state budget package abolish the 400 local redevelopment agencies on Oct. 1, but allow them to remain in business if they agree to give big chunks of their property tax revenues to schools, thereby reducing the state treasury’s educational burden.

Overall, state officials hope to gain $1.7 billion from the transfer during the 2011-12 fiscal year and about $400 million each year thereafter, plus inflation.

Gov. Jerry Brown and legislators adopted the historic change after years of Capitol machinations over the agencies’ shift from blight eradication and low-income housing into complex subsidies for hotels, retail complexes and auto dealerships.

The two bills also ended months of efforts by redevelopment agencies to buy their way out of political trouble. At the last moment, a bid by Assembly Speaker John A. Perez to exempt Los Angeles’ redevelopment agency from the death sentence failed.

A court battle over the abolition decree looms, but if it survives, most cities probably will continue redevelopment projects by paying tribute to the state. However, they’d have less money to spend and less flexibility in how they operate.

The changes also are sparking a search by politicians for substitute ways to finance local development projects.

One vehicle that looms large, it would appear, is the “infrastructure financing district,” which bears a resemblance to redevelopment, particularly with the changes now being contemplated in the Legislature.

Several legislators who voted to abolish the redevelopment agencies are carrying measures that would expand the scope of IFDs, including their ability to retain property taxes from private projects to repay debt that they incur.

San Francisco Assemblyman Tom Ammiano, for instance, wants to give his city broad new powers to use IFDs to develop Treasure Island, and make improvements to the San Francisco waterfront for the upcoming America’s Cup yacht race.

Assembly Bill 664, like several others of its ilk, would eliminate the long-standing requirement for voter approval to issue IFD bonds that would be repaid from retained property taxes — taxes that otherwise would go to schools and other local purposes.

“Why should the state general fund subsidize the America's Cup IFD bonds?” an analysis of AB 664 by the Senate Governance and Finance Committee asks. Why, indeed?

Dan Walters’ Sacramento Bee columns on state politics are syndicated by the Scripps Howard News Service.

San Francisco Redevelopment Agency tries to stay alive

By: Dan Schreiber | Examiner Staff Writer | 07/11/11 4:00 AM

From a distance, it looked as if Gov. Jerry Brown had been successful last month in making California redevelopment agencies a thing of the past. Redevelopment supporters decried the loss of projects they said couldn’t be done any other way, while opponents hailed the end to wasteful spending and public subsidies for wealthy developers.

But politics, it turns out, is never that simple.

San Francisco’s is just one such local agency that plans to continue operating, despite Brown’s signature on two Assembly bills — one to kill redevelopment agencies outright and another that allows them to exist if they make payments toward state-funded services, mainly schools.

First, The City’s Redevelopment Agency needs approval from the Board of Supervisors by Nov. 1 to allow the release of $24 million to comply with the survival option. It remains to be seen how much of that money would come out of the agency’s budget and how much city leaders would contribute from the strained general fund. Until that is known, the agency is in limbo.

James Morales, general counsel for the agency, said it is pursuing an “aggressive course” to keep redevelopment alive in San Francisco. The agency plans to work with supervisors to craft legislation to keep the agency afloat, he said. In the meantime, the agency will not approve new activities or new contracts unless the action is required under an existing agreement.

The state paved the way for creation of redevelopment agencies in 1945 to combat urban decay by stimulating investment in blighted areas through public borrowing against the prospect of future tax revenue. Critics of the agencies have pointed to clear abuses of public funds statewide, with anecdotes such as an agency that considered a golf course “blighted” and then used redevelopment funds to pursue improvements.

The San Francisco Redevelopment Agency claims the revamp of Mission Bay as one of its biggest success stories, but it has faced criticism in the past for population displacements and gentrification, especially in the Fillmore area.

Fred Blackwell, executive director of San Francisco’s agency, told The San Francisco Examiner last month that the new state requirements could hamper big projects such as the new

Transbay Transit Center and the second phase of a massive residential development at Hunters Point.

While the local agency works with supervisors on legislation it needs to survive here, the California Redevelopment Association is planning to file a lawsuit in the state Supreme Court challenging the recent state legislation on grounds that it violates voter-approved Proposition 22, which restricts the state's ability to draw money from local coffers.

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**Going forward alone**

*If the state's redevelopment agencies want to continue operating, they will have to make payment toward state-funded services, such as schools. Estimated first-year payments to save $1.7 billion in the state budget:*

- Los Angeles: $97.3 million
- San Diego: $69.8 million
- San Jose: $47.6 million
- Oakland: $39.7 million
- Long Beach: $34.1 million
- Fontana: $32.6 million
- Riverside: $31.7 million
- Rancho Cucamonga: $27.1 million
- Santa Monica: $27 million
- San Francisco: $24.6 million

*Source: California Redevelopment Association*