RESOLUTION NO. 179-2000
Adopted September 26, 2000

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN OWNER
PARTICIPATION/DISPOSITION AND DEVELOPMENT AGREEMENT AND
RELATED DOCUMENTS WITH EMPORIUM DEVELOPMENT, L.L.C., A
CALIFORNIA LIMITED LIABILITY COMPANY CONTROLLED BY FOREST CITY
DEVELOPMENT CALIFORNIA, INC. FOR THE DEVELOPMENT OF A MIXED USE
COMMERICAL DEVELOPMENT PROJECT IN THE EMPORIUM SITE AREA,
SUBJECT TO THE FINAL ADOPTION OF THE PROPOSED AMENDMENT
TO THE YERBA BUENA CENTER REDEVELOPMENT PLAN;
YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA D-1

BASIS FOR RESOLUTION

1. By Resolution No. 145-2000, dated August 15, 2000, the Agency approved a proposed
amendment to the Yerba Buena Center Redevelopment Plan ("Plan Amendment") adding
new territory to the Yerba Buena Center Approved Redevelopment Project Area D-1 and
authorized staff to transmit the Plan Amendment to the Planning Commission of the City
and County of San Francisco for its recommendation and for a finding of consistency
with the General Plan of the City and County of San Francisco (the "City"). The
Resolution also authorized staff to transmit the Plan Amendment to the Board of
Supervisors of the City and County of San Francisco (the "Board of Supervisors") and
recommend that the Board of Supervisors adopt the Plan Amendment.

2. The Plan Amendment would facilitate the development by Emporium Development,
L.L.C., a California limited liability company controlled by Forest City Development
California, Inc. (the "Developer") of a mixed use commercial project on Assessor Block
3705, Lots 10, 12, 13, 14, 15, 17, 18, 33, 38 and 43 and a portion of Jessie Street located
between 4th and 5th Streets (the "Project Site").

3. Agency staff, together with City staff, has negotiated an Owner Participation/ Disposition
and Development Agreement (the "OP/DDA") and related documents with the
Developer, in anticipation of the adoption of the Plan Amendment.

4. The proposed OP/DDA permits the development and construction of a 1.6 million square
foot mixed-use commercial project at the Project Site that would include a new
department store, other retail uses, restaurant and entertainment uses (including a multi-
plex cinema), office space, a luxury hotel (including interval suites) and possibly
residential uses (the "Project"). Many of the historic features of the Emporium Building
would be retained, restored and rehabilitated.

5. In addition, the OP/DDA would convey a portion of Jessie Street located between 4th and
5th Street to the Developer (the "Jessie St. Parcel"), following the Agency’s acquisition of
the Jessie St. Parcel from the City. The City proposes to vacate the Jessie St. Parcel and convey the parcel to the Agency pursuant to the Agreement for the Sale and Exchange of Real Property (the “Jessie St. Conveyance Agreement). By Resolution No. 147-2000, dated August 15, 2000, the Agency has approved the acquisition of the Jessie St. Parcel from the City.

6. The OP/DDA also permits the Agency to make a contribution of tax increment funds up to $27,000,000 (in net present value as determined pursuant to the Financing Agreement) for certain improvements in the Project. The contribution and participation in certain net proceeds generated by the Project and the terms and conditions are set forth in the Financing Agreement, which the Agency has approved by Resolution No. 147-2000, dated August 15, 2000.

7. Concurrently, the Agency is considering the approval of an Owner Participation Agreement with the property owner, Bloomingdale’s Inc., an Ohio corporation, (the “Owner”) in which, among other things, the Owner consents to this OP/DDA and related documents.

8. By Resolution No. 1A-2000, dated January 13, 2000, the Commission, certified the Final Environmental Impact Report for the proposed Plan Amendment and Project (“FSEIR”) as accurate, adequate and objective and in compliance with the California Environmental Quality Act (“CEQA”) and the CEQA Guidelines, a copy of which is on file in the office of the Agency Secretary.

9. An Addendum to the FSEIR dated June 8, 2000 has been prepared by the Planning Department (“Department”) for minor revisions to the FSEIR Project Description and the Project, and has been submitted to the Agency for its review.

10. The Department analyzed additional minor revisions to the Project that were made after publication of the Addendum and concluded that the Project as revised was consistent with the Addendum and did not alter the conclusions therein. The Department communicated the analysis and findings to the Agency.

11. The Project and Environmental Impact Report files and the Addendum have been made available for review by the Agency Commission and the public, and these files are part of the record before the Commission.


**FINDINGS**

The Agency has considered the environmental effects of the Project development program and hereby finds and determines that:

1. The OP/DDA is a project as defined by the California Environmental Quality Act, Section 21065(c).
2. All such environmental effects of the Project have been considered and analyzed in the FSEIR and the Addendum and that, pursuant to Sections 21090 and 21166 of the Public Resources Code, no further environmental review is required.

3. The findings adopted by the Agency with respect to the FSEIR by Resolution No. 143-2000 are incorporated herein by this reference as required by CEQA.

RESOLUTION

ACCORDINGLY, IT IS HEREBY RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute the Owner Participation/Disposition and Development Agreement and related documents with Emporium Development, L.L.C., a California limited liability company controlled by Forest City Development California, Inc. in connection with a mixed use commercial development project in the Emporium Site Area, all substantially in the form(s) which have been lodged with Agency General Counsel, subject to adoption by the Board of Supervisors of the City and County of San Francisco of the Amendment to the Yerba Buena Center Redevelopment Plan.

APPROVED AS TO FORM:

[Signature]
Bertha A. Ontiveros
Agency General Counsel