RESOLUTION NO. 83-2001
Adopted May 22, 2001

EXPRESSING THE REDEVELOPMENT AGENCY’S SUPPORT OF A PROPOSED AMENDMENT TO CITY PLANNING CODE SECTION 128 AND TO A RELATED GENERAL PLAN PROVISION TO ENABLE THE USE OF TRANSFERABLE DEVELOPMENT RIGHTS ORIGINATING FROM A TRANSFER LOT IN THE YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA LOCATED IN A C-3-R OR C-3-O (SD) DISTRICT FOR USE ON A DEVELOPMENT LOT IN A C-3-O DISTRICT; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. Section 128 of the Planning Code of the City and County of San Francisco (“City Planning Code”) authorizes the creation of transferable development rights consisting of unused gross floor area development potential (“TDR”) if a Statement of Eligibility is issued for a property in a C-3 zoning district (“District”) located in the Downtown Plan area if such property contains a building designated as a Landmark pursuant to Article 10 of the City Planning Code, or as a Significant Building, Contributory Building or Category V Building pursuant to Article 11 of the City Planning Code (hereafter jointly “Historic Site”).

2. City Planning Code Section 128 provides that the owner of a C-3 District Historic Site for which a Statement of Eligibility has been approved (“Transfer Lot”) may thereafter transfer TDR for use in the development of another C-3 District property (“Development Lot”) in the following instances:

   (a) if the Transfer Lot and Development Lot are in the same C-3 District, or

   (b) if the Transfer Lot is in a C-3-O or C-3-R District and the Development Lot is in a C-3-O (SD) District, or

   (c) if the Transfer Lot is in an Extended Preservation District, or a C-3-G District or C-3-S District and the Development Lot is in the C-3-O (SD) District.

3. There are several Historic Sites and historic buildings in the Yerba Buena Center (“YBC”) Redevelopment Project Area, at least one Historic Site in the Rincon Point-South Beach (“RP-SB”) Redevelopment Project Area, some of which may be eligible for certification as Transfer Lots. The Redevelopment Agency Commission has concurrently adopted a resolution approving a Redevelopment Agency TDR Policy which determines that City Planning Code Section 128 is applicable to YBC and RP-SB Historic Sites in a
C-3 District and authorizes the Executive Director of the Redevelopment Agency to concur in a Statement of Eligibility as to any such Historic Site if the Redevelopment Agency Commission finds that the proposed transfer of TDR will promote the goals and objectives of the applicable Redevelopment Plan and enable the preservation, enhancement or maintenance of a historic building. The Redevelopment Agency TDR Policy does not apply to the historic Emporium Building because the Board of Supervisors has disqualified the Emporium Site Area as a potential Transfer Lot or as a recipient of TDR.

4. There are three properties in the YBC Redevelopment Project Area proposed for issuance of a Statement of Eligibility pursuant to the Redevelopment Agency TDR Policy and City Planning Code Section 128. These YBC properties are:

(a) the St. Patrick’s Church, a Landmark located at 756 Mission Street between Third and Fourth Streets [Assessor’s Block 3706, Lot 68] in a C-3-R District, owned by The Roman Catholic Archbishop of San Francisco, a corporation sole (“Church Owner”), which has previously executed an Amended Owner Participation Agreement (“OPA”) with the Redevelopment Agency on July 14, 1987, as subsequently amended;

(b) the Jessie Street Substation, a Landmark located between Third and Fourth Streets east of the vacated Jessie Street and west of Mission Street [Assessors Block 3706, and a portion of Lot 112] in a C-3-R District, a Redevelopment Agency owned property that will be conveyed to The Jewish Museum San Francisco, a California non-profit public benefit corporation (“Jewish Museum”) pursuant to the terms of a Disposition and Development Agreement executed with the Redevelopment Agency on November 14, 1995, as subsequently amended; and

(c) the Planters Hotel, located on the northwest corner of Third and Folsom Streets [Assessor’s Block 3735, Lot 8] in a C-3-O (SD) District, acquired by the Ronald H. and Barbara Kaufman Revocable Trust subject to the terms of an Agreement for Disposition of Land and Improvements for Private Rehabilitation (“LDA”) with Ronald H. Kaufman on August 1, 1980, as subsequently amended.

Pursuant to the Redevelopment Agency TDR Policy, the Redevelopment Agency Commission is considering the concurrent adoption of resolutions that authorize the adoption of amended agreements concerning TDR transfers concerning the St. Patrick’s Church, Jessie Street Substation and the Planters Hotel, including the donation of TDR from the Planters Hotel property to the Jewish Museum to fund the adaptive reuse of the Jessie Street Substation.

5. The Redevelopment Agency is also concurrently considering the adoption of resolutions which amend the development program and schedule for completion of the following improvements to the Jessie Square area, located on YBC Central Block One (“CB-1”) between Third and Fourth Streets and Mission and Market Streets, in a
coordinated manner: the construction of an underground parking garage beneath Jessie Square, the adaptive reuse of the Jessie Street Substation as a museum facility by the Jewish Museum, that includes the seismic reinforcement of the south wall of the Jessie Street Substation; construction of an additional museum facility by The Mexican Museum, a California non-profit public benefit corporation ("Mexican Museum"), the installation of exterior and interior lighting on the St. Patrick’s Church site, and the completion of plaza improvements to Jessie Square. Upon completion, these improvements will result in an enhanced Jessie Square area, which will complement the adjoining St. Patrick’s Church site, result in the addition of two new cultural facilities, specifically the proposed Jewish Museum and Mexican Museum facilities and promote the goals and objectives of the YBC Redevelopment Plan.

6. Some of these improvements will be financed or made possible by income or other benefits that will result from the TDR transfers proposed for the following Historic Sites: the St. Patrick’s Church, the Jessie Street Substation and the Planters Hotel. These TDR transfers and their uses are specified in the following agreements pertaining to the coordinated development of the Jessie Square area:

(a) The Third Amendment to the DDA with CB-1 Entertainment Partners LP, an affiliate of Millennium Development Partners (jointly “Millennium”) revises the development program and schedule and requires the coordinated development of an underground parking garage beneath Jessie Square together with the construction of the substructure and superstructure of a museum building for the Mexican Museum, the construction of the structural foundations and structural reinforcement of the south façade of the Jessie Street Substation for the benefit of the Jewish Museum, and construction of the improvements to Jessie Square, which will be accessible to and benefit the public. Millennium’s costs of constructing the adaptive reuse design of the Jessie Street Substation will be compensated in part by the ability to purchase and utilize TDR from the Jessie Street Substation and Planters Hotel properties on a Development Lot in a C-3-R District.

(b) The Second Amendment to the OPA with the Church Owner provides for the Church Owner’s ability to sell TDR consisting of no more than 186,995 square feet of TDR units to a developer for use on a C-3-R-zoned property located outside the YBC Redevelopment Project Area, and provides for the TDR income to be used to retire the Church Owner’s seismic reinforcement debt, to maintain and improve the St. Patrick’s Church, to install and provide lighting for the front and easterly façade of the St. Patrick’s Church and provide interior illumination of the stained-glass windows along the Church’s east side during evening hours. In addition, the Church Owner will provide access, maintenance and other easements necessary for the construction and operation of the parking garage that Millennium will construct beneath Jessie Square.
The Fifth Amendment to the DDA with the Jewish Museum revises the development program and schedule for the adaptive reuse of the Jessie Street Substation as a museum facility and the seismic support for the south wall of the Substation, to be carried out by a Millennium affiliate. Upon completion of the adaptive reuse proposal, the substation will be conveyed to the Jewish Museum as the CB-1-JM Parcel. The Fifth Amendment also provides for the following TDR transfers to the Jewish Museum: (i) TDR from the Substation site in the amount of approximately 136,800 units valued at $3,420,000 (136,800 gross square feet x $25), (ii) TDR will be donated by the Planters Hotel owner in the amount of approximately 19,200 units valued at $480,000 (19,200 gross square feet x $25). The Jewish Museum agrees to sell these TDR to Millennium or an affiliate to defray the costs pertaining to the adaptive reuse of the Jessie Street Substation and the seismic reinforcement of the historic south wall.

The Second Amendment to the LDA the owner of the Planters Hotel ("Planters Hotel Owner"), provides for the donation of the Planters Hotel TDR with a value of $480,000 (19,200 gross square feet x $25) to the Jewish Museum on the condition that the proceeds from the sale of such TDRS to Millennium or its affiliate shall be used by the Jewish Museum to fund the adaptive reuse of the Jessie Street Substation. The Planters Hotel Owner has previously completed the rehabilitation of the Planters Hotel in a manner that complements its historic architectural character.

7. The resolutions approving such amended agreements authorize the Executive Director to concur in the issuance of a Statement of Eligibility for the St. Patrick’s Church, the Jessie Street Substation and Planters Hotel sites based on findings that the issuance of a Statement of Eligibility for each such site is appropriate because the issuance of a Statement of Eligibility and the proposed TDR transfers will promote the goals of the YBC Redevelopment Plan and enable the preservation and maintenance of the Landmark Jessie Street Substation and the Landmark St. Patrick’s Church.

8. The St. Patrick’s Church TDR, the Jessie Street Substation TDR and the Planters Hotel TDR are proposed for use on the following Development Lots:

(a) The St. Patrick’s Church owner proposes to transfer the TDR available for the St. Patrick’s Church site for use on a Development Lot located outside of the YBC Redevelopment Project Area at 22 Fourth Street in a C-3-R District.

(b) The Jessie Street Substation TDR and the Planters Hotel TDR are proposed for transfer to Millennium or its affiliate for use on a Development Lot in a C-3-O District ("MDP Development Lot").

9. City Planning Code Section 128 does not currently permit the transfer of the TDR from the Jessie Street Substation and the Planters Hotel Site to a site in a C-3-0 District.
and it may also be appropriate to amend the General Plan to clarify the Downtown Plan provisions which pertain to the application of Planning Code Section 128 to such proposed TDR transfers.

10. If the proposed Planning Code amendment and any necessary General Plan amendment are not adopted, some or all of the Jessie Street Substation TDR and Planters Hotel TDR will not be transferred to Millennium because such TDR cannot be used on the proposed MDP Development Lot and it will be necessary to find another source of funds for the implementation of the adaptive reuse proposal for the Jessie Street Substation. In addition, Millennium’s inability to utilize such TDR may result in the delay of the planned improvements to the Jessie Square area or make certain of these improvements economically infeasible if substitute funds are unavailable. If the Planning Code Amendment is adopted, the Planters Hotel TDR and the Jessie Street Substation will be donated to the Jewish Museum and sold to Millennium to defray the costs of the adaptive reuse proposal for the Jessie Street Substation. The adoption of the proposed Planning Code Amendment will also contribute to and enable the integrated development of the proposed parking garage, the Jessie Square area, the adaptive reuse of the Jessie Street Substation and the realization of two new museum facilities to be operated by the Jewish Museum and Mexican Museum.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency Commission of the City and County of San Francisco (Redevelopment Agency Commission) as follows:

1. This resolution shall take effect upon the Redevelopment Agency Commission’s adoption of the resolutions approving the following:

(a) the Redevelopment Agency TDR Policy,

(b) the Third Amendment to the Agreement for Disposition of Land for Private Development Agreement with L-O SOMA Holding Inc., a Delaware corporation;

(c) the Third Amendment to the Disposition and Development Agreement with CB-1 Entertainment Partners LP, a California limited partnership;

(d) the Second Amendment to the Agreement for Disposition of Land and Improvements for Private Development with the Ronald H. and Barbara Kaufman Revocable Trust,

(e) the Sixth Amendment to the Disposition and Development Agreement with The Jewish Museum San Francisco, a California non-profit public benefit corporation;
(f) the Fifth Amendment to the Disposition and Development Agreement with The Mexican Museum, a California non-profit public benefit corporation; and

(g) the Second Amendment to the Owner Participation Agreement with the Roman Catholic Church Archbishop of San Francisco, a California corporation sole.

2. The Redevelopment Agency Commission supports an amendment to City Planning Code Section 128 and any related amendment to the General Plan necessary to enable the transfer of TDR from a Transfer Lot located in the YBC Project Area in a C-3-R or C-3-O (SD) District to a Development Lot located in a C-3-O District (jointly “Planning Code Section 128 Amendment).

3. The Executive Director shall provide notice of this resolution to the Landmarks Preservation Advisory Board, the City Planning Commission and the Board of Supervisors and take any further action, which the Executive Director deems necessary and appropriate to implement this resolution.

4. If adopted by the Board of Supervisors, the Planning Code Section 128 Amendment will be deemed incorporated into the Redevelopment Agency TDR Policy on and after the effective date of such Planning Code Section 128 Amendment.

APPROVED AS TO FORM:

[Signature]
Bertha A. O'Niveros
Agency General Counsel