RESOLUTION NO. 173-2001

On a roll call vote, failed with 3 NOES and 3 Ayes
(October 2, 2001)

AUTHORIZING EXCLUSIVE NEGOTIATIONS WITH GP/TODCO-A, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DISPOSITION AND DEVELOPMENT OF THE PLAZA HOTEL, LOCATED AT 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., the “Law”), the Redevelopment Agency of the City and County of San Francisco (the “Agency”) undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the “City”).

2. On June 11, 1990, by Ordinance 234-90, the Board of Supervisors for the City adopted the South of Market Earthquake Recovery Redevelopment Plan (the “Plan”) which lists as one activity, “the rehabilitation, development or construction of low and moderate income housing within the Project Area and/or the City and County, or other housing within the Project Area”.

3. In furtherance of the objectives of the Plan, the Agency has acquired real property located at 988-992 Howard Street, San Francisco, California (the “Site”), with the intent of redeveloping it as affordable housing with ground floor commercial space.

4. The Agency issued a Request for Proposals (the “RFP”) for the Site on March 29, 2001, seeking developers capable of developing and operating an affordable rental development for very low income households, which maximizes the building envelope for affordable rental housing units and related community and commercial space (the “Project”). A summary of the RFP was provided to the Commission in an informational memorandum dated March 27, 2001.

5. In response to the RFP, the Agency received one Statement of Qualification (the “SOQ”) which was submitted by GP/TODCO-A, Inc. ("TODCO. TODCO’s SOQ has been evaluated by staff, and it has been determined that it is complete and meets the RFP minimum qualifications standards. For this reason staff has recommended that the Commission authorize exclusive negotiations with TODCO.

6. The South of Market Project Area Committee reviewed TODCO’s SOQ, and at its meeting of September 17, 2001 passed a motion endorsing exclusive negotiations.
7. During the exclusive negotiations period, TODCO must meet a series of milestones leading to the execution of an Interim Lease and Development Agreement for consideration by the Commission.

8. The Agency now wishes to enter into an Exclusive Negotiations Agreement with TODCO for disposition and development of the Site.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco, that the Executive Director is authorized to negotiate and execute an Exclusive Negotiations Agreement with GP/TODCO-A, a California nonprofit public benefit corporation, for the disposition and development of the Plaza Hotel located at 988-992 Howard Street. The Executive Director is further authorized to extend the exclusive negotiations period for three (3) additional 30-day periods, and to adjust the timing for delivery of milestones therein, so long as they are accomplished by July 16, 2002.

APPROVED AS TO FORM:

[Signature]
Bertha A. Ontiveros
Agency General Counsel