

## **RESOLUTION NO. 48-2002**

**Adopted March 12, 2002**

### **AUTHORIZING A THIRD AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH SF MUSEUM TOWER LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO EXTEND THE PERFORMANCE SCHEDULE AND REVISE OTHER REQUIREMENTS FOR DEVELOPMENT OF PARCEL EB-2A, LOCATED AT THE SOUTHEAST CORNER OF THIRD AND MISSION STREETS; YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA**

#### **BASIS FOR RESOLUTION**

1. On May 25, 1999, by Resolution No. 62-99, the Redevelopment Agency of the City and County of San Francisco ("Agency") authorized the execution of a Disposition and Development Agreement ("DDA") with CC California LLC, a Massachusetts limited liability company ("Carpenter"), formed by Carpenter & Company Inc., a Massachusetts corporation, that established terms and conditions for the sale by the Agency and development by Carpenter of a mixed-use project on Agency Disposition Parcel EB-2A ("Site"), located at the southeast corner of Third and Mission Streets in the Yerba Buena Center Approved Redevelopment Project Area.
2. On January 13, 2000, by Resolution No. 2-2000, the Agency authorized a First Amendment to the DDA, which provides for an approval of an Assignment and Transfer of the DDA by Carpenter to SF Museum Tower LLC, a Delaware limited liability company (the "Developer").
3. The Developer began construction of the required improvements on the Site ("Improvements") shortly after the Agency transferred title to the Site to the Developer by Grant Deed recorded on November 17, 2000, in the Office of the Recorder of the City and County of San Francisco.
4. On August 28, 2001, by Resolution No. 157-2001, the Agency authorized a Second Amendment to the DDA, which approved the Developer's revised development program, and increased the term of the Cultural Component lease-back to the Agency from a maximum of 40 years to a 99-year term in exchange for the Agency's agreement to provide financial support in the total amount of \$2,000,000 towards the Core and Shell space of the African American Museum, the contemplated end-user of the Cultural Component.
5. On September 25, 2001, the Agency adopted Resolution No. 168-2001, which establishes a Minimum Compensation Policy and a Health Care Accountability Policy that require Agency contractors as well as developers of projects in which the Agency has a proprietary interest to comply with minimum compensation and health care benefit requirements in the payment of employees.

6. In January 2002, the Developer requested a Third Amendment to the DDA to extend the time for completion of the Improvements from November 22, 2003 to a date no later than September 1, 2004.

7. The Agency has determined that the approval of the requested Third Amendment is subject to the requirements of the stated Minimum Compensation Policy and the Health Care Accountability Policy because the Agency has a proprietary interest in the Site and the Improvements to be developed by Developer thereon.

8. The Agency is willing to authorize Developer's completion of the Improvements by September, 2004 instead of November 22, 2003, if the Developer meets certain key public policy objectives of the City and County of San Francisco, including 1) compensation for any revenues lost to the City because of the slowdown and timely payment of related public benefits, 2) continued significant workforce employment on the Site, 3) substantial and measurable progress toward completion of construction, and 4) advancement of all aspects of the Cultural Component requirements to be leased to the African American Museum after the Developer's completion of its Core and Shell.

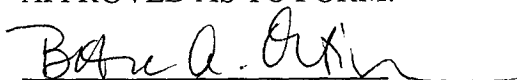
9. The Developer has agreed to meet the Agency's public policy objectives; these include payments in-lieu of taxes and payment of the GMOS and Child Care payments required by the DDA, based on the assumption that all Improvements will be completed by the current November 22, 2003 deadline. In addition, the Developer has agreed to maintain construction workforce efforts at a rate at least one-half of the historical rate spent to date, to resume full construction of the Improvements no later than December 22, 2002, to complete the Shell and Core of the Cultural Component by December 2003, including Developer provision of additional improvements totaling approximately \$650,000 in value for the Cultural Component and to complete all Improvements by September 1, 2004.

10. The Agency and Developer desire to further amend the DDA.

## RESOLUTION

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco, that the Executive Director is hereby authorized to enter into and execute the Third Amendment to the Disposition and Development Agreement with SF Museum Tower LLC, a Delaware limited liability company, establishing the terms and conditions for modification of the schedule for completion of the development of Parcel EB-2A, located at the southeast corner of Third and Mission Streets, in substantially the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:



Bertha A. Ontiveros,  
Agency General Counsel