

RESOLUTION NO. 153-2002

No Commission Action 9/10/2002

AUTHORIZING EXCLUSIVE NEGOTIATIONS WITH CITY-CORE/ JOHNSON FILLMORE PARTNERS, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DISPOSITION AND DEVELOPMENT OF PARCEL 732-A, LOCATED AT THE NORTHEAST CORNER OF FILLMORE AND EDDY STREETS; WESTERN ADDITION, AREA A-2 REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") offered Parcel 732-A, a 52,940 square feet parcel of land located at the northeast corner of Fillmore and Eddy Streets ("Parcel"), by issuing a Request for Proposals ("RFP") dated October 26, 2001, for development of the Parcel as a destination entertainment mixed-use development that might serve as a catalyst for the Fillmore Jazz Preservation District (the "District") in the Western Addition, Area A-2 Redevelopment Project Area ("Project Area").

2. The District was designated by the Agency Commission as an area in the Project Area on which to focus Agency resources to spur economic revitalization through the reestablishment of a vibrant commercial district that reflects the historical and cultural heritage of the area, generates job opportunities for neighborhood residents, and increases the market for existing District businesses and tax revenues to the City.

3. The Agency received two proposals in response to the RFP before the offering closed on March 25, 2002.

4. After analysis and evaluation of each proposal by staff and the Agency's consultant, Bay Area Economics, taking into consideration all aspects of each proposal and the qualifications of each proposed developer, the Commission selected City-Core/Johnson Fillmore Partners, a California limited liability company, ("Developer") to enter into exclusive negotiations ("Exclusive Negotiations") with the Agency for the eventual development of the Parcel.

5. It is appropriate that the Commission expressly authorize Exclusive Negotiations in an Agency Resolution. The eventual disposition of the Parcel will be subject to the approval of the Agency Commission after a public hearing, as required by law.

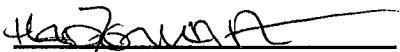
RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco, that the Executive Director is authorized to enter into exclusive negotiations with City-Core/Johnson Fillmore Partners, a California limited liability company, for the disposition and development of Parcel 732-A, located at the northeast corner of Fillmore and Eddy Streets in the Western Addition, Area A-2 Redevelopment Project Area, on the following terms and conditions:

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco, that the Executive Director is authorized to enter into exclusive negotiations with City-Core/Johnson Fillmore Partners, a California limited liability company, for the disposition and development of Parcel 732-A, located at the northeast corner of Fillmore and Eddy Streets in the Western Addition, Area A-2 Redevelopment Project Area, subject to the terms and conditions attached to this Resolution.

APPROVED AS TO FORM:


Bertha A. Ontiveros
Agency General Counsel

TERMS AND CONDITIONS FOR EXCLUSIVE NEGOTIATIONS WITH CITY-CORE/JOHNSON FILLMORE PARTNERS, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DISPOSITION AND DEVELOPMENT OF PARCEL 732-A

1. Acceptance. In order to initiate Exclusive Negotiations, City-Core/Johnson Fillmore Partners, a California Limited Liability Company, ("Developer") must provide its written acceptance of the terms and conditions by executing a copy of this Terms and Conditions form and filing it with the Agency no later than five (5) business days after the date the Commission adopts this Resolution. Developer's written acceptance shall constitute Developer's acknowledgement that its Offer to Negotiate Payment in the amount of \$20,000 will become non-refundable.

2. Benchmarks Defined. Developer acknowledges that its timely attainment of each of the following benchmarks (each, a "Benchmark") is a condition to continued Exclusive Negotiations leading to a Development and Disposition Agreement ("DDA"): (a) Commission approval of Basic Concept Design drawings ("BCDs"); (b) Commission approval of schematic drawings; and (c) Commission approval of a DDA. Developer further acknowledges that its failure to provide information or documents required for Commission approval of each Benchmark or to obtain Commission approval by the dates set forth below will cause termination of Exclusive Negotiations automatically, without further Commission action.

3. First Benchmark – Basic Concept Design. Developer must obtain Commission approval of BCDs no later than December 11, 2002. As a condition precedent to the Commission's consideration of Developer's BCDs, Developer must submit to the Agency for review and approval a modified proposal no later than November 8, 2002. Any extension of time granted to Developer for a required submittal will be cause for continuing Commission consideration of the BCDs for a period consistent with the extension granted to Developer. The modified proposal must include the following:

- (a) a revised development program and basic concept design showing at 1/8 inch scale: the floor areas, elevations and sections of its proposed building(s) clearly indicating proposed development density, all of which must meet the land use requirements under the Project Area Redevelopment Plan and conform to one of the development prototypes attached hereto (or be demonstrated to be financially feasible by a detailed, independent financial analysis), together with estimated development costs for each separate project element and estimated total development project cost, a proposed development schedule, a 10-year operating pro forma for each element of the proposal listing the underlying assumptions for each pro forma including the form of site transfer/control, projected rental rates or sales prices for each element of the proposal, and sources and uses of funds that are identified, balanced and fully supported, incorporating current market conditions for a financially feasible development and requiring no subsidy from the Agency for residential, office or museum uses;

- (b) a parking feasibility study demonstrating that proposed parking is feasible, including estimated parking demand and projected revenues together with an analysis of foot traffic generated by commercial and residential uses on a 7-day, 24-hour basis; and
- (c) a plan to identify all consultants other than the design team that is consistent with the Agency's procurement and contracting policies.

5. Second Benchmark – Schematic Drawings. Developer must obtain Commission approval of its schematic drawings no later than March 26, 2003. As a condition precedent to the Commission's consideration of Developer's schematic drawings, Developer must submit the schematic drawings, together with the information and documents listed below, to the Agency for review no later than February 12, 2003. Any extension of time granted to Developer for a required submittal will be cause for continuing Commission consideration of the BCDs for a period consistent with the extension granted to Developer. The required submittals for approval are:

- (a) schematic drawings;
- (b) commitments or allocations from all public and private sources of construction and operating financing, including private lenders, investors, agencies providing bond or other forms of public;
- (c) letters of intent to execute leases by a date certain from identified prospective tenants; and
- (d) a proposal for a ground lease structure providing the Agency with a continued proprietary and ownership interest in the Parcel.

6. Third Benchmark – DDA. Developer must obtain Commission approval of a Development and Disposition Agreement ("DDA") incorporating Developer's agreement to comply with all Agency policies and procedures and any other conditions imposed by the Commission in the course of Exclusive Negotiations no later than May 14, 2003. As a condition precedent to the Commission's consideration of the DDA, Developer must deliver four (4) executed originals of the DDA to the Agency no later than April 23, 2003.

7. Termination. Developer's failure to meet any of the Benchmarks or to make the submittals required for each Benchmark on or before the dates set forth above, will cause the early termination of Exclusive Negotiations without further Commission action, unless the date is previously extended by the Executive Director in writing. In any event, Exclusive Negotiations shall terminate at 5:00 p.m. on May 14, 2003, unless the date is previously extended by the Commission by resolution or by the Executive Director in writing.

8. Limited Effect of Terms and Conditions Form and Associated Resolution. This Form and associated Resolution No. _____ does not give Developer any claim or rights of any kind against the Agency or any right or interest whatsoever in or to the Parcel or any of the other properties of the Agency.

ACCEPTED BY:

DATE
