

## RESOLUTION NO. 185-2002

Adopted October 22, 2002

**AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH CB-1 ENTERTAINMENT PARTNERS LP, A CALIFORNIA LIMITED PARTNERSHIP, THAT AMENDS AND RESTATES THE DEVELOPMENT REQUIREMENTS FOR THE JESSIE SQUARE PARCEL, THE JESSIE SQUARE GARAGE AND RELATED IMPROVEMENTS ON CENTRAL BLOCK ONE, BOUNDED BY MARKET, MISSION, THIRD AND FOURTH STREETS, AND ALSO PROVIDING FOR THE SALE OF ADDITIONAL TRANSFERABLE DEVELOPMENT RIGHTS FROM PARCEL CB-1-JSS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA**

### BASIS FOR RESOLUTION

1. The Redevelopment Agency Commission of the City and County of San Francisco ("Agency Commission") authorized a Disposition and Development Agreement ("CB-1 DDA") with CB-1 Entertainment Partners LP, a California limited partnership ("Developer"), on July 1, 1997, by Resolution No. 122-97, for the Developer's purchase and development of the CB-1 Market Street Parcel, located on the south side of Market Street to the east of the Marriott Hotel. Said CB-1 DDA also incorporated the requirements of an earlier CB-1 DDA, authorized by the Agency Commission on November 14, 1995 by Resolution No. 247-95, with an affiliate of the Developer, Yerba Buena Retail Partners, a California limited partnership, for the lease and development of Parcel 3706-MSA, adjacent to the Market Street Parcel, also known as the Connector Site.

2. The CB-1 DDA was amended by a First Amendment dated and approved by the Agency Commission as of March 3, 1998.

3. The Redevelopment Agency conveyed the Market Street Parcel and the Connector Site (the "Existing Sites"), to the Developer on April 7, 1998. Most of the development of the Market Street Parcel has been completed. However, the Connector Site has not yet been completed. The CB-1 DDA also provided for the potential inclusion and development of another parcel of land, the Jessie Square Parcel, for the construction of an underground garage to accommodate a portion of the parking permitted under the CB-1 DDA.

4. The CB-1 DDA was further amended by a Second Amendment, authorized by Resolution No. 89-2000, adopted by the Agency Commission on June 20, 2000. The Agency also determined at that time that the environmental effects of the development authorized by the Second Amendment to the CB-1 DDA were previously analyzed and, pursuant to Sections 21090 and 21166 of the Public Resources Code, no further environmental review was required in as to the development program authorized by the Second Amendment to the CB-1 DDA.

5. The CB-1 DDA was further amended by a Third Amendment, authorized by Resolution No. 86-2001, adopted by the Agency Commission on May 22, 2001, which superseded the Second Amendment to the CB-1 DDA. The Third Amendment to the CB-1 DDA includes a schedule and program for the Developer's integrated development of a parking garage below Jessie Square ("the Garage") and related improvements to the St. Patrick's Church and Argent Hotel Parcels, as well as the improvements to Jessie Square, the construction of the Mexican Museum and the Jewish Museum San Francisco (jointly "the Jessie Square Improvements").

6. Since that time, the Developer has asked the Agency to issue tax allocation bonds to finance part of the cost of constructing the Jessie Square Improvements, to enter into a Fourth Amendment to the CB-1 DDA that terminates the Third Amendment to the CB-1 DDA and extends the time for completion of the Connector Site improvements, and to also enter into a new DDA (the "Garage DDA") that continues to provide for the integrated development of the Jessie Square Improvements.

7. To insure the use, operation and functionality of the Connector Site improvements, as well as the Jessie Square Improvements, and to achieve optimal construction coordination and cost efficiencies, the Agency Commission finds that it remains in the public interest for all of the Jessie Square Improvements to be carried out by a single developer in a coordinated and integrated manner.

8. Developer has asked the Agency to enter into the Garage DDA to provide for the development of the Jessie Square Improvements in a coordinated manner, in conjunction with the completion of the Connector Site.

9. The Garage DDA also provides that, if requested by the Agency and subject to certain conditions, the Developer shall purchase from the Agency up to approximately 70,200 square feet of additional Transferable Development Rights ("Additional TDR") that has been determined to be available for transfer from a Transfer Lot located on Parcel CB-1-JSS, the site of the historic Jessie Substation, at a price that is the greater of the fair market value or \$10 per square foot of Additional TDR.

10. The Agency Commission finds and determines that the findings previously adopted on May 22, 2001, in Resolution No. 83-2001, are equally applicable to the proposed transfer of the additional TDR proposed as a part of the Garage DDA.

11. The Agency Commission also finds and determines that the proposed transfer of such Additional TDR from Parcel CB-1-JSS is consistent with the Agency's Policy on the Transfer of Development Rights from a Property Containing a Building Designated as a Landmark, Significant Building, or Contributory Building with an Underlying C-3 Zoning Designation Located in Certain Redevelopment Project Areas ("Agency' TDR Policy"), adopted on May 22, 2001, pursuant to Resolution No. 82-2001.

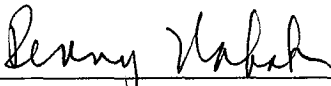
12. Based on the Agency Commission's independent judgment and consideration of Agency staff's October 17, 2002 memorandum entitled "Application of YBC Subsequent EIR

to Jessie Square Improvements to YBC Central Block 1,” the Agency Commission finds and determines that the environmental impacts of the Jessie Square Improvements contemplated by the Garage DDA continue to be within the scope of the environmental impacts previously analyzed for the Yerba Buena Center Redevelopment Project and that none of the conditions requiring a subsequent or a supplemental EIR stated in section 21166 of the Public Resources Code or in sections 15162 and 15163 of the State CEQA Guidelines are present.

### RESOLUTION

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute the Disposition and Development Agreement dated October 22, 2002 with CB-1 Entertainment Partners LP, a California limited partnership (“Garage DDA”), substantially in the form lodged with Agency General Counsel, which and the Executive Director is also authorized to execute the documents and conveyance instruments necessary to effectuate such Garage DDA.

**APPROVED AS TO FORM:**



*for* Bertha A. Ontiveros  
Agency General Counsel