

RESOLUTION NO. 186-2002

Adopted October 22, 2002

AUTHORIZING A FOURTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH CB-1 ENTERTAINMENT PARTNERS LP, A CALIFORNIA LIMITED PARTNERSHIP, CONCERNING THE DEVELOPMENT OF THE MARKET STREET PARCEL ON CENTRAL BLOCK ONE; 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 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-MSD, 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, and development of these parcels is proceeding in accordance with the terms of the CB-1 DDA.
4. 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.
5. On June 20, 2000, the CB-1 DDA was further amended by a Second Amendment pursuant to Resolution No. 89-2000, adopted by the Agency Commission on that date. The Agency Commission also determined that the environmental effects of the development contemplated by the Second Amendment to the CB-1 DDA have been analyzed and are within the scope of the environmental impacts previously analyzed in the Environmental Impact Report for the Yerba Buena Center Redevelopment Plan Amendment certified by the Agency on December 3, 1992, and that, pursuant to Sections 21090 and 21166 of the Public Resources Code, no further environmental review is required in connection with the Second Amendment to the CB-1 DDA.

6. On May 22, 2001, the Second Amendment to the CB-1 DDA was superseded by the Agency Commission's approval of a Third Amendment to the CB-1 DDA. The Third Amendment to the CB-1 DDA provides a schedule and program for the integrated development of the Garage, Jessie Square, the Mexican Museum and the Jewish Museum San Francisco.

7. Since that time, the Developer has asked the Agency to issue tax allocation bonds to finance part of the costs of constructing the parking garage below Jessie Square ("Parking Garage") including the construction of the substructure of two cultural facilities on behalf of The Mexican Museum and The Magnes Museum, each a non-profit public benefit corporation; as well as the surface improvements to Jessie Square.

8. In view of the proposed change in the financing of the Parking Garage, the Developer has asked the Agency to enter into a Fourth Amendment to the CB-1 DDA terminating the Third Amendment to the CB-1 DDA. The Developer has also asked the Agency to enter into a new Disposition and Development Agreement ("Garage DDA") confirming the Developer's obligation to construct the Jessie Square Improvements and setting forth the requirements for such integrated development.

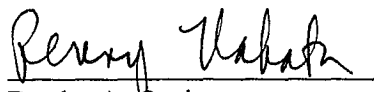
9. To insure the use, operation and functionality of the Parking Garage, Jessie Square and related improvements to the Mexican Museum Parcel, the Jewish Museum Parcel, St. Patrick's Church and Argent Hotel Parcels (jointly the "Jessie Square Improvements"), and to achieve optimal construction coordination and cost efficiencies, the Agency Commission finds that it remains in the public interest for the Jessie Square Improvements to be carried out by a single developer in a coordinated and integrated manner in conjunction with the Developer's construction of the Connector Site.

9. Developer has asked the Agency enter into a Fourth Amendment to the CB-1 DDA that revises the Schedule of Performance pertaining to construction of the Connector Site, and terminates the Third Amendment to the CB-1 DDA, in light of Developer's related request to enter into the Garage DDA.

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 Fourth Amendment to the Disposition and Development Agreement ("CB-1 DDA") with CB-1 Entertainment Partners LP, a California limited partnership, substantially in the form lodged with Agency General Counsel, and the Executive Director is also authorized to execute the documents and conveyance instruments necessary to effectuate the CB-1 DDA as amended by the Fourth Amendment.

APPROVED AS TO FORM:



for Bertha A. Ontiveros
Agency General Counsel