

RESOLUTION NO. 27-2009

Adopted March 3, 2009

AUTHORIZING A MEMORANDUM OF UNDERSTANDING WITH WESTFIELD METREON, LLC, A DELAWARE LIMITED LIABILITY COMPANY, FC METREON LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND MISSION HIRING HALL, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION ACTING THROUGH ITS AFFILIATE THE SOUTH OF MARKET EMPLOYMENT CENTER, FOR PERMANENT WORKFORCE PROGRAM REQUIREMENTS AT THE METREON SITE LOCATED AT THE NORTHEAST CORNER OF FOURTH STREET BETWEEN MISSION AND HOWARD STREETS; YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA D-1

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is the fee owner of that portion of the Yerba Buena Center Approved Redevelopment Project Area D-1 (the "YBC Project Area") located on the block bounded by Mission Street, Third Street, Howard Street and Fourth Street, known as Central Block 2 ("CB-2"). On May 9, 1997, the Agency entered into the Central Block 2 Entertainment and Retail Lease (the "Ground Lease") for the portion of CB-2 which includes the Metreon Site (defined below) with Yerba Buena Entertainment Center LLC. The Ground Lease was recorded in the Official Records of the San Francisco Recorder's Office ("Official Records") on May 13, 1997 as Document No. 97-G159383-00.
2. On April 18, 2006, the Agency Commission adopted Resolution No. 57-2006 approving the Assignment and Assumption of the Ground Lease by Westfield Metreon, LLC, a Delaware limited liability company, and FC Metreon LLC, a Delaware limited liability company (jointly "Westfield/Forest City") as successor-in-interest to Yerba Buena Entertainment Center LLC. The Assignment and Assumption was recorded in the Official Records as Document No. 2006-I166666-00.
3. Pursuant to the Subsequent Construction provisions of Section 10 of the Ground Lease, Westfield/Forest City is undertaking certain improvements to the approximately 360,000 square foot Metreon building located at 101 Fourth Street, San Francisco, California (the "Metreon"). The land under the Metreon is legally known as Assessor's Block 3723, Lots 114 and 115 (the "Metreon Site").
4. The Ground Lease includes a minority and women resident hiring program as Ground Lease Exhibit L, Schedule C, "Permanent Workforce of the Developer and Retail Tenants" (the "Permanent Workforce Program"). The Permanent Workforce Program expires 10 years after the date Westfield/Forest City or its retail Subtenants first assigned employees to the Metreon. Based on Agency records, the Permanent

Workforce Program is due to expire on or about June 2009, ten years after the date Westfield/Forest City (or its retail subtenants) first assigned employees to work at the Metreon.


5. Agency staff has been negotiating the continuation of permanent workforce requirements under a Memorandum of Understanding (the "MOU") with Westfield/Forest City and the Mission Hiring Hall, Inc., a California nonprofit public benefit corporation ("MHH"), acting through its wholly owned program known as the South of Market Employment Center, an unincorporated entity ("SOMECE") (jointly "MHH/SOMECE"). A revitalized Metreon will foster job training, internships and career development, promote business development, and thus provide a vast array of opportunities for local residents, including women and minorities.
6. Key terms of the MOU are:
 - a. An initial term of 15 years, with an option to renew for an additional 10 years;
 - b. Westfield/Forest City will provide \$150,000 in funding to MHH/SOMECE over three years for the purpose of providing a Program Coordinator to create an employment training program and serve as a liaison between MHH/SOMECE, Westfield/Forest City, and its subtenants at the Metreon. The first \$50,000 payment is due on January 1, 2010;
 - c. Westfield/Forest City has agreed to use good faith efforts to reach 50% local hiring goals with first consideration to residents in the YBC Project Area, second consideration to residents in the South of Market Project Area, and third consideration to San Francisco residents;
 - d. Westfield/Forest City agrees to incorporate the MOU requirements into real property agreements with all new Metreon employers who lease space larger than 500 square feet at the Metreon;
 - e. The MOU provides that the Agency's Executive Director can review MHH/SOMECE's performance under the MOU every five years and designate an alternative community based organization if needed;
 - f. The Agency will conduct a comprehensive review every three years of the performance of Westfield/Forest City, Metreon employers, and MHH/SOMECE under the MOU to determine the effectiveness of the job training program; and
 - g. To the extent that San Francisco Administrative Code Chapter 83 (also known as the "First Source Policy") applies to the Metreon Site upon expiration of the Yerba Buena Center Redevelopment Plan, the Agency and Westfield/Forest City agree to work cooperatively with the City's First Source Hiring Program toward a determination that the program implemented under the MOU will satisfy the City's First Source Policy.

7. The parties to the MOU wish to (i) promote the successful operation of the Metreon by ensuring the continued availability of training and employment opportunities by employers at the Metreon to residents in the greater Yerba Buena Center and residents of the YBC and SoMa Project Areas (defined as individuals residing in either the 94103, 94104 or 94107 zip codes, collectively “YBC/SoMa”) and residents of San Francisco (defined as individuals residing within the geographical boundaries of the City and County of San Francisco) in the retail, entertainment, restaurant and cinema businesses at the Metreon; (ii) assist Westfield/Forest City in providing for equal opportunity and diversity in employment at the Metreon; and (iii) increase the capacity of MHH/SOMEK to better serve the employment needs of existing employers at the Metreon Site as well as employers who enter into a covered property contract for the Metreon Site on and after the effective date of the MOU.
8. Agency authorization of the MOU for permanent workforce requirements would facilitate continued operation of the facility and would not directly cause any significant physical effect on the environment and is exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061(b)(3).

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to (1) execute a Memorandum of Understanding (“MOU”) with Westfield Metreon, LLC, a Delaware limited liability company, FC Metreon LLC, a Delaware limited liability company, and Mission Hiring Hall, Inc., a California nonprofit public benefit corporation, acting through its wholly owned program known as the South of Market Employment Center, an unincorporated entity, for permanent workforce requirements at the Metreon Site located at the northeast corner of Fourth Street between Mission and Howard Streets and (2) execute any documents and take any actions contemplated by the MOU and related documents to effectuate this transaction, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel