

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 37-2015

*Adopted June 16, 2015*

**CONDITIONALLY AUTHORIZING, PURSUANT TO THE TRANSBAY IMPLEMENTATION AGREEMENT AND OPTION AGREEMENT, THE EXECUTIVE DIRECTOR TO EXERCISE AN OPTION TO PURCHASE PARCEL N1 (ASSESSOR'S BLOCK 3718, PORTION OF LOT 025), LOCATED ON HOWARD AND BEALE STREETS, FROM THE TRANSBAY JOINT POWERS AUTHORITY AND TO EXECUTE AN OWNER PARTICIPATION/DISPOSITION AND DEVELOPMENT AGREEMENT WITH MA WEST, LLC, A DELAWARE LIMITED LIABILITY COMPANY, FOR A PROPOSED COMMERCIAL OFFICE PROJECT CONSISTING OF 766,745 GROSS SQUARE FEET OF OFFICE AREA AND 8,642 SQUARE FEET OF RETAIL AREA ON TRANSBAY BLOCK 5 (ASSESSOR'S BLOCK 3718, LOT 012, PORTIONS OF LOT 025 AND 027), AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; TRANSBAY REDEVELOPMENT PROJECT AREA**

WHEREAS, The California Legislature in 2003 enacted Assembly Bill 812 ("AB 812") authorizing the demolition of the historic Transbay Terminal building and the construction of the new Transbay Transit Center (the "TTC") (Stat. 2003, Chapter 99, codified at § 5027.1 of the Cal. Public Resources Code). AB 812 also mandated that 25% of the residential units developed in the area around the Center "shall be available to" low income households, and an additional 10% "shall be available to" moderate income households if the City and County of San Francisco (the "City") adopted a redevelopment plan providing for the financing of the Center (the "Transbay Affordable Housing Obligation"); and,

WHEREAS, In 2003, in an agreement with the Transbay Joint Powers Authority ("TJPA") and the City, the State agreed to transfer approximately 10 acres of State-owned property (the "State-owned parcels") in and around the then-existing Transbay Terminal to the City and the TJPA, which would then sell the State-owned parcels and use the revenues from the sales to finance the TTC (the "Cooperative Agreement"). The City agreed, among other things, to commit property tax revenue through its Redevelopment Agency to the Center. Under the Cooperative Agreement, the State relied on tax increment financing under a redevelopment plan to improve and sell the parcels; and,

WHEREAS, The Board of Supervisors of the City and County of San Francisco approved a Redevelopment Plan for the Transbay Redevelopment Project Area (the "Project Area") by Ordinance No. 124-05, adopted on June 21, 2005 and by Ordinance No. 99-06, adopted on May 9, 2006 (the "Redevelopment Plan"). The Redevelopment Plan provided for the financing of the TTC and established a program for the Redevelopment Agency of the City and County of San Francisco (the "Former Agency") to redevelop and revitalize the blighted Project Area; and,

WHEREAS, In 2006, the TJPA and the Former Agency executed an agreement (“Implementation Agreement”), which required the Former Agency to take the lead role in facilitating the development of the State-owned parcels. Specifically, the Implementation Agreement required the Former Agency to: (1) prepare and sell the State-owned parcels to third parties, (2) deposit the sale proceeds into a trust account to help the TJPA pay the cost of constructing the TTC, (3) implement the Redevelopment Plan to enhance the financial feasibility of the TTC, and (4) fund the state-mandated affordable housing program; and,

WHEREAS, In 2008, the City, the Former Agency and the TJPA entered into an agreement that granted options to the Former Agency to acquire the State-owned parcels, arrange for development of the parcels, and distribute the net tax increment to the TJPA to use for the Center (the “Option Agreement”). The Option Agreement provided the means by which the Former Agency could fulfill its obligations under the Implementation Agreement to prepare and sell the State-owned parcels. The Option Agreement granted to the Former Agency “the exclusive and irrevocable option to purchase” the former State-owned parcels in the Project Area that are programmed for development, which are listed in the Option Agreement, including Blocks 2-12 and Parcel F (Section 2.1 of the Option Agreement at p. 4); and,

WHEREAS, Pursuant to the Redevelopment Dissolution Law, all of the Former Redevelopment Agency’s assets (other than housing assets) and obligations were transferred to the Office of Community Investment and Infrastructure (“OCII”), as Successor Agency to the Former Agency. Some of the Former Agency’s housing assets were transferred to the City, acting by and through the Mayor’s Office of Housing and Community Development (“MOHCD”); and,

WHEREAS, On April 2, 2014, pursuant to the Implementation Agreement, the Former Agency issued a Request for Proposals (the “RFP”) from development teams to design and develop a 550-foot tall office tower and public open space on and surrounding the property commonly known as Transbay Block 5. Block 5 is comprised of portions of Assessor’s Block 3718, Lots 025 and 027. The component of Block 5 that is the site of the tower is also known as “Parcel N1”, and is an approximately 26,300-square-foot parcel on Howard and Beale Streets, adjacent to the future TTC. The component of the Block 5 that is site of the public open space is known as “Parcel M1” and “Parcel N3”.;

WHEREAS, On September 12, 2014, after a competitive selection process, the Commission on Community Investment and Infrastructure (“Commission”) authorized, by Resolution No. 79-2014, the Executive Director to execute an Exclusive Negotiation Agreement (“ENA”) for the development of Block 5 with MA West, LLC (“Developer”), a Delaware limited liability company and joint venture between affiliates of Golub Real Estate Corporation (“Golub”), and The John Buck Company (“John Buck”). The development team also included Goettsch Partners (“Goettsch”) as the lead architect along with SBE Architects (“SBE”), a small business enterprise, (together referred to as the “Development Team”); and,

WHEREAS, The ENA included a purchase price of \$172,500,000, and (a) an approximately 800,000 gross-square-foot office building (including mechanical and parking); (b) ground-floor retail space of approximately 4,650 square feet; (c) streetscape improvements, including the extension of Natoma Street from Beale to Main Streets, and Beale, Howard and Main Street improvements; (d) 14,892 square feet of public open space on Parcel M1 and Parcel N3; and (e) one level of underground parking with up to 117 stalls in mechanical parking lifts and stackers. The ENA contemplated a close of escrow in September, 2015; and,

WHEREAS, Since the execution of the ENA, the Developer has entered into a purchase agreement to acquire an approximately 2,635 square-foot site located at 195 Beale Street (Block 3718, Lot 012, also known as the "Private Parcel"). Based on the ENA, OCII staff negotiated the terms of an Owner Participation/Disposition and Development Agreement (the "OP/DDA") with the Developer for the sale and development of Block 5, including the Private Parcel. The OP/DDA provides for a purchase price of \$172,500,000, and authorized development of (a) an approximately 887,606 gross-square-foot office building (including mechanical and parking); (b) ground-floor retail space of approximately 8,642 square feet; (c) streetscape improvements, including the extension of Natoma Street from Beale to Main Streets, and Beale, Howard and Main Street improvements; (d) 15,189 square feet of public open space on Parcel M1 and Parcel N3; (e) two levels of underground parking with 120 stalls in mechanical parking lifts and stackers; and (f) 5,432 square feet of supplemental open space; (g) relocation and installation of the Pavilion, currently located at 195 Beale Street, to the north end of Parcel M3 (collectively, the "Project"); and,

WHEREAS, Approval of the Project requires compliance with the Redevelopment Plan and the Transbay Development Controls and Design Guidelines for the Transbay Redevelopment Project ("Development Controls").

WHEREAS, On April 7, 2015, pursuant to Resolution No. 16-2015, the Commission approved a minor amendment to the Redevelopment Plan, to provide that the maximum floor plate sizes for general office buildings in Zone One shall be consistent with the bulk limits permitted by Sections 270 (Bulk Limits: Measurement) and 272 (Bulk Limits: Special Exceptions in C-3 Districts) of the San Francisco Planning Code, as amended from time to time, for development within the C-3-O ("Downtown Office") Zoning District (the "Minor Amendment"). The Commission forwarded the Minor Amendment to the Board of Supervisors with a recommendation for approval and the Board of Supervisors approved the first reading of the ordinance authorizing the Minor Amendment on June 9, 2015 and is expected to approve the second reading of the ordinance on June 16, 2015. The Minor Amendment will become effective 90 days after the Mayor signs the legislation amending the Redevelopment Plan; and,

WHEREAS, The Commission is concurrently considering approval of an amendment to the Development Controls, consistent with the Minor Amendment, to specify the applicable bulk controls for commercial land use, and to clarify additional standards applicable to general office development in the commercial

development alternative for Block 5 in Zone One, including open space, parking, and impact fee requirements (the "Development Controls Amendment"); and,

WHEREAS, Pursuant to the Development Controls Amendment, required development standards and corresponding San Francisco Planning Code ("Planning Code") sections that apply to the Project include the following:

**Bulk Limits (Section 270).** The Minor Amendment and the Development Controls Amendment clarify that the Project must be consistent with bulk limits described in Sections 270 (Bulk Limits: Measurement) and 272 (Bulk Limits: Special Exceptions in C-3 Districts) of the Planning Code pursuant to the S Bulk District. The Project meets the S Bulk District limit within its Base, Lower Tower and Upper Tower segments, with the following exceptions:

Base: A diagonal dimension of 245 feet where a maximum of 210 feet is permitted, and a maximum floor size of approximately 27,694 square feet where a maximum of 25,000 is permitted.

Lower Tower: A maximum floor size of approximately 19,030 square feet where a maximum of 17,000 square feet is permitted.

Upper Tower: A length dimension of approximately 145 feet where a maximum of 130 feet is permitted, a diagonal dimension of 172 feet where a maximum of 160 feet is permitted, a maximum floor size of approximately 13,604 square feet, and an average floor size of approximately 13,125 square feet where a maximum of 12,000 square feet is permitted.

**Bulk Limits: Special Exceptions in C-3 Districts (Section 272).** Section 272 allows exceptions to bulk limits in C-3 Districts provided at least one of five listed criteria is met. The Project complies with the following of the listed criteria:

Section 272(a)(2) allows exceptions if the development of a building or structure with widespread public service benefits and significance to the community at large, where compelling functional requirements of the specific building or structure make necessary such a deviation; and provided further that the added bulk does not contribute significantly to shading of publicly accessible open space, and does not increase ground level wind currents in violation of the provisions of Section 148 of this Code.

The sale of Transbay Block 5 will provide \$172,500,000 to the TJPA for construction of the TTC. When completed, the TTC will bring 11 transportation systems under a single roof, providing a national model for transit oriented development, so area residents and workers have convenient access to rapid and safe public transit. The TTC will remove thousands of daily commute vehicles from the San Francisco Bay Area. The TTC creates an estimated 125,000 jobs, directly and indirectly, including 27,000 permanent jobs, and will generate more than \$87 billion in Gross Regional Product and \$52 billion in personal income

through 2030. The TTC will provide a 5.4 acre roof top park which will be open to the public.

In addition, the Developer is providing 5,432 square feet of public open space above the open space required for the Project. The additional open space will be constructed within the Project Area. Shadow and wind studies have been completed for the Project and the added bulk does not contribute significantly to shading of publicly accessible open space, nor increase ground level wind currents in violation of the provisions of Planning Code 148.

Section 272(a)(4) allows exceptions that, if appropriate to the massing of the building, the appearance of bulk in the building, structure or development is reduced to the extent feasible by means of at least one and preferably a combination of the following factors, so as to produce the impression of an aggregate of parts rather than a single building mass:

- (A) Major variations in the planes of wall surfaces, in either depth or direction, that significantly alter the mass,
- (B) Significant differences in the heights of various portions of the building, structure or development that divide the mass into distinct elements,
- (C) Differences in materials, colors or scales of the facades that produce separate major elements,
- (D) Compensation for those portions of the building, structure or development that may exceed the bulk limits by corresponding reduction of other portions below the maximum bulk permitted, and
- (E) In cases where two or more buildings, structures or towers are contained within a single development, a wide separation between such buildings, structures or towers; or

The manner in which the building is separated into Base, Upper Base, Lower and Upper towers divides the mass of the building into distinct elements. The Project has less volume at the Base than would be permitted by the Planning Code, thereby compensating for a portion of the increase in floor area in the Upper Base and Lower and Upper towers. Above the 11<sup>th</sup> floor, the building is set back from the easterly interior property line along the Main Street frontage. This setback provides a distinct break between the massing of the base and the lower tower, and relates the height to the older, low-scaled buildings in the vicinity. Above the 27<sup>th</sup> floor, the building is substantially set back from the Beale Street frontage, completing the visual division of the building into a distinct tripartite arrangement. In addition, the terraces provided in the southeastern section of the Upper tower provide a unique break between the massing of the Lower and Upper towers.

Section 272(a)(5) allows exceptions if the building, structure or development is made compatible with the character and development of the surrounding area by means of all of the following factors:

(A) silhouette harmonious with natural land-forms and building patterns, including the patterns produced by height limits,

The immediate vicinity is primarily built out with high rise structures, ranging generally from 250 to 650 feet in height. The Project's rectilinear form will create a silhouette that is harmonious with the building pattern in the area. Because the Project site is flat and surrounded by dense urban development, the Project will have no discernable effect on the relationship between the downtown skyline and natural landforms, nor will it obscure scenic views thereof.

(B) Either maintenance of an overall height similar to that of surrounding development or a sensitive transition, where appropriate, to development of a dissimilar character,

The Project reaches a height of approximately 605 feet to the top of the mechanical screen, which is similar to, or shorter than, that of surrounding development, including the Salesforce Tower (1,070 feet), the Millennium Tower (645 feet), and 181 Fremont Street (802 feet).

(C) Use of materials, colors and scales either similar to or harmonizing with those of nearby development, and

The Project's glass façade will be compatible in color and material with that of other contemporary buildings nearby, including the Millennium Tower and the TTC. The cadence of the curtainwall is in scale and proportion with the neighboring context. Additionally, the building components, specifically the podium and tower elements, reciprocate adjacent building lines and datums.

(D) Preservation or enhancement of the pedestrian environment by maintenance of pleasant scale and visual interest.

The Project's 145 foot tall Upper Base will be visually distinguished from the tower above, creating a comfortably-scaled environment for pedestrians while inviting the public into the Project's interior space. Large panel doors at the ground-floor will be open to the street, allowing for unobstructed flow between the sidewalk and interior open space, where seating will be provided for public use. Within the exterior walkway of the building along Howard Street, art installations will be placed on the building exterior wall and ceiling, providing an interesting visual for pedestrians walking by. In addition, the Developer will be developing the sidewalks along Beale Street and Main Street, providing visually interesting natural gardens and street furniture for pedestrian use.

**Open Space (Section 138).** New office buildings in the C-3-O Zoning District must provide public open space at a ratio of one square foot per 50 gross square feet of all uses. This public open space must be located on the same site as the building or within 900 feet of it within a C-3 district.

The building includes approximately 766,745 gross square feet of new office space as shown in the schematic designs for the Project. At a ratio of 1:50, 15,334 square feet of open space is required. In addition, the Project includes the 195 Beale Street site, which is required open space for projects previously approved by the City, consisting of 2,635 square feet, bringing the total required square feet for the project to 17,970. The Project complies with the open space requirement by including TJPA owned Parcels M1 (9,968 SF) and N3 (4,389 SF) and 4,180 square feet onsite at the ground level, for a total of 18,537 square feet of open space provided. The proposed open space is designed in a manner that complies with the adopted Guidelines for Downtown Open Space. The design of the open space will be further refined throughout the OCII review process.

**Ground Floor Ceiling Height (Section 145.1(c)(4)(B)).** In C-3 Districts, a minimum ceiling height of 14 feet is required for the ground floor level. The Project complies with this requirement.

**Parking (Section 151.1).** Non-residential uses in C-3-O Districts are not required to provide off-street parking, but a parking area not to exceed 3.5% of the gross floor area of the building is permitted as accessory.

With 766,745 gross square feet of office uses, the Project may include up to 26,836 gross square feet of accessory off-street parking. The Project will include two below-grade parking levels with 26,565 square feet of gross parking area and complies with the 3.5% maximum allowance for parking.

**Vehicular Access to Off-Street Parking and Loading (Section 155).** In C-3 Districts, where alternative frontages are available, no curb cuts accessing off-street parking or loading shall be created or utilized on street frontages identified as a Transit Preferential, Citywide Pedestrian Network, or Neighborhood Commercial Streets as designated in the Transportation Element of the General Plan or designated an official City bicycle route or lane.

The Project will provide access to off-street parking and freight loading via Natoma Street. This portion of Natoma Street is not a street frontage identified as a Transit Preferential, Citywide Pedestrian Network, or Neighborhood Commercial Street as designated in the Transportation Element of the General Plan or designated an official City bicycle route or lane, and therefore complies with this requirement.

**Bicycle Parking (Section 155.1).** Commercial buildings require Class 1 bicycle spaces be located within 100 feet of the main entrance on the ground floor, and Class 2 bicycle racks be located near pedestrian entries to the building.

Access to the Class 1 bicycle storage area will be provided 72 feet from the building main lobby entrance and thus complies with this requirement. Class 2 bicycle racks will be located near the main entrance to the building and thus the Project complies with this requirement.

**Bicycle Parking (Section 155.2).** New commercial buildings whose primary use consists of offices require one Class 1 bicycle parking space for every 5,000 square feet of occupied space, and minimum two Class 2 spaces for the first 5,000 square feet of office, plus a Class 2 space for each 50,000 square feet of occupied office area when the gross floor area exceeds 50,000 square feet. Retail uses require one Class 1 bicycle parking space for every 7,500 square feet of occupied space, and one Class 2 bicycle parking space for every 2,500 square feet of occupied space.

The Project currently proposes 687,463 square feet of occupied office area which requires 137 Class 1 bicycle parking spaces and 16 Class 2 spaces. The Project also proposes 8,642 square feet of retail uses which require one Class 1 bicycle parking space and three Class 2 bicycle parking spaces. The Project will comply with these requirements.

**Shower and Locker Facilities (Section 155.4).** The Developer will provide four showers and 24 clothes lockers on the ground floor level to comply with this requirement.

**Transportation Management Programs and Transportation Brokerage Services (Section 163).** The Developer will execute an agreement with OCII for the preparation of a transportation management program and provision of on-site transportation brokerage services for the life of the Project. The transportation management program and transportation brokerage services will be designed to promote and coordinate effective use of transit by tenants and employees;



promote and coordinate ridesharing activities; reduce parking demand; promote the provision and proliferation of car sharing services; promote and encourage Project occupants to adopt coordinated flex time; and to participate with other developers in a network of transportation brokerage services for the downtown area.

**San Francisco Resident Placement and Training Program (Section 164).** The Developer will be required to provide employment brokerage services for the lifetime of the Project. The Developer will: (1) prepare a local employment program to be approved by OCII; (2) execute an agreement with OCII for the provision of employment brokerage services and implementation of the local employment program. The local employment program will be designed to determine the number and nature of jobs that will become available as a result of added downtown office development; to publicize to San Francisco residents the availability of those jobs; to work with local schools and job training programs to create a labor pool of San Francisco residents qualified to obtain jobs created by added downtown office development; to work with employers in the building to encourage their hiring of qualified San Francisco residents.

**Childcare Plans and Childcare Brokerage Services (Section 165).** Large-scale office developments create jobs as well as an increased demand for childcare services for the employees who fill those jobs. These large-scale development projects are required to facilitate the development, expansion and maintenance of affordable, quality childcare programs. The Developer will provide on-site childcare brokerage services for the actual lifetime of the project.

**Car Sharing (Section 166).** New commercial buildings are required to provide one car-share parking space, plus one car share space for every 50 car parking spaces over 50. The Developer proposes 120 car parking spaces, two of which will be car share parking spaces provided on the basement level 2 of the building.

**Transit Impact Development Fee (Section 411).** New office developments in the downtown area are required to pay a fee of \$13.87 per gross square foot of office uses, and \$14.59 per gross square foot of retail uses to meet a portion of the demand for additional Municipal Railway service and capital improvements for the City resulting from the new development. The Developer will pay the fee (approximately \$10,760,840) at the time of issuance of the first construction document, with an option to defer payment until prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge in accordance with Section 107A.13 of the San Francisco Building Code. The fee shall be deposited with the City's Treasurer.

**Downtown Park Fund (Section 412:).** The purpose of the Downtown Park Fund is to provide the City and OCII with the financial resources to develop public park and recreation facilities for the enjoyment of employees and visitors in the Transbay Redevelopment Project Area. The Developer is required to pay a fee of \$2.43 per gross square foot of office space (approximately \$1.86 million), which shall be paid to OCII prior to issuance of the first construction document.

**Jobs-Housing Linkage Program (Section 413).** Large-scale development projects that contain office and retail uses create jobs as well as an increased demand for housing. Prior to issuance of a building or site permit, the Developer shall pay a fee to OCII in the amount of \$24.03 per gross square foot of office area and \$22.42 per gross square foot of retail area (or approximately \$18.6 million) to be used to develop affordable housing.

**Childcare Requirement (Section 414).** Large-scale office and hotel developments create jobs as well as an increased demand for childcare services for the employees who fill those jobs. Under Section 414, these large-scale development projects are required to (1) provide on-site childcare, (2) provide off-site childcare, (3) pay an in-lieu fee, or (4) combine the provision of on-site or off-site childcare with the payment of an in-lieu fee.

The Developer will provide the child care facility itself, make arrangements with an appropriate organization to do so, or pay the in-lieu fee. The in-lieu fee is \$1.21 per gross square feet of office space (approximately \$930,000), is payable to OCII, and is due prior to issuance of the first construction document with an option for the Developer to defer payment to prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge in accordance with Section 107A.13.3 of the San Francisco Building Code.

**Public Art (Section 429).** The Developer is required to include works of art costing an amount equal to one percent of the construction cost of the building (Public Art Fee). Only public art valued at \$750,000 is required to be provided on-site. Prior to issuance of a building or site permit the Developer may elect to expend the remainder of the Public Art Fee on-site or deposit the remainder of the Public Art Fee into the Public Artwork Trust Fund.

Project schematic designs include areas for artwork located on the exterior wall, ceiling and walkway of the building midway on Howard Street. Public Art Fees must be spent within the Transbay Redevelopment Project Area and public artwork must be approved by OCII.

WHEREAS, Approval of the OP/DDA requires OCII to acquire Parcel N1 from the TJPA pursuant to the Option Agreement. If OCII exercises the option for Parcel N1, it will deliver written notice to the TJPA and acquire Parcel N1 prior to close of escrow with the Developer under the OP/DDA; and,

WHEREAS, On April 20, 2004, the Former Agency Commission adopted Resolution No. 45-2004, certifying the Final Environmental Impact Statement/Environmental Impact Report (the "Final EIS/EIR") for the Transbay Redevelopment Project, and on January 25, 2005 adopted Resolution No. 11-2005, adopting findings under the California Environmental Quality Act ("CEQA"), a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program in connection with the adoption of the Redevelopment Plan. The Board of Supervisors and the City Planning Commission adopted similar findings. Because the Final EIS/EIR

includes evaluation of the TTC, the TJPA also adopted environmental findings; and,

WHEREAS, The Final EIS/EIR includes by reference a number of addenda. A total of eight addenda to the Final EIS/EIR were adopted by the TJPA between June 2, 2006 and December 8, 2011, all related to the development of the TTC site and transportation infrastructure supporting the TTC; and,

WHEREAS, In adopting each Addendum, the TJPA determined that modifications to the Project would not require subsequent environmental review and would not require major revisions to the Final EIS/EIR; and,

WHEREAS, The Final EIS/EIR is a program EIR under CEQA Guidelines Section 15168 and a redevelopment plan EIR under CEQA Guidelines Section 15180. The Final EIS/EIR is also a project EIR under CEQA Guidelines Section 15161 for certain structures and facilities. The development of approximately 766,745 of office space on Block 5 is an undertaking pursuant to and in furtherance of the Redevelopment Plan in conformance with CEQA Sections 15180 and 15168; and,

WHEREAS, Approval of the OP/DDA is contingent on the effectiveness of the Minor Plan Amendment and approval of the Development Controls Amendment by the Commission, both of which clarify the development standards applicable to the authorization of an office tower development on Block 5; and,

WHEREAS, OCII staff has reviewed the OP/DDA and related actions for Block 5 and finds the proposed actions to be Implementing Actions to facilitate construction of commercial office space on Block 5 and within the scope of the Project analyzed in the Final EIS/EIR and subsequent addenda and no additional environmental review is required pursuant to State CEQA Guidelines Sections 15180 and 15168; and,

WHEREAS, OCII staff, in making the necessary findings for the Implementing Actions contemplated herein, considered and reviewed the Final EIS/EIR and addenda, has made documents related to the Implementing Actions, the Final EIS/EIR, and addenda available for review by the Commission and the public, and these files are part of the record before the Commission; and,

WHEREAS, The Final EIS/EIR findings and statement of overriding considerations adopted in accordance with CEQA by the Agency Commission by Resolution No. 11-2005 dated January 25, 2005 were and remain adequate, accurate and objective and are incorporated herein by reference as applicable to the Implementing Actions; now therefore, be it,

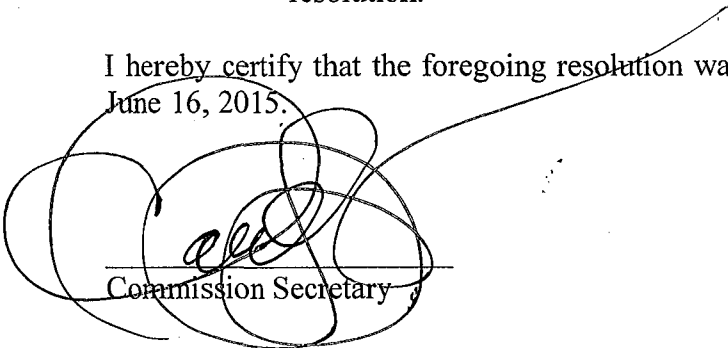
RESOLVED, The Commission finds and determines that authorizing the Executive Director to exercise an option to purchase Block 5 and approving the OP/DDA are Implementing Actions within the scope of the Project analyzed in the Final EIS/EIR and Addenda and require no additional environmental review pursuant to

State CEQA Guidelines Sections 15180, 15168, 15162 and 15163 for the following reasons:

- a. The Implementing Actions are within the scope of the project analyzed in the Final EIS/EIR and Addenda and no major revisions are required due to the involvement of new significant environmental effects or a substantial increase in the severity of significant effects previously identified in the Final EIS/EIR;
- b. No substantial changes have occurred with respect to the circumstances under which the project analyzed in the Final EIS/EIR and Addenda was undertaken that would require major revisions to the Final EIS/EIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the Final EIS/EIR; and,
- c. No new information of substantial importance to the project analyzed in the Final EIS/EIR and Addenda has become available which would indicate that (a) the Implementing Actions will have significant effects not discussed in the Final EIS/EIR; or (b) significant environmental effects will be substantially more severe; and

RESOLVED, Based on the Department of Finance's Final and Conclusive Determination (April 15, 2013) that the Implementation Agreement is an enforceable obligation, the Commission hereby authorizes the Executive Director to: (1) exercise an option to acquire Parcel N1 (Assessor's Block 3718, portion of Lot 025), located on Howard Street at Beale Street, from the Transbay Joint Powers Authority pursuant to the Option Agreement; and (2) execute an Owner Participation/Disposition and Development Agreement with MA West, LLC, a Delaware Limited Liability Company, for the sale of Parcel N1 and the development of Block 5, substantially in the form approved by OCII's General Counsel and attached to the Commission Memorandum accompanying this Resolution (the "OP/DDA"), conditioned upon approval by the Commission of the Development Controls Amendment and the effectiveness of the Redevelopment Plan Amendment, and to enter into any and all ancillary document or take any additional actions necessary to consummate the transaction with respect to the Project as described in the OP/DDA and this resolution.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of June 16, 2015.



Commission Secretary