

**City & County of San Francisco**  
London N. Breed, Mayor



**Office of the City Administrator**  
Carmen Chu, City Administrator  
Andrico Q. Penick, Director of Real Estate

November 29, 2023

Honorable Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Carlton B. Goodlett Place  
San Francisco, CA 94102

RE: Resolution for a Declaration of Restrictions to Establish a No-Build Zone in Mission Bay.

Dear Board Members:

Attached for your consideration is a proposed Resolution for a Declaration of Restrictions ("Declaration") between the City and ARE-SAN FRANCISCO NO. 15 OWNER, LLC ("ARE"), to create a No-Build Area on City-owned land. The No-Build Area is a 24' by 246.6' strip of land on part of a City parcel located in Mission Bay commonly referred to as "Park P7." The Declaration allows ARE, the owner of the parcel directly adjacent to the City's parcel, to construct a building situated right up to the property line shared by the two parcels. The City's Parcel will be jurisdictionally transferred from the Real Estate Division to Recreation and Park Department for a proposed park.

The parcel owned by ARE, addressed as 1450 Owens Street, has received the necessary entitlements from OCII and the Planning Commission to construct a seven-story mixed use life science building ("Building"). In order for the Building to be located right by the shared property line and meet Building Code requirements, the City has agreed to impose certain additional open space restrictions on a portion its own Parcel for the benefit of the ARE's parcel. Toward this end, the Declaration establishes a 24' wide No-Build Area on the City's parcel, sufficient to allow the Fire Department and other emergency vehicles clearance.

On-going operational terms of the Declaration include:

- Annual payments by the ARE to the City, starting at \$72,000 and increased by 3% per year thereafter (an amount opined by the Director of Property to be fair market value) unless waived at any time by the Director of Property;
- Maintenance of the No-Build Area by the ARE in a condition consistent with the terms of the Declaration.

The Declaration is to remain in effect until:

- The improvements on the Benefitted Parcel are removed (demolished);
- ARE fails to meet its payment obligations to the City.

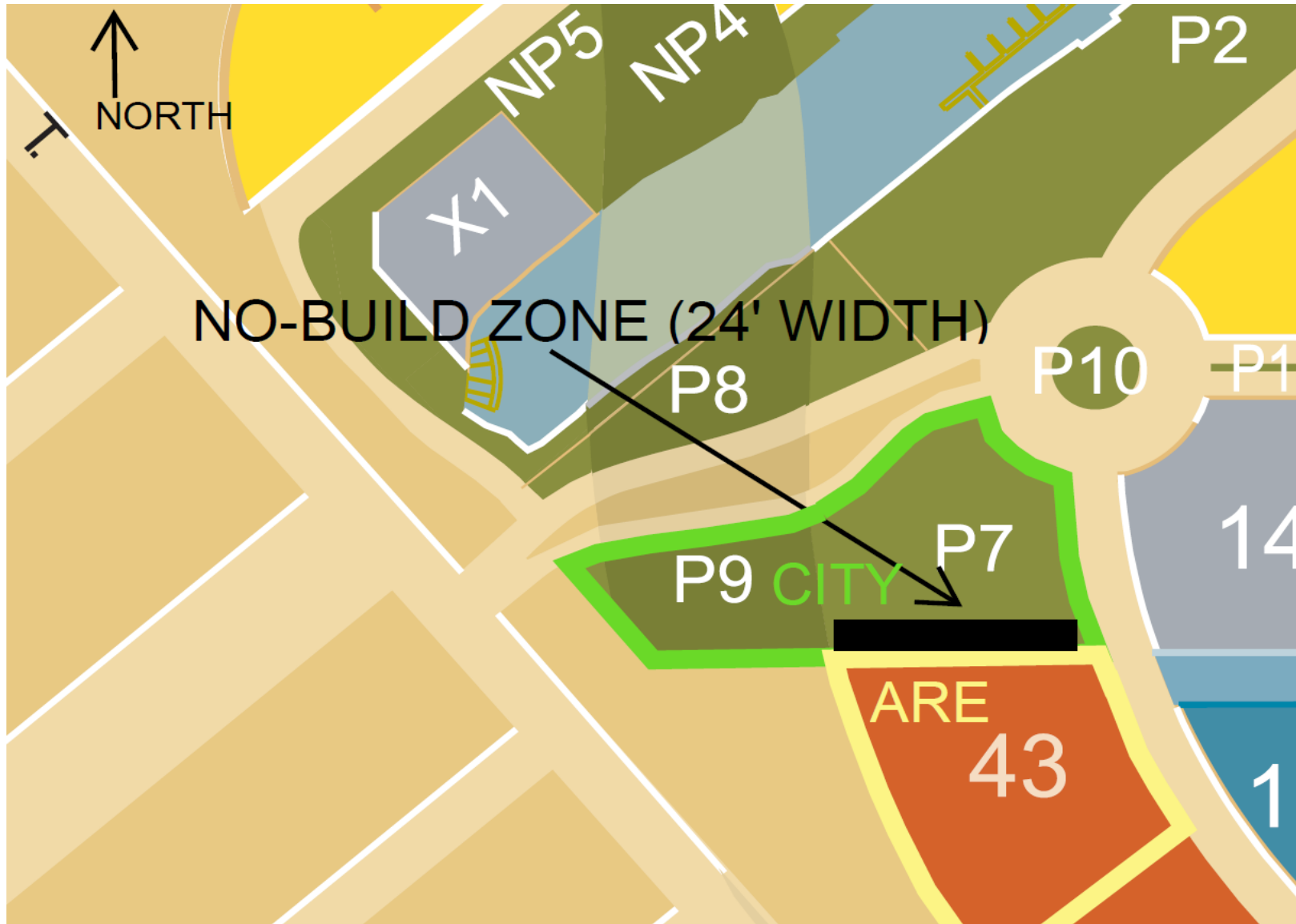
Should you have any questions regarding this matter, please contact me at (415) 554-9871 or Burt Hirschfeld, Senior Real Property Officer in our office at (415) 554-9862.

Respectfully,



Claudia J. Gorham  
Deputy Managing Director

# MISSION BAY SOUTH



PERSPECTIVE FROM CITY PARCEL LOOKING SOUTH TO 1450 OWENS

